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AND THE BROADCASTING BOARD OF GOVERNORS
OFFICE OF INSPECTOR GENERAL

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Office of Inspections

February 2013

Inspection of Embassy Manila, the Philippines

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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, sweeping flourish at the end.

Harold W. Geisel
Deputy Inspector General

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Key Judgments

- The Ambassador provides strong leadership. His “One Mission, One Team” approach has contributed to excellent interagency collaboration in this large embassy.
- Defense cooperation has assumed new importance with the U.S. Government’s emphasis on strengthening engagement in Asia. The mission’s foreign assistance programs have been recalibrated appropriately to increase Philippine defense capabilities and economic development.
- The consular section provides excellent service to American citizens and visa applicants, but the inspection team found shortcomings in consular management controls, fraud prevention measures, and adherence to the worldwide referral policy.
- Public diplomacy outreach benefits from an active social media presence and contributions from embassy sections and agencies. However, weak leadership has hurt (b) (5) inhibited development of an overarching strategy to guide and shape the embassy’s public message.
- Commercial, agriculture, and economic offices work effectively and collegially but need to develop a strategy to meet National Export Initiative goals.
- The embassy is midway through a series of major construction projects that total more than \$300 million. The future of the 23-acre Seafront compound requires a comprehensive examination to make better use of this property.
- The management section functions effectively, a positive achievement in a difficult operating environment. The mission can reduce costs by \$1.2 million annually by eliminating two unneeded positions and reducing costs in other areas.
- Global Publishing Solutions (GPS) Manila continues to lose money and its U.S. Government customer base. Losses total \$3.9 million from FYs 2007 to 2012. As configured, GPS Manila is not financially stable.
- The embassy needs to improve office facilities at the U.S. consular agency in Cebu and to provide better support and oversight to the agency.

The inspection took place in Washington, DC, between September 4 and 21, 2012, and from October 15 to November 13, 2012, in Manila, the Philippines. (b)(2)(b)(6)

conducted the inspection.

Context

The Philippines comprises an archipelago of more than 7,100 islands forming the eastern boundary of the South China Sea. The U.S.-Philippines relationship is deep and complex, reflecting more than a century of shared history and common values, including nearly 50 years of American colonial rule. The population of 100 million includes more than a dozen ethnolinguistic groups. About 6 percent of Filipinos are Muslims and are concentrated in the southern island of Mindanao, the site of long-running insurgencies.

The Philippines is particularly subject to natural disasters. Typhoons and tropical storms hit some part of the country every year, causing widespread damage and loss of life. Manila suffered major flooding in both 2011 and 2012. The country is also vulnerable to earthquakes, volcanic eruptions, and tsunamis. Approximately 350,000 American citizens reside in the Philippines, and Manila is home to the only U.S. Department of Veterans Affairs (VA) hospital outside the United States.

U.S. policy goals include enhancing defense cooperation; supporting broad-based, inclusive growth and economic prosperity; promoting counterterrorism coordination; and providing consular services to American citizens and the Philippine public. The United States and the Philippines signed a \$434 million Millennium Challenge Corporation compact in 2010 to facilitate economic and structural reforms. The U.S. Agency for International Development (USAID) administers \$108 million in foreign assistance. Bilateral trade with the Philippines fast-growing economy was \$17 billion in FY 2012.

The 1951 Mutual Defense Treaty remains a pillar of the relationship, especially in the context of expanded U.S. engagement in the Asia-Pacific. U.S. defense cooperation reflects joint interests in securing the western Pacific and combating the country's designated foreign terrorist organizations, chiefly the Abu Sayyaf Group and the Jemaah Islamiyah in Mindanao and the communist-led New People's Army. The United States seeks to maintain strong defense ties through security cooperation, frequent ship visits, and direct support from the U.S. Joint Special Forces Operations Task Force-Philippines (JSOTF-P). Almost 17,000 Filipino nationals received U.S.-funded training in the past year.

Embassy Manila has an authorized staffing level of 330 U.S. direct-hire and 1,061 locally employed (LE) staff members. In addition to the Department of State (Department), the embassy hosts representatives from the Departments of Agriculture, Defense, Justice, Homeland Security, Veterans Affairs, Health and Human Services, and other Federal agencies. The embassy expects to complete the second phase of a \$164 million capital construction project in 2013 and will embark on a major rehabilitation of the chancery in FY 2014. The mission's operating and foreign assistance budgets were slightly more than \$358 million in FY 2012 and constitute the largest traditional foreign assistance budget in the East Asia and Pacific region.

Executive Direction

Embassy Manila is well led by an experienced, two-time Ambassador in his third year in country and a deputy chief of mission, who has been at post less than 3 months. The Ambassador has served in senior positions as the Department's executive secretary, Director General of the Foreign Service, and a member of the National Security Council staff. The deputy chief of mission brings to the front office several years of executive direction from previous assignments, including as principal officer in a large consulate general and deputy chief of mission in a medium-sized embassy. The deputy chief of mission's transition has proceeded smoothly, and section heads welcome his fresh ideas and structured analytical approach.

Embassy Manila is a large, complex mission composed of 16 agencies, situated separately in 6 locations across the city. In the face of this challenge, the Ambassador has provided excellent leadership, with interagency and intersection collaboration and cooperation evident throughout the mission. His motto, "One Mission, One Team," is working. Regular interagency meetings occur along functional and in-country geographic lines to bring together the right agencies and sections to enhance cooperation. Section or agency heads generally lead these meetings, with the deputy chief of mission in attendance.

The Ambassador conducts weekly country team meetings, subgroup country team meetings, and ad hoc meetings to stay informed and provide direction. Communication is effective. His counselors and agency heads commend him for his inclusive leadership style without micromanagement, which empowers them while holding them accountable. The deputy chief of mission has begun a monthly schedule to visit each section and participate in section staff meetings. Drawing on his economic background, he has established a new working group to focus on commercial issues and to strengthen advocacy.

As America's only former colony, the Philippines can be subject to unique sensitivities and concerns, from defense cooperation to visas. The Ambassador has established a strong reputation in country and within the mission for his extensive network of Filipino contacts. He demonstrates an impressive grasp of local culture and the interplay of various centers of influence. He works continuously to broaden and deepen his relations and to influence decisionmakers. This outreach has enabled him to shape and guide U.S. initiatives and to offer sound counsel to Department principals.

Following a persistent, Ambassador-led effort for selection, the President designated the Philippines under America's four-nation Partnership for Growth initiative. The initiative, the most far-reaching change to U.S. assistance to the Philippines in decades, was signed by the Secretary in Manila in November 2011 and recalibrates the thrust and priorities of American economic development engagement with the Philippine Government. The Ambassador, the USAID mission director, and the Millennium Challenge Corporation country director have collaborated to refine the initiative as it enters year two of implementation. The Ambassador and his multiagency team have managed U.S. assistance in defense, law enforcement, and counterterrorism to complement the Partnership for Growth initiative.

Challenging political and security developments in the immediate region over the past year have demanded that the United States and the Philippines reexamine the direction and depth of bilateral defense cooperation. The Ambassador has reshaped this engagement, drawing on his country team to provide Washington with policy suggestions, timely analysis, and visit support. He has participated in key bilateral discussions in Washington between senior American and Filipino officials to strengthen the direction, nature, and pace of American defense cooperation activities while also giving due attention to equally important economic reform, capacity building, and cultural engagement activities.

In March 2011, the Ambassador launched an innovative public diplomacy initiative to highlight the breadth of U.S. cooperation and engagement in the Philippines. Entitled “America in 3D: A Road Show in Diplomacy, Development, and Defense,” the initiative features key embassy sections and agencies and their activities in the Philippines, from the Peace Corps, to defense cooperation, to commercial opportunities, to information about visas. The road show has visited five cities since its inception; two more cities are scheduled in 2013. Although the impact of the initiative is difficult to measure, each 2- to 3-day event has attracted hundreds of thousands of visitors in major shopping malls and generated national publicity in both print and social media.

Morale

Overall morale is good, although pockets of flagging morale were evident from American personal questionnaires and LE staff questionnaires. The Ambassador attaches high priority to promoting good morale and devotes time and energy to this objective. Both American and LE staff members commend him for this commitment. When the OIG team brought a morale issue to his attention during the inspection, he and the deputy chief of mission took prompt corrective action.

Entry-Level Professionals

The deputy chief of mission has assumed responsibility for energizing the professional development program for entry-level professionals. Personal interviews with entry-level professionals revealed that the past program to provide advice and experience opportunities was no longer serving their collective interests adequately. These professionals indicated that the deputy chief of mission has already instituted welcome and helpful changes to publicizing and assigning entry-level professional opportunities—action officer duties, representational event attendance, and note taking. Newly arrived entry-level professionals on second tours compare the program favorably to those they have experienced in similar-sized embassies elsewhere.

Policy and Program Implementation

Political Section

The political section is organized, efficient, and well led. The result is a section that advances U.S. interests across a wide spectrum of issues. Shortly after arriving 2 years ago, the political counselor reorganized this large section into three units, each focused on a priority area of U.S. interest: internal/Mindanao, political-military/external, and rule of law/human rights. A mid-level officer leads each unit, which contains at least one other officer and one or more LE staff members. The three units are mutually supporting and readily pitch in to assist one another with workload surges. Work requirements statements for section employees are up to date and provide each officer with clearly defined areas of responsibility.

Reporting and Analysis

Political reporting has been voluminous and timely, particularly during the China-Philippines standoff over Scarborough Shoal, an uninhabited atoll in the South China Sea that both countries claim. More than a third of the section's 79 substantive reporting cables in the first half of 2012 were related to the confrontation. Washington consumers cited the completeness and breadth of sourcing the embassy was able to draw on in its reporting. Domestic politics, including the peace process in Mindanao, was covered extensively, as was Philippine foreign policy. In both cases, a number of analytical reports were particularly valuable to Washington analysts. Other issues received less intense coverage, including the constellation of issues surrounding human rights.

The section has a well-considered and extensive reporting plan that guides reporting on the full spectrum of issues of importance to the United States. Travel and representation funding is robust. The travel budget has allowed officers to participate in U.S.-hosted discussions on the future of the defense relationship and military presence, something that has been very important to the progress of those talks. American and LE staff members have access to representation funds and use them.

Trafficking in Persons

The Philippines is a significant source country for trafficking victims. The Ambassador's commitment to antitrafficking and the embassy's close work with the Philippine Inter-Agency Committee Against Trafficking have produced new legislation and prosecutorial action against trafficking groups. The embassy's strong efforts contributed to the Philippines reclassification in 2012 from Tier Two Watch List to Tier Two.

The Department and USAID have invested significant resources in antitrafficking programs—more than \$10 million since 2004. During the inspection, allegations became public that a major nongovernmental organization recipient of antitrafficking grants from USAID and the Department's Office to Monitor and Combat Trafficking in Persons (J/TIP), as well as from non-U.S. donors, was engaged in fraud. At the time of the inspection, this matter was under investigation by the Philippine National Bureau of Investigation.

Given the size of J/TIP grants, there is need for better oversight. Department funding for antitrafficking programs totals \$5.25 million since FY 2004, from the Economic Support Funds account (through USAID) and International Narcotics Control and Law Enforcement account. Three ongoing grants, totaling \$1.7 million in FYs 2010 and 2011, are all J/TIP programs. Of that, \$1.1 million was provided to the International Justice Mission for programs in Manila and the Pampanga Province location of the former Clark Air Base. The third was a \$600,000 grant to another grantee implicated in fraud.

J/TIP did not institute procedures applicable to high-risk grantees that might have detected fraud. For example, Grants Policy Directive 42 requires funding bureaus to establish a monitoring plan that includes, as appropriate, financial status and progress reports, monitoring by telephone or email, site visits, and an independent audit. In addition, grantees that receive \$500,000 a year in Federal funds must have either a single or a programmatic audit conducted by an independent auditor for that year. According to embassy staff that the inspectors interviewed, J/TIP had not sent staff to conduct regular oversight visits in at least several years nor requested designation of an embassy grants officer's representative to oversee grantee activities. J/TIP also did not require an audit when a grantee received more than \$500,000 in government funds. A 2010 cable from J/TIP did request that the embassy monitor this grant; however, the embassy did not respond to the request and did not conduct an oversight visit. In the absence of a monitoring plan, the risk of fraud or mismanagement of resources exists.

Recommendation 1: The Office to Monitor and Combat Trafficking in Persons, in coordination with Embassy Manila, should develop a monitoring plan for high-risk grantees in the Philippines to improve monitoring and evaluation of its foreign assistance programs. (Action: J/TIP, in coordination with Embassy Manila)

Grants Management

An officer in the political section is designated as a grants officer's representative for a grant from the Bureau of Democracy, Human Rights, and Labor to a Philippine nongovernmental organization and for a grant from the Bureau of International Narcotics and Law Enforcement Affairs to the Asia Foundation to support prosecution of cases of extrajudicial killings. The officer is qualified for these duties, having received grants officer training for a previous assignment in a narcotics affairs section.

Leahy Vetting

Embassy Manila's Leahy vetting process is a model. An American citizen LE staff member, whose expertise has been recognized by Washington, manages vetting. Manila vetted 17,000 individuals and units in FY 2012, with the largest number coming for the International Criminal Investigative Training Program, followed by Department of Defense (DOD) training programs. The Leahy coordinator trains personnel from all agencies, who input data directly into the Bureau of Democracy, Human Rights, and Labor's vetting system, thereby freeing the Leahy coordinator's time for deeper investigative work. Because of common names in the Philippines and the well-practiced art of poison pen allegations, the embassy believes that a number of Leahy deferrals or rejections were based on invalid evidence. The embassy is reviewing the details to present these cases to Washington for further assessment.

DOD attorneys have advised the embassy that because the JSOTF-P Title 10-funded activities in Mindanao are not subject to Leahy vetting, the task force has never submitted vetting requests, either for individuals or units. It is clear that civilians benefitting from humanitarian activities do not require Leahy vetting, but the applicability of Leahy requirements to units with which JSOTF-P personnel work is unclear. The embassy is seeking clarification from the Bureau of Democracy, Human Rights, and Labor.

Biographic Reporting

Biographic reporting is weak and unstructured. The political and economic sections have separate electronic biographic files and have not uploaded biographic reporting to Diplopedia in the past 5 years. With the expected departure of the Ambassador in 2013, capturing his insights in a systematic manner would be particularly valuable.

Informal Recommendation 1: Embassy Manila should designate a biographic reporting officer, outline a reporting plan, and arrange with the information management office to establish an embassy shared drive for biographic reporting.

Economic Section

The economic section is well staffed; however, turnover in 2012 of all but one officer has undercut continuity and institutional memory. A strong contingent of professional LE staff has helped mitigate the impact of officer reassignments.

The section held a half-day off-site with both American and LE staff members and devised robust reporting and action plans that have energized staff and established a strong sense of teamwork. Work requirements are up to date and delineate clear responsibilities, but inspectors counseled that redistributing some duties would improve section efficiency. The relocation of LE staff members from the chancery to a newly completed annex has increased their physical separation from their American colleagues. The deputy economic counselor seeks to improve cohesion by visiting the LE staff workspace twice daily.

Reporting and Analysis

Economic reporting is of high quality. The volume is modest but commensurate with section size. Although there was no reporting plan previously, the new economic counselor and his team produced an ambitious plan for 2012–13. The plan is well focused and reviewed regularly to keep projects on track and make necessary adjustments. The section produces an excellent weekly digest of Philippine economic developments. Inspectors counseled the section on ways to improve reporting to ensure that it is targeted to Washington user needs.

Commercial Advocacy

The Foreign Commercial Service and Foreign Agricultural Service share commercial space in the main business district but are scheduled to move to the chancery compound in 2013. The deputy chief of mission has established and chairs a commercial task force that includes all

relevant agencies. He has taken initial steps to increase mission representation and improve coordination by including both American and LE staff members from each agency.

The embassy has submitted regular success story updates in accordance with the President's National Export Initiative. Although this is a promising start, the embassy lacks a strategic interagency focus led by commercial task force member agencies. The Mission Resource Request makes only a passing reference to support for commercial activities through the trade and investment framework agreement. Without a comprehensive approach that makes commercial advocacy and trade promotion whole-of-mission priorities, the embassy is not on track to meet the President's National Export Initiative targets.

Recommendation 2: Embassy Manila should develop a comprehensive interagency strategy to expand U.S. exports to the Philippines that is consistent with the National Export Initiative. (Action: Embassy Manila)

Export and Border Security Controls

The economic section assists in managing Export Controls and Related Border Security programs in the Philippines (\$625,000 in FY 2011, \$3.2 million in FYs 2005–2011) and Biosecurity Engagement Program assistance (\$790,000 in FY 2011, \$5.5 million in FYs 2006–2011). The Bureau of International Security and Nonproliferation in Washington funds and manages both programs. The Export Controls and Related Border Security program has a regional coordinator based in Kuala Lumpur who has responsibility for programs in the Philippines, Singapore, and Malaysia and who visits the Philippines each month. The Biosecurity Engagement Program has no regional oversight. The deputy economic counselor provides day-to-day oversight of the LE staff member who manages these programs.

Foreign Assistance Coordination

The Philippines is a major recipient of U.S. foreign assistance. USAID's annual assistance budget was \$108 million in FY 2012, the Millennium Challenge Corporation has signed a compact in 2011 with the Philippines worth \$434 million over 5 years, and Foreign Military Financing and International Military Education Training funding was \$33 million in FY 2012 and is to increase significantly in FY 2014. The Philippines is one of four countries in the Partnership for Growth initiative, which carries no additional foreign assistance funding but is a symbol of strong U.S. commitment and a vehicle for bringing greater coherence to development assistance. Both USAID's joint action plan and the Millennium Challenge Corporation compact aim at ameliorating major impediments to sustained growth in the Philippines: regulatory reform, rule of law, anticorruption, and fiscal capacity. This is a significant shift in emphasis. USAID's program has turned from 60 percent focused on Mindanao to less than 10 percent, with economic growth and education growing in its place. The Philippines also receives modest but still significant U.S. assistance from the Departments of Defense, State, Agriculture, and Treasury.

Foreign assistance coordination within the mission appears to be excellent, despite few institutional mechanisms. The Partnership for Growth Steering Committee, cochaired by the USAID director and the Millennium Challenge Corporation director, serves as the embassy's

strategic-level coordinating mechanism. Day-to-day coordination is handled in a post-country team working group and the Mindanao working group. USAID heads an informal monthly meeting, usually a brown-bag lunch, among the mission offices working on economic policy.

The embassy coordinates security assistance programs well. Military representatives work closely with the Department sections and have aligned their programs with mission resource review goals as U.S. assistance funds shift from Mindanao to broader reform of the Philippine Armed Forces. In addition to programs funded through the foreign assistance budget, the Philippines received \$28 million in Defense-funded security assistance in FY 2011. Antiterrorism assistance worth \$8.9 million in FY 2012 is managed by on-site contractors. International Narcotics Control and Law Enforcement funds provided \$4.2 million in assistance to the Philippines in FY 2012, most for police modernization through the International Criminal Investigatory Training Assistance Program.

Public Diplomacy

The public affairs section (PAS) is actively engaged with Filipino audiences. PAS work is integrated with that of the rest of the mission, although the degree of collaboration varies by section. Joint work with the consular section is strong, especially on social media platforms. The embassy makes good use of its personnel, including entry-level officers, as public speakers on subjects in support of its goals. However, the section is hampered by weak leadership, and the office lacks strategic focus. (b) (5)

(b) (5) The OIG team found problems in supervisory oversight, planning, (b) (5) and communication. Each of those issues is addressed below.

PAS staff members work at two separate locations, which complicates management and communication. The information and press unit staff members work in the chancery. The cultural unit, the Information Resource Center, and the regional English language office are located at the Seafront compound approximately 20 minutes away by car. Bringing the section together in an annex, currently under construction and slated to be finished in 2013, will eliminate this problem.

Section Management

(b) (5) Employees expressed concern about inadequate planning leading to unnecessary workload stress; unclear decisionmaking and tasking procedures; insufficient attention by managers to the details of public diplomacy programs, including budget matters; and lack of guidance and direction.

All-hands staff meetings do not accomplish the goal of sharing information while efficiently developing public diplomacy programs. The OIG team discussed with the public affairs officer ways to change and restructure meetings to make them more productive.

A number of LE staff position descriptions are due for review and revision; some have not been updated since 2004. Accurate position descriptions are vital to employee accountability and efficiency and to the equitable distribution of work.

Informal Recommendation 2: Embassy Manila should revise local employee position descriptions in the public affairs section as warranted.

Need for Strategic Planning

The mission's size and complexity present another challenge. Many embassy sections, along with the other Federal agencies represented in Manila, require public affairs support. Although PAS is adequately staffed, the mission's demand for support requires an overarching strategic approach to help managers prioritize resources. At the time of the inspection, such an approach was lacking. The section is busy, and the Filipino media cover embassy activities, but no shaping narrative guides the mission's engagement. Without clearly defined priorities, PAS staff experience workload stress in an attempt to provide coverage of every event and activity regardless of importance.

The U.S. military presence has historically loomed large in the bilateral relationship. Navy ship visits are frequent, along with other activities. However, there is no U.S. military public affairs officer assigned to Embassy Manila. The PAS press unit spends more than half of its work hours supporting events and activities associated with the U.S. military. This significant expenditure of time raises two issues. The first is whether the embassy's public affairs presence overemphasizes the military relationship when a primary embassy goal involves strengthening democratic institutions. The second issue is an opportunity cost. A range of public affairs activities, from basic contact work with journalists to beefing up support for the embassy's economic priorities, suffers because of the time the PAS press unit spends on work related to military matters.

With respect to media support for the embassy's foreign assistance programs, at a working level, coordination between PAS and USAID is reasonably good. Press releases are distributed, speeches are given, and ribbons are cut. However, no strategic plan exists to highlight USAID's contributions and place them in the context of U.S. goals. USAID's emerging focus on education represents a promising area for improved collaboration. In addition, oversight of the section's budget is inconsistent. Decisions on how to commit program resources appear to be ad hoc rather than systematic. Developing a program plan by fiscal quarter, and committing resources to match that plan, will contribute to a balanced public affairs presence and address workload considerations.

Recommendation 3: Embassy Manila should implement a missionwide public affairs strategy that clarifies the mission's central messages and priorities and allocates resources accordingly. (Action: Embassy Manila)

The Ambassador tasked PAS with developing a public diplomacy road show that the embassy calls "America in 3D," showcasing U.S. "diplomacy, development, and defense." As stated in the Executive Direction section of this report, the road show represents a major, missionwide effort to entertain and inform significant numbers of Filipinos. Audiences at the road shows, which run over several days, have reached the hundreds of thousands for each iteration. America in 3D is ambitious and innovative. At the same time, putting together an operation of its magnitude requires a serious commitment of resources. At the time of the

inspection, PAS was attempting to balance the resource draw with the obvious benefits of America in 3D.

Press and Information

The press unit adequately monitors the media, including electronic media, and produces useful daily reporting for readers in the mission and in Washington. The unit secures coverage of embassy activities in the local media, although, as noted above, engagement is diffuse. PAS coordinates journalists' involvement with sections, agencies, and individuals. Mission personnel are aware of and respect the mission's media policy. Much of the time, the information officer, as spokesperson, speaks on the record through text messages, in keeping with Filipino journalists' preferences. A visual diplomacy team of audiovisual specialists provides impressive multimedia support for embassy programs and activities.

Coordination with public affairs elements of the U.S. military, including the public affairs officer assigned to JSOTF-P staff in Mindanao, is sporadic. Given the volume of visits and activities, the potential exists for problems of public perception to arise absent more regular coordination.

Informal Recommendation 3: Embassy Manila should regularize the public affairs section's contact with U.S. military public affairs elements, including the public affairs officer assigned to the Joint Special Operations Task Force-Philippines.

Social Media

PAS coordinates a missionwide social media effort that successfully takes advantage of Filipinos' heavy use of Facebook, Twitter, and other sites. The embassy hosts the fourth-largest Twitter account of any U.S. overseas mission and has the tenth-largest number of Facebook followers as well. A quarterly meeting brings together sections and agencies to coordinate tactically and to consider broader questions of how best to use social media. A full-time specialist provides technical advice and tracks the mission's overall social media presence.

The embassy maintains two Internet platforms to communicate with the population of Mindanao: a virtual presence post, which is essentially a Web site, and a blog directed to Mindanao readers. Although the effort to provide information tailored to an important region makes sense, having two vehicles may be duplicative.

Informal Recommendation 4: Embassy Manila should analyze readership and media habits of the target audience in Mindanao and decide whether to continue both the virtual presence post and the blog.

Cultural Affairs and Educational Exchanges

The OIG team found that inadequate oversight and supervision of the cultural unit staff and the Information Resource Center staff impede efficiency, create confusion (b) (5) Many programs, including the exchanges, work well. However, the OIG team found instances of

unclear lines of supervisory authority, inadequate planning, lack of budget oversight, and tardy decisionmaking.

Recommendation 4: Embassy Manila should develop a plan to improve oversight and direction of the cultural unit and the Information Resource Center. (Action: Embassy Manila)

The International Visitor Leadership Program sends approximately 30 Filipinos to the United States annually. Embassy involvement in the selection of nominees is appropriate, and the quality of the nominees is acceptable. The embassy is increasing its use of programs that include participants from other countries in the region, finding that the focus on regional concerns buttresses embassy goals that tie into an increasing U.S. focus on Southeast Asia.

Established in 1948, the Philippine-American Educational Foundation administers the world's oldest continuously operating Fulbright program. The public affairs officer cochairs the board, and the cultural affairs officer serves as treasurer. The program emphasizes student exchanges, although U.S. scholars and specialists also participate. Relations with the embassy are cordial and productive.

Connecting with younger audiences, particularly from economically disadvantaged groups, is a key mission goal. PAS provides effective support of this goal through the Access program. Funded by the Bureau of Educational and Cultural Affairs, Access establishes partnerships with organizations that teach English to young people who would not otherwise have an opportunity to learn the language while simultaneously building awareness of and goodwill toward the United States. The organizations with which PAS partners in the Philippines are appropriately selected and responsive to embassy priorities.

In addition to the spectrum of Department-funded educational and cultural exchanges, PAS develops cultural programs and activities using local resources. Although these activities may be individually effective, they appear not to be the product of a focused plan of engagement.

Information Resource Center

The Information Resource Center is located on the Seafront compound. Public access is limited because of security procedures. To compensate, Center staff direct their efforts to establishing networks of partner organizations that cohost speakers, conduct workshops, and conduct electronic outreach to Filipino audiences. The staff also maintains relations with the directors of 14 American Corners, which are venues hosted by local institutions that house reference materials and electronic databases; host American speakers; and offer platforms for activities such as student advising. The Corners are notably active, and relations with the Information Resource Center staff are productive. Center staff also supports 33 similar but more modest operations called American Shelves. Trip visit reports by the information resource officer based in Jakarta ranked the Center as an exemplary operation.

There are three professional-level staff positions in the Information Resource Center. Of the three, one incumbent had recently left, a second had tendered her resignation, and the third had received another job offer. While the embassy recruits qualified replacements, increased

oversight by PAS management will be key to managing the workload and safeguarding relationships with American Corners directors.

Informal Recommendation 5: Embassy Manila should implement a plan for the Information Resource Center to control workflow and sustain relationships with Filipino contacts and organizations during the transition to full staffing.

Regional English Language Office

A regional English language officer is based in PAS and has responsibilities in Brunei, Samoa, Malaysia, and New Guinea, in addition to the Philippines. The officer reports to the public affairs officer. In FY 2012, the officer did not develop English language projects in any of those countries. As a result, at the end of the fiscal year PAS officers, in consultation with the Bureau of Educational and Cultural Affairs, executed grants to obligate the office's budget, which totaled about \$200,000. A review of the grants they awarded found no anomalies, but the combining of the projects makes followup and oversight unnecessarily difficult.

Recommendation 5: Embassy Manila should require the regional English language officer to develop and execute a quarterly program plan consonant with the officer's regional responsibilities. (Action: Embassy Manila)

Grants

PAS processed \$623,000 in grants in FY 2012, including two non-public diplomacy grants and grants originating in the Department for programs such as the Study of the U.S. Institutes and the Southeast Asian Youth Leadership. Grants from the PAS Manila budget totaled \$256,000. PAS maintains the grants files properly, although the section does not complete the required DS-4012 Federal Assistance File forms, an essential component of grants management.

Informal Recommendation 6: Embassy Manila should implement procedures requiring the public affairs section to complete DS-4012 grants forms.

Grants agreements did not typically specify how the U.S. Government would receive public credit or acknowledgement where desirable. This lack of specificity does not necessarily mean that credit was not given, only that the agreement did not address the subject.

Informal Recommendation 7: Embassy Manila should stipulate in its grant agreements how the U.S. Government will receive public credit, as appropriate.

Consular Section

The consular section is one of the largest in the world and provides good service to American citizens and visa applicants. However, the inspectors identified shortcomings in adherence to the worldwide referral policy, fraud prevention measures, and consular management controls. In February 2011, the section moved into a well-designed new annex that incorporates state-of-the-art design features. The consul general enjoys excellent relationships with the front office and other agencies in the mission. Consular officers serve on many embassy

committees and play active roles in the mission community. They work closely with U.S. Citizenship and Immigration Services, the Social Security Administration, U.S. Immigration and Customs Enforcement, and the VA. The Social Security Administration operation is in the process of transitioning its employees to a regional Federal benefits unit within the consular section. The transition should be finalized before the end of FY 2013.

The consul general supports professional development opportunities for vice consuls. Occasionally requests for consular officer support, such as serving as a control officer for visiting dignitaries, affect core consular responsibilities. Consular leadership needs to monitor overlapping requests to coordinate consular staffing with scheduled consular appointments and critical embassy needs. An internal consular rotation for first- and second-tour officers exposes them to at least two consular subunits during a 2-year tour. Eligible family member positions are an integral part of the consular team. Skilled LE staff members support consular officers and provide excellent customer service.

The consular section, working closely with PAS, has developed many innovative public engagement programs, ranging from American citizens outreach events, a consular blog, and a fraud prevention campaign in Tagalog, to integration of social media in consular correspondence.

Consular Section Deputy

The consular section does not have a formally designated deputy section chief. The consul general oversees a staff of 41 American officers, 122 LE staff members, and 22 eligible family members. When the Social Security Administration operation merger is complete, 30 additional positions will be added to the section. Four mid-level unit managers rotated through a deputy section chief role in the past year, leaving the consul general without a real partner to help manage the large operation. The immigrant visa chief, the only FS-01 position, has assumed the role of de facto deputy section chief. Several unit chiefs are precluded from serving in this role because of nepotism conflicts of interests. The demands on the consul general in managing such a diverse operation are enormous and require the assistance of a designated deputy.

Recommendation 6: Embassy Manila, in coordination with the Bureau of Consular Affairs, should designate an officer as deputy to the consul general. (Action: Embassy Manila, in coordination with CA)

Consular Language Designated Positions

Five of 31 entry-level consular officers occupy language designated positions in Tagalog. Those with language capability note they use Tagalog frequently because many visa applicants do not speak sufficient English for interviews. Given the high fraud environment and the English capability of the general population, more consular officers need language training. According to *Foreign Affairs Handbook* 13 FAH-1 H-241.5, a language designated position is a position that the Department has officially designated as requiring a specified level of language competence on the part of the incumbent.

Recommendation 7: Embassy Manila, in coordination with the Bureau of Human Resources, should propose an increase in the number of language designated consular positions for inclusion in the next language designation review. (Action: Embassy Manila, in coordination with DGHR)

Appointments

The section schedules routine services by appointment several weeks in advance. The Bureau of Consular Affairs' Global Support Services system has been in place for more than a year to provide call center and Internet information, fee collection, appointment, and delivery services for visa applicants. The American citizens services unit operates an online appointment system for passports, reports of birth, and notary services. The consular section sees an average of 1,600 clients daily. The embassy is located on in-fill land directly abutting Manila Harbor and is vulnerable to flooding during tropical storms, as happened twice in 2012. The section does not have sufficient advance time to reschedule appointments when the potential for flooding is significant, regardless of whether the embassy will be closed.

Recommendation 8: Embassy Manila should implement a plan to reschedule appointments for consular clientele when there is significant threat of flooding. (Action: Embassy Manila)

Consular Systems

The information management (IM) office has had difficulty maintaining customer support because of an increased consular workload. The Bureau of Consular Affairs' Office of Consular Systems and Technology used to support installation and training but now generally relies on embassy information managers to install equipment and patches and to perform equipment refreshes. From 2007 to 2011 the number of consular peripheral devices grew by 73 percent, and the section now accounts for 43 percent of IM service requests. Consular funding supports one systems support LE staff position, but one position is not sufficient to meet routine needs, much less to handle consular equipment refresh work or mandated system patches and upgrades. In June, 270 pieces of consular computer equipment arrived in Manila with no prior notification to the IM office. Storage space is insufficient. Additional printers and surge protectors are needed, but sources of funding for additional equipment are not clearly defined. Inadequate communication between the Bureau of Consular Affairs and the embassy's IM office exacerbates the problems.

Recommendation 9: Embassy Manila should prepare a workload analysis to assess the need for additional information management office staffing and approach the International Cooperative Administrative Support Services council with a proposal to improve support to the consular section. (Action: Embassy Manila)

American Citizens Services

A mid-level unit chief and deputy manage a challenging American citizens services workload. Four first- and second-tour officers work on 8-month rotations, and one officer joins for a 1-month rotation. Within the unit, officers rotate on a weekly basis among passport, report of birth, and special consular services duties. Although this internal rotation program provides

cross-training and broad exposure to the breadth of American citizens services work, it transfers responsibility for continuity in case management and operations to the LE staff.

Informal Recommendation 8: Embassy Manila should revise the rotation schedule in the American citizens services unit for appropriate case management, continuity, and workload distribution.

Special Consular Services

Two officers, on a weekly rotation, and 10 LE staff members oversee cases involving arrests and imprisonment, illness and death, repatriations, child custody disputes, parental abductions, kidnappings, victims of crime, and crisis response. Five of the 10 LE staff members resigned or retired last year, which the remaining LE staff members attribute to stress. The LE staff members in this subunit have performed superbly during this transition period. The LE staff supervisor has made providing appropriate training for new staff and team building top priorities. The special consular services LE staff members provide backup assistance on a rotational basis for emergency after-hours duty calls. The OIG team counseled the unit manager on measures that could reduce workplace stress.

Passport and Citizenship Services

When fully staffed, the unit schedules 120 appointments daily: 18 for citizenship adjudication of children of U.S. citizens, 42 for passports, and 60 for notary services. American citizens often wait several hours on the day of the appointment to see a consular officer. The unit is exploring ways to reduce waiting time. Passport operations run smoothly, and passports are normally delivered in less than 2 weeks.

Consular Reports of Birth Abroad

Embassy Manila's system for processing applications for consular reports of birth abroad is inefficient and inconsistent with recommended practice. According to *7 Foreign Affairs Manual* (FAM) 1445.6 d. and e., a fee should be collected before an oath is taken on an application, and consular staff should not preview cases to determine whether issuance is likely in order to avoid payment of the fee. Under existing embassy practice, both parents and the child must appear in person at the initial appointment. LE staff reviews the application and documentary evidence. If the evidence is incomplete, the family is told to make another appointment without seeing an officer. Although the unit does not collect a fee and does not create a record of these cases, it is providing a fee service that needs to be documented. Under existing procedures, the applicant makes another appointment, the family appears in person again, and LE staff again reviews the documents prior to the applicants seeing an officer. This process creates unnecessary demand for appointments and is a poor customer service practice. LE staff appropriately reviews cases for completeness but does not create records, collect fees, or allow American citizens access to officers.

Recommendation 10: Embassy Manila should restructure processing of applications for Consular Report of Birth Abroad of a Citizen of the United States to comply with regulations. (Action: Embassy Manila)

Nonimmigrant Visa Unit

The nonimmigrant visa unit operates efficiently in a high-volume work environment. Nonimmigrant visa adjudication numbers rose by 17 percent in FY 2012, to 230,000 adjudications. LE staff members are capable and well trained. The unit enjoys a productive working relationship with the embassy's visa security unit, operated by the U.S. Customs and Immigration Enforcement staff resident in Manila. The nonimmigrant visa unit has appropriate procedures in place with respect to requirements of the Wilberforce Act.

Worldwide Referral Policy

The consul general has repeatedly contacted the nonimmigrant visa unit to pass on information about specific visa applicants, sometimes suggesting that the nonimmigrant visa chief review a case or conduct a second interview. These practices violate the Department's worldwide referral policy specified in 9 FAM Appendix K, Exhibit I, which mandates that no information on specific cases be provided outside formal referrals. The front office and consular management may appropriately forward correspondence they receive on visas cases to the nonimmigrant visa unit, but no individual may ask for special treatment of visa applicants or advocate on their behalf outside the referral system. The nonimmigrant visa unit has a well-managed correspondence team, which sends all responses to electronic or hard-copy correspondence to the nonimmigrant visa unit chief or deputy for review before sending responses to the inquirer. The reviewing officer checks the related visa case and recommends appropriate action if warranted.

The OIG team counseled the embassy's senior leadership regarding the Department's worldwide referral policy. Inspectors suggested the embassy print cards explaining that visa eligibility decisions are based on strict legal requirements, which embassy leaders are prohibited from influencing. This card, which could be given to anyone inquiring about visas, also could refer applicants to the embassy's Web site for additional information.

Recommendation 11: Embassy Manila should not allow mission employees to use any method other than Class A and Class B referrals to provide information on nonimmigrant visa applicants. (Action: Embassy Manila)

Recommendation 12: Embassy Manila should send any inquiries or information received regarding nonimmigrant visas to the nonimmigrant visa unit for an appropriate response. (Action: Embassy Manila)

Privileged Visa Information

In an effort to be responsive to inquiries, consular management may have provided visa information to third parties not entitled to receive such information. Under section 222(f) of the Immigration and Nationality Act, information related to visa applications is considered privileged and may not be disclosed to anyone other than the visa applicant or under the specific exceptions described in the Immigration and Nationality Act and in 9 FAM.

Informal Recommendation 9: Embassy Manila should hold a training session on the confidentiality of visa information under section 222(f) of the Immigration and Nationality Act to make all consular staff aware of its provisions and of the procedures for reporting a breach in visa confidentiality.

Immigrant Visa Unit

The embassy consistently ranks among the top five immigrant visa posts worldwide in workload volume. The immigrant visa unit staff is well trained, and the operation is efficient and effective. Over the past several years, the number of referrals to the fraud prevention unit has declined. The immigrant visa unit has begun to coordinate with the fraud prevention unit to address more effectively marriage fraud in the immigrant visa process.

Marshall Islands Immigrant Visas

The immigrant visa unit processes adoption-related immigrant visas for the Marshall Islands. Under the terms of a memorandum of understanding between Embassy Manila and Embassy Majuro, prospective adoptive parents and the orphan are interviewed, and cases adjudicated, in Majuro. The child's passport, along with the required immigrant visa documents and petition, are forwarded to Manila, where the immigrant visa is processed and a visa foil is affixed to the child's passport. This process can take 3 to 4 weeks, during which time the adoptive parents and child must remain in the Marshall Islands. In 2011, the embassies jointly sent a telegram to the Department asking that Embassy Majuro be granted access to the immigrant visa system to issue these visas, but the Department has not responded.

Recommendation 13: The Bureau of Consular Affairs should respond to the request of Embassy Manila and Embassy Majuro regarding access to the immigrant visa system for Embassy Majuro. (Action: CA)

Fraud Prevention Unit

Although the embassy's fraud prevention unit is among the largest in the world, with eight LE staff fraud investigators, the number of field investigations dropped precipitously from more than 200 in 2008 to only 5 in 2011. Funds are available for necessary field investigations, which are needed to curb consular fraud. A mid-level fraud prevention manager and a rotational entry-level officer oversee the work of 4 eligible family members and 15 LE staff members. The unit appropriately uses the Bureau of Consular Affairs' Enterprise Case Assessment System for all fraud referrals and has a highly skilled team of fraud investigators. The fraud prevention manager did not provide a clear explanation for the reduction in field investigations. During the inspection, several fraud rings involving domestic employees and concerns about potential marriage fraud came to the attention of the OIG team, highlighting the importance of active antifraud work in this local environment.

Recommendation 14: Embassy Manila should analyze the reasons for reduced productivity in the fraud unit and undertake additional field work to investigate potential fraud. (Action: Embassy Manila)

Visas Viper

The embassy holds monthly Visas Viper meetings, with attendance by all appropriate agency representatives, and provides timely reports to the Department. In FY 2012, Embassy Manila forwarded (b) (5) submissions to the Department.

Genetic Testing

The processing of genetic testing is more complicated than it needs to be because of inefficient accountability procedures. Guidance in 06 State 097431 sets forth clear instructions for oversight of the testing and chain of custody of the testing kits. The fraud prevention manager, who is the accountable consular officer, receives packets from laboratories in the United States and transfers the packets to the accountable consular officers in the different consular subunits. Because the fraud prevention unit oversees the actual testing, the fraud prevention manager is best placed to maintain custody of the genetic test kits throughout the process.

Informal Recommendation 10: Embassy Manila should make the fraud prevention manager, who is the accountable consular officer in the fraud prevention unit, responsible for the entire genetic testing process.

Assistant Regional Security Officer-Investigator

The office of the assistant regional security officer-investigator (ARSO-I) is located adjacent to the fraud prevention unit. Two mid-level ARSO-Is, one eligible family member, and two LE staff investigators devote time to law enforcement work related to visa fraud. They also manage an active program returning Federal fugitives to the United States. The lines of authority and responsibility between the fraud prevention unit and the ARSO-I office are not well defined. Under the memorandum of understanding between the Bureau of Consular Affairs and the Bureau of Diplomatic Security, the fraud prevention unit processes fraudulent document checks and refers those with a criminal nexus to the ARSO-I for further investigation. Clarity on this and other points would alleviate confusion and improve coordination between the fraud unit and the ARSO-I office.

Informal Recommendation 11: Embassy Manila should require the fraud program manager to organize a training session for consular section employees with the assistant regional security officers for investigations to clarify lines of responsibility and authority, and codify responsibilities in a post-specific standard operating procedure.

Despite the efforts of the ARSO-I, the office has been unable to (b) (5) [redacted]. Several U.S. Government agencies have training programs for foreign judicial officials, (b) (5) [redacted]. The ARSO-I is ideally situated to suggest which offices of the Philippine judicial system would benefit most from such training.

Informal Recommendation 12: Embassy Manila should propose training for judicial entities in the Philippines that are involved in (b) (5)

Consular Training

Organized consular training for such a mammoth operation is essential, yet cross-training opportunities for individual employees are limited. The consular units are located in large spaces on two floors of an annex and function relatively independently. The size of the operation creates unintended obstacles to building a unified team. One day per month, the consular section suspends routine appointments and sets aside time for training activities, which are important and should continue.

Innovative Practice: Dynamic Training and Team Building Activities

Innovative Practice: Consular Battle of the Brains

Issue: With one of the largest consular operations in the world, Embassy Manila needs well-trained staff. The large size of each consular unit promotes independent functioning, affording staff members little opportunity to work closely with others outside their operational unit. Officers, LE staff, and eligible family members tend to circulate in separate subgroups. Equal Employment Opportunity, ethics, cyber security, and consular-specific training tend to be categorized separately, and required training is conducted independently for the most part.

Response: An organizing committee made up of officers and LE staff members from several consular units developed a Jeopardy-like game that they called “Consular Battle of the Brains.” Unit chiefs allocated time on the training day for the competition. Seven teams, each composed of personnel working in all consular units and from all employment categories, from the consul general to the contract greeters, competed. The organizing committee developed a series of questions emphasizing different areas of training and expertise, including Equal Employment Opportunity, No Fear Act, personally identifiable information, the Privacy Act, consular leadership tenets, Philippine culture, facts about the mission, and consular online training.

Result: The dynamics of the Battle of the Brains promoted team building across all consular units and staff. Large groups of individuals formed into tight interactive circles, putting their heads together and laughing as they collaborated on answers to questions. This format broke down barriers between people, and the teams enthusiastically enjoyed competing against one another. The variety of questions, and changing format of the questions and answers, made the review of material, conveyed primarily through online training, both fun and relevant.

U.S. Consular Agency in Cebu

The U.S. consular agency in Cebu serves the American population of Visayas and Mindanao and is a key embassy resource. The agent and his assistant attend the public on a walk-in basis five mornings a week and thus have limited time for administrative tasks and out-of-office duties.

Informal Recommendation 13: Embassy Manila should limit hours for walk-in service to the public at the U.S. consular agency in Cebu to 4 days a week to allow the consular agent and his assistant adequate time for other duties.

An October 2000 partnership agreement between the Bureau of Consular Affairs and the Department's regional bureaus sets forth a matrix for funding and responsibility for consular agency support and oversight. Under the agreement's terms, the Bureau of Consular Affairs has responsibility for consular agent compensation and travel, provides basic equipment, and funds agent communications operating costs. Consular agency personnel are required to visit the supervisory post, and the Bureau of Consular Affairs funds an annual visit from a consular officer or senior LE staff member. The regional bureaus fund administrative costs, including LE staff salaries, furniture, equipment, and additional in-country travel. Support to the Cebu consular agency has been ad hoc and uncoordinated, hampering the agent's ability to balance official visitor support with his administrative and consular responsibilities. Moreover, the agent has experienced difficulty receiving prompt assistance from the embassy's consular section because he was unable to confer with experienced consular section staff in a timely manner. The new American citizens services chief has assumed responsibility to serve as the embassy point of contact for the consular agency. However, the consular section has not clarified this role to the mission community nor taken steps to facilitate the provision of timely assistance.

Informal Recommendation 14: Embassy Manila should coordinate a comprehensive program of administrative support to consular agency Cebu.

The consular agent's compensation does not appear to be calculated appropriately for time spent on official duties. He routinely works in the office 6 hours a day, 5 days a week, with additional hours for mandatory prison visits, welfare and whereabouts and hospital visits, and issues related to deceased Americans. As described in 3 FAM 8914.3, individual consular agent pay is determined using a percentage of annual salary representing an agent's approximate average weekly workload, based on hours worked by a consular agent and not the hours an agency is open to the public.

Recommendation 15: Embassy Manila, in coordination with the Bureau of Consular Affairs, should calculate the consular agent's workload and time spent on official duties and take appropriate action to compensate the agent appropriately for his work hours. (Action: Embassy Manila, in coordination with CA)

The consular agent and assistant have not had required training. The consular assistant serves as consular subcashier, administrative and consular assistant, and agency driver; however, he has not completed all appropriate training for these duties. The Consular Agent Handbook states the agent should come to the embassy once a year; it has been more than a year since the agent visited the embassy. During the inspection, the embassy scheduled the consular assistant to come to Manila for consultations and training. The consular agent also has not had remote access to Department intranet resources for several years; connectivity was reestablished only during the OIG inspection. Hence, he was not able to remain current with mandatory ethics, Equal Employment Opportunity (EEO), cyber security, and consular training. The embassy has scheduled the consular agent and assistant to come to the embassy during the final week of the OIG inspection for consultations and to update the agent's certifications. The consular section

has committed to instituting a regular schedule for agency travel, training, and support. The OIG team discussed this issue with the consul general, management counselor, and Ambassador.

The agency is located in spacious quarters on the lower level of a major hotel; however, the embassy has neglected agency upkeep. The interview windows are cloudy and cracked, tape covers sharp edges of the counters at the windows, the public address system functions poorly, microphones do not work at all, and (b) (5) The working conditions in the agency are not up to standard, and only immediate remedial action will improve the physical plant and systems.

Recommendation 16: Embassy Manila should implement a plan to budget for and repair the facilities, dispose of excess property, and replace nonfunctioning windows and microphones at the U.S. consular agency in Cebu. (Action: Embassy Manila)

Supervisory and support visits to the consular agency by mission staff have been irregular, incomplete, and informal. The consular agent does not have up-to-date resources and information, his administrative support has been inadequate, and there has been inadequate followup or reporting from support visits to the agency. When the embassy's attention was drawn to the neglect, staff promptly began to correct the deficiencies. Additional planning for long-term support, oversight, and reporting is required.

Recommendation 17: Embassy Manila should implement procedures to provide regular supervisory oversight and administrative support for the consular agency in Cebu, using a checklist of vital consular and management issues as a guide. (Action: Embassy Manila)

The consular agent, who has been serving in this capacity since 1995 when the agency opened, has indicated his intention to retire in 2 years. When he retires, a wealth of knowledge will walk out the door. Careful planning, including recruiting and training a replacement agent, will avert problems during a transition period.

Informal Recommendation 15: Embassy Manila and the consular agent in Cebu should develop a transition plan for the agent's anticipated retirement so that his knowledge and expertise are not lost.

Resource Management

Agency	U.S. Direct- Hire Staff	U.S. Local- Hire Staff	Foreign National Staff	Total Staff	Total Funding FY 2012
Department of State					
Diplomatic and Consular Programs	95	11	50	156	\$7,931,000
ICASS	12	27	316	355	\$15,774,600
Public Diplomacy	7	2	22	31	\$1,883,500
Diplomatic Security	7	4	23	34	\$2,332,000
Marine Security	10	–	–	10	\$115,500
Representation	–	–	–	–	\$70,000
Overseas Buildings Operations	5	–	10	15	\$8,408,000
Consular Affairs – Machine Readable Visa	33	15	89	137	\$3,586,800
Global Publishing Solutions Manila	4	–	41	45	\$4,000,000
Broadcasting Board of Governors	6	–	74	80	\$7,430,800
Department of Agriculture					
Foreign Agricultural Service	2	–	6	8	\$383,900
Animal and Plant Health Inspection Service	1	–	3	4	\$471,700
Department of Defense					
Defense Attaché Office	15	–	3	18	\$833,000
Joint U.S. Military Assistance Group	9	1	6	16	\$655,000
U.S. Pacific Command	6	–	1	7	\$213,900
Naval Facilities Engineering Command	2	–	–	2	\$16,000
Armed Forces Research Institute of Medical Sciences	–	–	–	–	\$137,900
U.S. Air Force – Air Mobility Command	1	–	–	1	\$18,500
Special Operations Command – Pacific	3	–	–	3	\$65,200
Joint Special Operations Task Force – Philippines	2	–	–	2	\$176,500
U.S. Navy – Fleet Industrial Support Center – Foreign	1	1	1	3	\$453,100

Liaison Office					
Fleet Post Office	4	–	–	4	–
Naval Criminal Investigative Service	7	1	3	11	\$678,900
Department of Justice					
Drug Enforcement Administration	5	–	1	6	\$66,000
Legal Attaché Office	5	–	–	5	\$365,600
Department of Justice – Criminal Division	1	–	1	2	\$263,200
Department of Justice – Office of Overseas Prosecutorial Development, Assistance, and Training	1	–	1	2	\$265,900
Department of Homeland Security					
Transportation Security Administration	1	1	1	3	\$241,000
Immigration and Customs Enforcement	10	–	7	17	\$1,085,200
Citizenship and Immigration Services	2	1	6	9	\$308,500
Foreign Commercial Service	3	–	16	19	\$1,034,600
U.S. Agency for International Development					
Oversight and Evaluation, and Foreign Assistance	29	–	108	137	\$110,455,000
Regional Inspector General	10	–	5	15	\$1,800,000
Other Foreign Assistance					
Department of Justice – International Criminal Investigative Training Assistance Program	2	–	–	2	\$701,400
Department of State – Office of Antiterrorism Assistance	–	–	2	2	
International Narcotics Control and Law Enforcement					\$2,450,000
Nonproliferation, Antiterrorism, Demining, and Related Programs					\$9,525,000
International Military Assistance and Training					\$1,850,000

Foreign Military Financing					\$14,555,000
Other Agencies/Offices					
American Battle Monuments Commission	2	–	37	39	\$1,000,000
Library of Congress	–	–	3	3	\$104,400
Veterans Affairs /Social Security Administration	12	1	217	230	\$19,117,000
Asian Development Bank	4	–	2	6	\$138,800
Peace Corps	3	–	3	6	\$3,336,100
Centers for Disease Control and Prevention	5	–	–	5	\$364,400
Millennium Challenge Corporation	2	–	3	5	\$134,052,000
Department of the Treasury – Office of Technical Assistance	1	–	–	1	\$45,000
Total	330	65	1,061	1,456	\$358,759,900

Management Overview

The management section runs smoothly. Service satisfaction scores on International Cooperative Administrative Support Services (ICASS) and OIG surveys exceed the averages of embassies worldwide. The section is led by a recently promoted management counselor on his third management tour but with a wealth of financial management experience. Unit chiefs are experienced and perform well.

The embassy's major administrative challenge is managing a multiyear program of construction projects to improve security and rehabilitate ageing facilities at the chancery compound and its main annex, Seafront. When the third phase of this project is complete later this year, 300 employees will move to the chancery compound from off-site locations. The Bureau of Overseas Buildings Operations plans to fund a chancery major rehabilitation project in FY 2014 and a rehabilitation project of the Seafront compound in FY 2017.

The chancery compound and Seafront suffered extensive flooding in 2011 and 2012 that resulted in property damage and disrupted embassy operations. In response, the embassy relocated generators and sensitive equipment from basement locations and worked with city officials to repair damaged seawall. The mission has improved its emergency preparedness posture to respond to future flood contingencies. Both sites, however, are susceptible to storm surges and flood damage because of their location adjacent to Manila Bay. This vulnerability can be mitigated but not eliminated. The classified annex to this report contains additional discussion of the security implications of these flooding vulnerabilities for emergency preparedness.

Real Property

Embassy Manila is located on a 17.4-acre compound near Manila Bay and is composed of an historic chancery building listed on the Secretary's Register of Culturally Significant Properties, two new office annexes, a Marine security guard residence, and a 285-space parking garage. The Seafront compound is located 2 miles from the chancery and consists of 42 staff housing units, administrative office space, American Recreation Club (ARC) facilities, the GPS Manila center, and a newly constructed VA regional office and outpatient clinic.

Seafront Compound

As the chancery renovation project progresses, the embassy and the Bureau of Overseas Buildings Operations will need to agree on a strategic plan for the future use of the Seafront compound once it is no longer required for swing space. First opened for U.S. Government use in 1950, this 23-acre mixed-use compound hosts office space noted above, as well as 42 townhouses and apartments that, although dated, appeal to families and employees who wish to live close to work.

For years, Seafront was the center of embassy community life. Community life and housing have shifted to the modern communities of Makati and Bonifacio, which are close to the international schools and provide extensive shopping, dining, and cultural outlets. Gone are the days when an excellent restaurant facility, commissary, and softball field served the mission as a center of the community.

The Bureau of Overseas Buildings Operations believes the neighborhood surrounding Seafront is no longer appropriate for embassy housing and has proposed selling a portion of the compound to a developer for construction of a high-rise apartment block. The proceeds would be used to purchase additional housing in Makati and Bonifacio. As an alternative, the embassy has proposed a public-private partnership, whereby in return for the site, the developer would deed to the Department those apartments built to U.S. specifications. Both approaches appear reasonable. At the time of the inspection, a Bureau of Overseas Buildings Operations team was at the mission to review future options for Seafront.

Fort Bonifacio Site

The Fort Bonifacio site has been in dispute since 1956, when the U.S. Government agreed to return several military sites but reserved Fort Bonifacio for future diplomatic and consular use. For the past few years, the embassy has been working with the Philippine Government regarding the potential transfer of this site to the Philippines, and those discussions continue.

Baguio Official Residence

The 1956 base transfer agreement also applied to a 76-acre site and residence at Camp John Hay in Baguio, which is now used by the Ambassador and other embassy officials for recreational and representational purposes. The residence was the site of the World War II Japanese surrender of the Philippines. In 2012, it was added to the Secretary of State's Register

of Culturally Significant Properties. The Baguio property cost \$180,000 to maintain in FY 2012, and with its inclusion on the Secretary's Register, now qualifies for additional maintenance funds from the Bureau of Overseas Buildings Operations. In recent years, the Philippine Government has not raised the issue of the Baguio property with the embassy, but title to the property remains in dispute. In the long term, and to protect the U.S. Government's claim on the property, the embassy could pursue a number of strategies such as creating a nonprofit historical society to manage the site or using it as a conference center for programs that advance U.S. interests.

Embassy employees may rent rooms at the residence or in one of two cottages on the compound when they are not being used for official purposes. The embassy has not revised the rental fees since 1995. In accordance with 15 FAM 249.2, rental fees charged for transient quarters are expected to cover operating costs.

Informal Recommendation 16: Embassy Manila should update the fees charged for rooms at the Baguio residence and cottages.

Interagency Administrative Consolidation

Embassy Manila received a partial waiver from the worldwide mandate to consolidate USAID and Department administrative operations. The waiver requires the Department and USAID to consolidate motor pool, LE staff recruitment, and residential maintenance operations by the end of FY 2013, which will coincide with USAID's expected move to the chancery compound. Consolidation in these three areas is progressing satisfactorily, and Embassy Manila is likely to meet this deadline.

Pacific Island Support

In 2009, the Bureau of East Asian and Pacific Affairs transferred to Embassy Manila regional support responsibilities for three small embassies in Palau, Micronesia, and the Marshall Islands. The embassy provides regional support in human resources, financial management, general services, IM, security, and facilities maintenance. Each office operates relatively independently in providing services, and there is little coordination on the timing of travel or support. Because travel is costly and support requirements often are interrelated, internal communication and planning are key to meeting the needs of these island missions.

Recommendation 18: Embassy Manila should establish a working group to enhance coordination of management support to Embassies Koror, Kolonia, and Majuro. (Action: Embassy Manila)

As noted above, Embassy Manila supports a wide range of administrative, security, and consular functions at these missions. Travel from Manila to the island embassies is expensive and time consuming; it takes 17 hours to fly from Manila to Majuro, for example. Funding for island support travel, approximately \$170,000 annually, is fragmented among several missions and funding offices, which has hampered the provision of efficient support. Although the Bureau of East Asian and Pacific Affairs allots funds directly to these missions for regional travel, limited funding has resulted in Embassy Manila having to fund trips out of its regular budget. The Bureau of Overseas Buildings Operations funds the travel of American facilities managers,

but Embassy Manila must fund the travel of ICASS LE staff and U.S. direct-hire employees from other sections to maintain the new embassy compounds in Koror and Kolonia and the leased chancery in Majuro. Without control of island funds, Embassy Manila could be unable to provide effective management support to the island missions.

Recommendation 19: The Bureau of East Asian and Pacific Affairs should allot regional support funding for Embassies Koror, Kolonia, and Majuro to Embassy Manila. (Action: EAP)

Financial Management

The financial management office performs well and received high scores on both the ICASS and OIG questionnaires. However, inspectors identified several areas for additional followup.

Payroll

Embassy Manila is experiencing significant difficulties with American payroll support. An overseas customer satisfaction survey conducted for the Bureau of the Comptroller and Global Financial Services in October 2012 ranked American payroll last in satisfaction scores of the 15 service areas by that support office in the United States. The overall satisfaction score for American payroll services has dipped 10 points since 2009. According to the bureau survey, a lack of timely responses to American payroll requests drives the dissatisfaction for most customers.

Embassy Manila's payroll office consists of two employees who prepare and send emails to the Pay Intake system, an email inbox that receives American payroll queries at the Global Financial Services Center. There is no tracking or feedback mechanism. Accordingly, there is no indication when a request will be read, addressed, or acted upon, and there is no way to contact an employee to follow up on unanswered mail.

The payroll staff provided the inspectors with a lengthy list of pending actions relating to post allowance and differential calculations, commencement of salary payments to eligible family members and to summer hires, and other general inquiries. Sixty-five actions were more than 3 weeks old. The inspectors were also provided a list of "completed actions—last 54 days." This list included approximately 250 items, not all of which had actually been completed. The financial management officer indicated that American employees are becoming increasingly frustrated with Pay Intake, which creates problems for payroll staff members who bear the brunt of complaints. Also affected are Manila's ICASS service satisfaction scores, despite the fact that the resolution to the problem is beyond the control of Manila staff.

Recommendation 20: The Bureau of the Comptroller and Global Financial Services should develop and communicate to Embassy Manila a plan to improve the performance of the new Pay Intake system for American payroll issues. (Action: CGFS)

Post Allowance

The 2010 retail price survey used to establish the level of the embassy's post (cost of living) allowance did not note that embassy employees are eligible for point-of-sale exemptions from sales and value-added tax of 12 percent. The 2012 retail price survey, completed during the inspection, also did not mention this detail in its initial submission. Discussion of an embassy's eligibility for value-added tax refunds or exemptions is now a factor evaluated by the Office of Allowances in its retail price survey calculations. Mission management agreed to complete the retail price survey, including a description of tax exemptions available to mission employees, prior to submission of the completed report to the Office of Allowances.

International Cooperative Administrative Support Services

ICASS functions well. The financial management office services 44 separate accounts and manages about \$16 million in embassy-held funds. A review of ICASS council and budget committee meeting minutes documented an active and effective ICASS program. For example, in response to survey score declines for the community liaison office and medical unit, the management section developed an action plan to improve services.

Vouchering

Embassy Manila has 11 voucher clerk positions. The embassy sends permanent change-of-station travel vouchers to the post support unit for processing. However, Manila can process vouchers for significantly less than the post support unit—\$7.51 per financial strip code instead of \$12 per strip code. Embassy Manila's low costs may make it a candidate for accepting regional work. Manila already processes vouchers for three missions in Kolonia, Koror, and Majuro.

Recommendation 21: The Bureau of the Comptroller and Global Financial Services, in coordination with Embassy Manila, should evaluate the cost-effectiveness of allowing the embassy to process additional vouchers and authorize such action if feasible. (Action: CGFS, in coordination with Embassy Manila)

Human Resources

The human resources office operates effectively, as reflected by positive survey responses, high ICASS customer satisfaction scores, and staffing efficiency statistics. The American section chief directs a cohesive, responsive team. The recently updated LE staff handbook is comprehensive and easily accessible on the intranet site. The section collaborates with the EEO counselors and LE staff liaisons to enhance awareness of and expand the program.

The eligible family member hiring program offers many employment opportunities for family members. With more than 60 positions, there are more jobs than can be filled. However, the inspectors heard numerous complaints of delays in the hiring process. Many factors affect the appointment and clearance process, and communication with potential applicants early in the process is critical to managing expectations. The human resources office is managing this complex process appropriately. A new family member employed in the section has broad

experience running family member hiring programs and has taken on the issue of client communication as a priority.

The U.S. Embassy Filipino Employees Association serves more than 1,000 Filipino employees. In addition to its major objective to improve and promote relations between LE staff and embassy management, the association raises funds to assist financially stressed staff and those affected by natural disaster. The LE staff member association board meets regularly with embassy management. LE staff members interviewed by the OIG team expressed satisfaction with employment at the embassy and the prestige it brings. The Ambassador's initiatives to LE staff members—including a quarterly reception for newly hired employees and a photo opportunity in his office—have been well received. LE staff concerns include the impact of the Department's worldwide salary freeze, the lack of health benefits for extended family members, and the desire to secure additional training opportunities.

The mission awards program is well structured and advertised. Ceremonies are held twice each year. The interagency joint awards committee reviews award nominations to ensure criteria are met and repetitive rewards are kept to a minimum. Because the Bureau of East Asian and Pacific Affairs cut the mission's awards funding by 20 percent in FY 2012, it is particularly important that the awards process be seen as fair and equitable.

Eligible Family Member Work Requirements Statements

Work requirements statements for a number of eligible family members were overdue at the time of the inspection. The embassy has a good tracking system for other categories of employee evaluations and work requirements statements but not for eligible family members.

Informal Recommendation 17: Embassy Manila should track the submission of work requirements statements for eligible family members and handle delinquent cases accordingly. (Action: Embassy Manila)

Training

Training is budget driven, with each section receiving its own training allocation to manage. As a result of this decentralized approach, there is little oversight to ensure that overall embassy priorities are being met. The embassy would benefit from a comprehensive training plan and budget that is directed by the human resources officer that could be adjusted as priorities change. Such a plan would help the embassy meet its most urgent training needs.

Recommendation 22: Embassy Manila should establish a comprehensive, missionwide training plan and allocate specific resources for training under the direction of the human resources officer. (Action: Embassy Manila)

Equal Employment Opportunity and Federal Women's Program

The embassy has active EEO and Federal Women's programs that receive the Ambassador's strong and visible support. In addition to one Federal Women's program coordinator, the embassy has two American EEO counselors and is identifying two others. Ten

local staff liaisons are strategically placed across section and agency lines. EEO counselors and liaisons have received formal training. An Office of Civil Rights team visited Manila in 2010 and trained all available American and local employees.

Recent EEO complaints have spurred embassy leadership to undergo a process review to ensure American and LE staff members understand their rights and responsibilities under the program. Although the embassy displays EEO information prominently on bulletin boards throughout the facilities, information is difficult to find on the post intranet site. The counselors began addressing this weakness during the inspection by adding an “EEO Corner” to the weekly embassy newsletter and reviewing Web site access and content.

General Services

The general services office operates effectively. Its various services received average to good scores on OIG questionnaires. The office supports an embassy of more than 1,400 employees, 270 residences, and annexes in various locations in the city. The office operates from a building on the Seafront compound. LE staff members form a cohesive group; most are long-term employees.

The section is, however, overstaffed. Its workload does not require five American general services officer positions. Three general services officers manage only one functional area each; these are contracting and procurement, property and supply, and housing. The remaining general services portfolio is divided between the other two general services officers. The management officer and supervisory general services officer agree that a general services officer position could be eliminated without reducing effectiveness.

Recommendation 23: The Bureau of East Asian and Pacific Affairs, in coordination with the Bureau of Human Resources, should eliminate a general services officer position at Embassy Manila. (Action: EAP, in coordination with DGHR)

Procurement and Contracting

The contracting and procurement unit performs adequately. The unit is a good service provider and partners well with the financial management office in administering the embassy’s purchase cycle. The section provides procurement services to 34 agencies and procures about \$17.6 million in goods and services annually. Although the Department is the major client, 39 percent of the workload comes from other agencies. The unit awards, administers, and closes out contracts in accordance with regulations and in a timely manner.

The OIG team reviewed a selection of procurements for documentation requirements and competition procedures and concluded that the unit followed proper procedures, competing most but not all simplified acquisitions. However, purchases of more than \$15,000 solicited electronically did not always receive competition to the maximum extent practicable as required by Federal Acquisition Regulation 13.104. For example, three vehicle solicitations were announced on the embassy’s Internet site, and each received only one offer. The section accepted the offers, believing proper competition had occurred. As a result, the embassy was not assured it received the lowest price for the three vehicles.

Recommendation 24: Embassy Manila should compete its simplified acquisitions according to regulations. (Action: Embassy Manila)

Trafficking in Persons Procedures

Contracts must include Federal Acquisition Regulation clause 52.222-50, “Combating Trafficking in Persons.” The clause contains contractor requirements and Department remedies related to trafficking in persons. The Philippines is a high-risk area for trafficking in persons activity. The procurement unit is aware of its responsibilities concerning trafficking issues. Most embassy contracts include the required trafficking clause. Exceptions are few and limited to older contracts. The embassy plans to amend contracts that lack the clause when they are renewed. A structured monitoring program is not in place, but the contracting officer and contracting officer’s representatives monitor contractors. Further, the embassy discusses trafficking requirements during site visits and preproposal and preperformance conferences and interviews contractor employees. The embassy does not retain written records of such activities, however.

Informal Recommendation 18: Embassy Manila should document in writing its trafficking in persons contract monitoring activities.

Property and Supply

The property and supply unit manages \$25 million worth of U.S. Government property and operates 11 warehouses. The unit performs well, has sound practices, and reports its inventory properly and on time each year to the Bureau of Administration. Inventory accountability is its strong suit. In 2012, the unit reported nonexpendable property shortages of 0.06 percent, a commendable achievement.

Motor Pool

The motor pool is a service-oriented operation that emphasizes preventive maintenance and driver training. However, the unit does not have in place procedures to record daily motor vehicle use records properly. Passengers are rarely asked to sign for rides, and drivers do not always complete fully the Daily Vehicle Use Record (Form OF-108) prescribed by 14 FAH-1 H-814.1. As a result, the embassy does not have assurance that daily, required safety checks are made and that fuel accountability records are maintained correctly.

Recommendation 25: Embassy Manila should require that passengers acknowledge their trips in writing and that drivers complete the Daily Vehicle Use Record (Form OF-108). (Action: Embassy Manila)

Other Authorized Use Charges

The embassy’s motor vehicle policy, updated in early 2012, sets policies for use of official government vehicles. The embassy charges passengers for other authorized use; however, the embassy does not disclose the rates in its motor vehicle policy, nor does it calculate rates in accordance with 14 FAM 433.4 b., which requires recovery of all fixed and variable

costs and an annual computation. As a result, the government may not be recovering all costs associated with this use.

Recommendation 26: Embassy Manila should calculate rates for other authorized vehicle use in accordance with Department of State regulations and on an annual basis. (Action: Embassy Manila)

The embassy has operated a robust home-to-office shuttle service for many years, which involves eight vehicles operated at an annual cost of \$100,000. The standard at 14 FAM 433.3-1 allows the chief of mission to approve other authorized use of vehicles when public transportation is unsafe or not available or when such use is advantageous to the government. The exercise of this authority requires a written finding of the circumstances that justify the use of official vehicles. The embassy has not issued a recent written finding of circumstances, and the history of Manila's program is not discernible. As a result, it is not clear whether the shuttle program is in the government's best interest.

Recommendation 27: Embassy Manila should justify that its home-to-office shuttle program is in the government's best interest with a chief of mission written finding. (Action: Embassy Manila)

Shipping and Customs

The shipping and customs unit handles incoming and outgoing shipments well. The section processes clearances for all shipments under chief of mission authority, including a large volume of military shipments. Although the unit received average scores on the OIG workplace and quality of life questionnaires, its 2012 ICASS scores were on par with worldwide averages.

The unit is understaffed, given its heavy workload. (b) (5) and customer service may become problematic absent corrective action. The unit has sought additional positions, but other needs have taken priority. The impending USAID consolidation will result in the transfer of one shipping clerk to the unit. After this addition, the unit will still lack an LE staff member for general administration. The general services office currently has four vacant LE staff positions that could be reprogrammed to fill this urgent need.

Informal Recommendation 19: Embassy Manila should request approval from the International Cooperative Administrative Support Services council to reprogram a vacant local employee position for the shipping and customs unit.

Some embassy employees experience difficulty registering their vehicles for permanent diplomatic plates because of Philippine requirements to document engine serial numbers through a physical inspection process. Some vehicle model engines cannot undergo this process without incurring damage to the vehicle, and owners sometimes elect to finish their tours on temporary diplomatic plates instead of obtaining permanent ones. This option precludes an employee from later selling the vehicle in the Philippines. The embassy does not disclose this issue in the standard newcomer arrival communication, such as the Travel Message Two, the post report, and welcome to post information, that the community liaison office provides to incoming employees.

Recommendation 28: Embassy Manila should include in its post arrival information details about Philippine vehicle registration requirements. (Action: Embassy Manila)

Housing

Employees are generally satisfied with the housing program but give lower marks to government-owned housing on the Seafront compound and to equity of the housing assignments process. The Seafront residences, apartments, and townhouses account for 42 of the 270 housing pool units and are considered less desirable than leased units. This perceived inequity is a challenge for the interagency housing board. A facilities management renovation program upgrades Seafront units during vacancies between residents. The embassy convened a town hall meeting during the inspection to listen to customer concerns about housing and security conditions at Seafront.

The interagency housing board provides good oversight. However, transparency of housing assignments was a source of complaint. Housing board meeting minutes were not available to the embassy community.

Informal Recommendation 20: Embassy Manila should post interagency housing board minutes on its intranet site.

The embassy participates in the Rental Benchmark Initiative program and obtains leases within the cost limits set by this program. Eight of the pool's 32 over-standard units have not received lease waivers from the Bureau of Overseas Buildings Operations. Six units without waivers are leased by individual Joint U.S. Military Assistance Group employees under the group's overseas housing allowance program. Department waivers for these units are not required under 15 FAM 263. The interagency housing board approves these cases locally. The other two units were leased 2 years ago. The failure to secure these waivers was due to oversight.

The Joint U.S. Military Assistance Group is under chief of mission authority but does not subscribe to ICASS housing services. Its leases are still subject to procedures in 15 FAM 263, which require that the regional security officer and the post occupational safety and health officer approve properties before leases are signed. The housing office does not track these certifications. As a result, there is no record that these leases meet security and safety and health standards.

Recommendation 29: Embassy Manila should establish procedures to require that the regional security officer and post occupational safety and health officer approve properties before leases are signed. (Action: Embassy Manila)

Facilities Maintenance

The facilities maintenance unit receives good marks from customers for office maintenance but only fair marks for residential maintenance. The facility manager directs administration, strategic planning, and Bureau of Overseas Buildings Operations liaison on the ongoing office construction projects. The deputy facility manager directly oversees the embassy's maintenance program. Together, they manage a large staff of engineers, tradesmen,

and administrative workers. The unit processes work orders and tracks them efficiently. The Office of Safety, Health, and Environmental Management conducted its last site visit in May 2011. The embassy has satisfactorily addressed all of the report's 60 recommendations.

Restroom Facilities

The newly constructed office annex does not contain a sufficient number of toilet facilities for employee areas. Ninety-nine women and 73 men work on the ground floor of the consular section, sharing 2 men's and 2 women's toilet rooms. On several occasions, the inspectors witnessed lines of women waiting to enter the women's facilities and, sometimes, use of the men's facility as a unisex bathroom. Lack of privacy for adjacent bathrooms is another source of complaint. Although the number of toilet facilities does meet the office-specific requirements contained in the International Building Code (Section 2902.1), it does not meet the general use standard contained in the Code of Federal Regulations¹ for the number of occupants in the building. As a result, the facilities are overloaded and a constant source of employee frustration.

Recommendation 30: The Bureau of Overseas Buildings Operations, in coordination with Embassy Manila, should install additional toilet facilities to meet general use standards and provide relief for consular employees. (Action: OBO, in coordination with Embassy Manila)

Work orders for short-term leased properties present challenges. Generally, the embassy seeks to require landlords to perform routine residential maintenance. Recently, the facilities office began closing these orders in its database when they were assigned to the housing unit for landlord action. However, in some cases the landlords do not complete work on a timely basis, and work orders are closed before completion. This premature action prevents facilities staff from responding efficiently to customer inquiries in such cases.

Informal Recommendation 21: Embassy Manila should refrain from closing short-term lease-related work orders in the facility management work order system until the facilities office can confirm that the landlords have completed the work.

Global Publishing Solutions Manila

GPS Manila is a printing and publishing facility on the Seafront compound that is part of the Bureau of Administration's Global Information Services division. GPS is the Department's worldwide centralized resource for printing, publishing, and domestic copier management services. GPS is a fee-for-service organization, financed by the Department's working capital fund. Manila is one of GPS's five cost centers. GPS Manila opened in 1950 and was part of the U.S. Information Agency until that agency merged with the Department in 1999. After a 2007 Office of Management and Budget Circular A-76 competition, GPS restructured to reduce costs. GPS Manila is emerging from a period of personnel turbulence as the office has sought to identify a suitable director with printing and management expertise. The current deputy director, employed on a limited noncareer appointment, brings the requisite experience and background to

¹ 29 CFR 1910.141 (c).

manage operations. The Manila operation is better managed than in previous years, and its quality of production and customer service are superb.

GPS Manila has changed many aspects of its operations, such as acquiring a new four-color printing press, but it still fails to meet expectations to operate as a business unit as envisioned by the Office of Management and Budget Circular A-76 competition process.

GPS Manila remains unprofitable. In 2012, its expenses exceeded its revenue by \$360,000, an 11 percent shortfall. Revenue has steadily declined from \$5.3 million in 2004 to \$3.2 million in 2012. GPS Manila has reduced costs, particularly in salaries, but continues to lose money. With guidance from GPS Washington, Manila has taken steps to reduce shipping costs, streamline the graphic design process, and change pricing structures to capture production costs more accurately.

GPS Manila Net Financial Statements

Fiscal Year	Revenue	Expenditures	Profit/Loss
2007	\$3,052,388	\$4,048,256	(\$995,868)
2008	\$3,262,523	\$4,840,791	(\$1,578,268)
2009	\$3,765,141	\$3,596,950	\$168,191
2010	\$3,910,159	\$4,122,643	(\$212,484)
2011	\$3,114,121	\$4,082,549	(\$968,428)
2012	\$3,178,885	\$3,539,372	(\$360,487)
Total Loss FYs 2007–2012			(\$3,947,344)

Note: Values in parentheses indicate loss.

Source: OIG analysis of Working Capital Fund records, FYs 2007–2011

The Bureau of Administration is preparing a plan to stem operating losses that affect GPS's worldwide operations, including Manila, but that plan is still in draft form and the bureau has not communicated these plans to GPS Manila management. Long-term viability for GPS's worldwide operations will require securing new business and new customers, further cutting costs, closing centers, or outsourcing services to the private sector. GPS Manila operates under several constraints. GPS Manila's status as a captive supplier to the Bureau of International Information Programs, its main customer, means that it sometimes prints materials without confirmed funding from that bureau. The burden of U.S. Government personnel regulations, Philippine labor law inflexibility, high shipping expenses, and substantial ICASS charges (\$450,000 in FY 2012 alone) make it difficult to compete against private-sector suppliers elsewhere that do not face similar cost challenges. In its inspection of GPS Manila's parent organization in 2012, OIG recommended that the Bureau of Administration develop a plan to reduce operating losses. The same recommendation is warranted here.

Recommendation 31: The Bureau of Administration should prepare and distribute a plan to restructure operations at Global Publishing Solutions Manila to eliminate working capital fund operating losses. (Action: A)

Information Management

The IM office supports 1,600 customers at 10 locations in the Philippines, as well as at U.S. embassies in Majuro, Kolonia, and Koror. Since 2009, the IM office has been focused on moving customers to new work spaces, including the Marine house, VA clinic, and a new office annex. Another move to a second annex will occur in April 2013 to accommodate the growing number of customers on the chancery compound.

Embassy Manila's IM program generally meets customer needs in this challenging environment. The unit received high scores on both ICASS and OIG surveys. The IM team is capable and morale is good, despite long work hours and an unusually heavy workload associated with office moves, which will continue throughout 2013. The IM office has also had staffing gaps and frequent changes in priorities because of a series of major initiatives at the mission.

The OIG team inspected all facilities; reviewed systems security, training facilities, and the mail room; and concluded that internal operations are solid. The inspectors identified project management, help desk ticketing, dedicated Internet networks, staff position descriptions, and membership composition in the local Information Technology Change Control Board as areas for improvement. The classified annex to this report contains recommendations on contingency planning, standard operating procedures, and physical security pertaining to IM operations.

Information Management Project Management

The mantra of the IM team is to "take care of the customers first," which it does well; however, there are times when work is prioritized poorly. The IM staff is spread over various locations, which makes it difficult to hold regular staff meetings. Recent IM office projects include 270 workstation consular system refreshes, a presidential election day event, installation of 25 workstations at Camp Aguinaldo, the Defense attaché office renovation (including installation of a dozen workstations), an elaborate cyber security training for the community, implementation of the Global Information Technology Modernization program for the classified and unclassified systems, cable installation at the chancery annex, and voice-over Internet protocol installation for the mission. Staff has attended several meetings with USAID to discuss eventual IM integration. In sum, these projects have imposed an unusually heavy burden on IM staff.

The IM office could, however, manage this workload more efficiently with better planning. None of the projects underway is listed on the IM office Web site or tracked systematically to identify requirements, taskings, and milestones in advance. Although IM staff members are generally aware of current projects, mission managers may not be and may assign new, sometimes urgent taskings to IM staff. To increase mission awareness of office priorities and timelines and to cope better with competing requirements, IM would benefit from strengthening its project planning capability by clarifying implementation steps and timelines and providing an opportunity for peer review.

Recommendation 32: Embassy Manila should develop information management office project plans, post them on the office Web site, and update the Web site regularly to reflect current priorities. (Action: Embassy Manila)

Off-Site Support

Customers in Majuro, Kolonia, and Koror are generally satisfied with IM support. The available bandwidth in Majuro is between 2 and 4 megabits per second, which limits the capability for digital video conferences or voice-over Internet protocol phone support. The IM office is working to develop better infrastructure for these missions. Although the embassy has signed memoranda of understanding for support visits, there is insufficient followup. The OIG team reviewed the temporary duty roster and found that the IM office had not completed trip reports for many of its visits. Trip reports are essential for documenting the purpose of the visits and the outstanding action items for followup.

Informal Recommendation 22: Embassy Manila should produce trip reports for all information management office assistance visits to neighboring embassies.

Help Desk

Not all help desk tickets are recorded in the eServices application. An on-site IM technician handles consular support requests, whereas radio technicians at the Seafront compound use spreadsheets to track customer requests. Sometimes requests are handled ad hoc by a technician walking through a section or via a phone call. Service requests are then coordinated on an ad hoc basis. As a result, the help desk risks failing to respond to requests or duplicating service. With a growing customer base, the help desk may need additional staff, but staffing increases must be supported by accurate workload statistics, such as those provided by eServices.

Informal Recommendation 23: Embassy Manila should implement a help desk coordination plan, complete with standard operating procedures, for managing all help desk service requests.

Dedicated Internet Networks

Embassy Manila has 25 dedicated Internet networks that require service and support and that cost approximately \$172,000 annually to maintain. The upcoming move to the new building and centralization of agencies provide an opportunity to reduce the number of networks. According to IM staff, all but a handful can be eliminated without affecting customer operations. Per 5 FAM 872.1, the embassy is required to reduce the number of dedicated Internet networks wherever possible. Reducing the number of terminals could save approximately \$165,000 in annual operating expenses and reduce management workload associated with running a large number of independent networks.

Recommendation 33: Embassy Manila should review its dedicated Internet network operations and consolidate or close redundant networks where possible. (Action: Embassy Manila)

Information Management Staff Development

With the high number of projects and office moves, LE staff development and training occur on an ad hoc basis, which hampers the section's ability to support its growing IM

community customer base over the long term. A more systematic approach to staff development and training would alleviate the problem.

Informal Recommendation 24: Embassy Manila should develop a systematic training plan for information management staff that includes rotation of local employees among different information management subunits whenever possible.

Local Information Technology Change Control Board

Embassy Manila has established a local Information Technology Change Control Board. However, the majority of the board members are from the IM office. Per 5 FAM 862.2 a., the local Information Technology Change Control Board should include other members, as appropriate. Adding representatives from other sections, such as PAS and consular, would prevent the appearance of a conflict of interest with the IM office overseeing its own network changes, as well as increase awareness of customer business needs among IM staff members.

Informal Recommendation 25: Embassy Manila should include representatives from different embassy sections on the local Information Technology Change Control Board.

Innovative Practice: Broad Range Communication

Innovative Practice: Broad Range Communication

Issue: Embassy Manila employees work in a variety of locations, which makes it difficult for them to participate in embassywide forums.

Response: The IM office deployed a videoconferencing application, Vbrick, which allows the office to broadcast four channels to every computer on the unclassified system. Vbrick also supports filming and live broadcasts, including those from the Secretary of State and Ambassador, and customizes content to large display in the lobby.

Result: Broadcasts reach audiences in many locations around the embassy. The system has allowed the embassy to terminate a significant number of cable television subscriptions, resulting in cost savings.

Quality of Life

Employees assigned to Embassy Manila receive a hardship differential at the rate of 20 percent of basic salary to compensate for pollution, crime, heavy traffic, and tropical weather conditions. Overall quality of life is reasonably good, however, and the standard tour of duty is 3 years. The mission has excellent international schools, good restaurants and shopping, and a reasonable standard of medical services. Opportunities for family member employment are numerous both inside and outside the mission.

Health Unit Staffing

The health unit provides good services but is overstaffed. The unit is located at the Seafront compound and includes an American regional medical officer, an American Foreign Service health practitioner, a local physician, four registered nurses, an x-ray technician, a medical laboratory technologist, and three administrative assistants. An LE staff physician position was added in 2010. In addition to the Philippines, Manila's regional medical officer formerly had responsibility for Tokyo and its five constituent posts; Seoul and its constituent post; Taiwan's two locations; and Vladivostok, Russia. The regional medical officer's responsibilities have diminished over the years and now cover only the Philippines and the three small islands in the Pacific. The Philippines has also made massive strides in improving its hospitals and medical care. The regional medical officer cites three excellent hospitals available for mission personnel use.

Given these changes in staff responsibilities and improvements in local health care quality, it is appropriate to reevaluate the staffing makeup of the medical unit. An anticipated local nurse position vacancy will allow the embassy the flexibility to recruit a second Filipino physician who is American educated and board certified, and the potential relocation of the medical unit to the chancery, discussed in detail below, would reduce the need for one or more local positions. There is also no longer a need for two American medical staff members in Manila. Abolishing a U.S. direct-hire position would save about \$571,000 annually in ICASS costs. Additional efficiencies are likely possible.

Recommendation 34: Embassy Manila, in coordination with the Office of Medical Services and the Bureau of Human Resources, should abolish U.S. direct-hire position number 59-696000. (Action: Embassy Manila, in coordination with MED and DGHR)

Relocation of Seafront Medical Office and Community Liaison Office

The medical unit and the community liaison office are located at the Seafront compound, about 2 miles from the chancery annex. The medical unit operates at two locations: the Seafront compound, staffed by 10 employees, and the chancery compound, staffed by 2 employees. The chancery compound site functions more as a clinic than a health unit and provides many of the same services as the Seafront clinic. Similarly, the community liaison office is located far from the chancery, its main customer base. Unfortunately, when the embassy developed plans to consolidate additional employees at the chancery compound, neither the medical unit nor the community liaison office was taken into account. With the completion of the new annex in FY

2013 and the subsequent relocation of 300 mission employees to the chancery, the inspectors believe that consolidating the health unit and the community liaison office in the chancery, where most of their clients work, will provide better service to customers.

Recommendation 35: Embassy Manila, in coordination with the Bureau of Overseas Buildings Operations and the Office of Medical Services, should implement a plan to consolidate the Manila medical unit and community liaison office at the chancery compound. (Action: Embassy Manila, in coordination with OBO and MED)

The consolidation plan must also assess whether there is a continued need for a medical laboratory; a full-service, on-site pharmacy; and an x-ray machine. With the availability of medical laboratories and pharmacies in Manila, the need for in-house operations is not clear. The x-ray machine, in particular, is obsolete.

Informal Recommendation 26: Embassy Manila should perform a cost-benefit analysis to determine whether it is cost-effective to contract out both the medical laboratory and the pharmacy.

Informal Recommendation 27: Embassy Manila should dispose of the medical unit's x-ray machine.

Community Liaison Office

The community liaison office is performing satisfactorily but is hampered by an inefficient distribution of job duties among American employees. Job responsibilities for the two part-time assistant coordinators are narrowly defined. For example, one position is responsible only for events planning, and the other is responsible only for newsletter editing. None of the community liaison office American employees had work requirements statements at the time of the inspection. All are new hires, but each has been in the job for more than 45 days. In addition, all will depart in 2013, which will necessitate recruitment actions in the near future. Although the work is getting done and satisfaction scores are relatively high, the workload falls mainly to the full-time employee because the responsibilities of the part-time employees are stovepiped.

Recommendation 36: Embassy Manila should rewrite the position descriptions of the two part-time community liaison office coordinators to include a wider range of responsibilities and to facilitate the equitable distribution of work. (Action: Embassy Manila)

American Recreation Club

Located at the Seafront compound, ARC provides services and recreational facilities for the embassy community. ARC administers concession agreements for food services and a gift shop at the chancery and Seafront compounds. It also runs recreational facilities, sells gas and shuttle coupons to eligible personnel, and sponsors community events. Profitable in FY 2011, ARC generated a slight loss in FY 2012 due to lower event revenues and one-time costs. The inspectors encouraged ARC management to cohost more events with the community liaison office. Embassy management is fully engaged with ARC, and the board is committed to improving ARC's services as well as its financial footing. The board is to be commended for

recently fending off bankruptcy (b) (6)

ARC is also the umbrella organization for two independently governed organizations: Amerikids, a parent-cooperative preschool for embassy children, and the U.S. Embassy Club, a charitable fundraising group. In 2008, the Office of Commissary and Recreation Affairs instructed the embassy to bring Amerikids and the U.S. Embassy Club under the ARC umbrella through memoranda of agreement. The respective boards of these two organizations now report to the ARC board. However, the U.S. Embassy Club's fundraising is not authorized under the existing ARC charter, last revised in 2005, as required by 6 FAM 551 a.

Recommendation 37: Embassy Manila, in coordination with the Bureau of Administration, should revise the charter of the American Recreation Club to reflect current activities, including charitable fundraising. (Action: Embassy Manila, in coordination with A)

U.S. Embassy Golf Club

The U.S. Embassy Golf Club is an organization established years ago by embassy golfers to promote the sport and build relationships between the embassy and the local and expatriate communities. There are 125 members who pay annual dues. The club has sponsored an annual Independence Day golf tournament for the past 3 years that includes a fundraising component. The club president seeks embassy management approval to solicit sponsorships and provides a list of potential sponsors for conflict-of-interest review. In the past, the embassy has not sought approval for the Ambassador's personal involvement in the event from the Office of the Legal Adviser and the Bureau of East Asian and Pacific Affairs' deputy assistant secretary, as required in 2 FAM 962.1-11 a.

Recommendation 38: Embassy Manila should request formal approval from the Office of the Legal Adviser and the Bureau of East Asian and Pacific Affairs for the Ambassador to participate personally in the U.S. Embassy Golf Club's fundraising efforts. (Action: Embassy Manila)

The public may perceive the U.S. Embassy Golf Club and its fundraising activities as official embassy events due to the direct involvement of the Ambassador and embassy employees. However, the club is not chartered under 6 FAM 500, which places the embassy and its employees at risk should the club lack the proper insurance, a formal means of accounting for funds, or adequate internal controls. Department regulations at 6 FAM 561 b. require that the club be brought under the umbrella of an officially chartered organization.

Recommendation 39: Embassy Manila, in coordination with the Bureau of Administration, should place the U.S. Embassy Golf Club under the auspices of the chief of mission through a memorandum of agreement with the American Recreation Club. (Action: Embassy Manila, in coordination with A)

Overseas Schools

Embassy employees express general satisfaction with schooling options. (b)(5)(b)(6)
[REDACTED] As a sustaining
member organization, the embassy is ensured board membership and embassy students have
priority admission. (b)(5)(b)(6)
[REDACTED] the board is searching for
additional property to expand the school.

Management Controls

Embassy Manila has developed a formal management controls review process structured around the annual submission of the chief of mission management controls statement of assurance. The embassy conducted a risk analysis assessment in 2012, prior to the preparation of the statement. Although neither the chief of mission's assurance statement, completed on July 31, 2012, nor the risk survey identified any major control weaknesses, the inspectors discovered some internal control weaknesses that require attention.

Cashiering

The cashier reconciliation disclosed two management control weaknesses. First, the cashier commingles personal and official funds, ostensibly to reduce the number of coins in her accountability. Although this practice makes the cash reconciliation quicker, according to 4 FAH-3 H-393.3-4 c., the cashier is not authorized to commingle official and personal funds, which can allow prohibited activities such as theft or temporary loans of funds to go undetected.

Recommendation 40: Embassy Manila should instruct its Class B cashier to segregate official funds in the cashier's accountability. (Action: Embassy Manila)

During the reconciliation process, the consular subcashier entered the cashier's office to deposit the day's collection and make photocopies. Per 4 FAH-3 H-393.4-3 a., access to the cashier's office should be controlled at all times and only authorized personnel should be permitted access. (b) (5) [REDACTED] open access to the cashier's office cannot be permitted.

Recommendation 41: Embassy Manila should limit access to the cashier's office to authorized personnel only. (Action: Embassy Manila)

Subcashiers

The embassy has 18 subcashiers, which is an excessive number. With the consolidation of personnel in the chancery compound, there will be less need for subcashiers.

Informal Recommendation 28: Embassy Manila should reduce the number of subcashiers and the levels of their advances.

(b) (5)

Recommendation 42: (b) (5)

[Redacted]

(b) (5)

[Redacted]

Recommendation 43: (b) (5)

[Redacted]

Consular Management Controls

Inspectors reviewed the consular management controls and found a number of shortcomings. Because of the large size of Manila's consular operations, eight officers serve as accountable consular officers, in some cases for the first time in this role. Visa foil and blank passport inventories were in good order. (b) (5)

[Redacted]

Informal Recommendation 29: Embassy Manila should review consular management controls practices and provide regular training for all accountable consular officers.

Consular Subcashier

The accountable consular officer for fees manages his oversight conscientiously.

(b) (5)

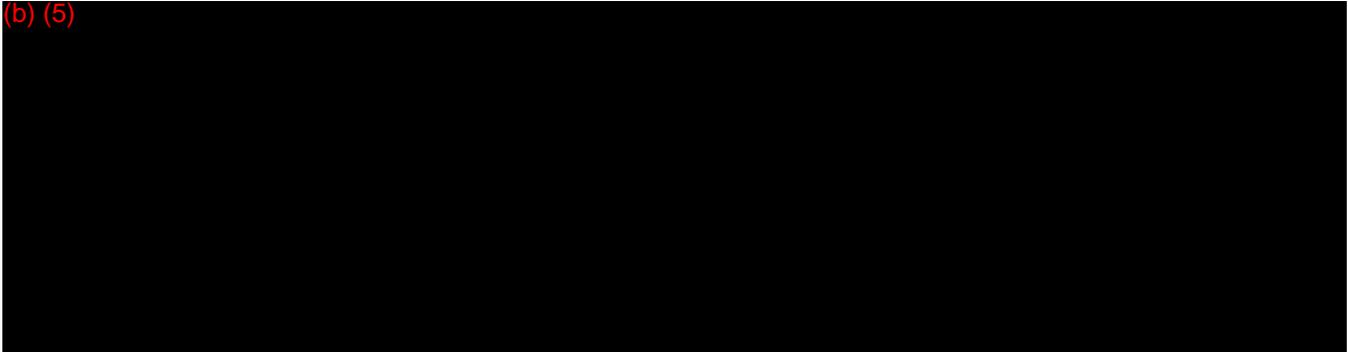
[Redacted]

Inspectors have reinforced the importance of impeccable oversight of cashiering operations in the consular section, and embassy employees are taking appropriate corrective action.

(b) (5)

[Redacted]

(b) (5)



Recommendation 44: (b) (5)



(b) (5)

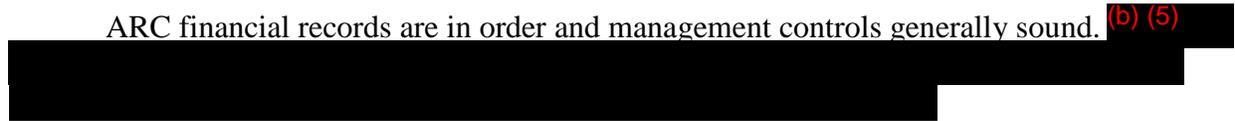


Recommendation 45: (b) (5)



American Recreation Club Cash Controls

ARC financial records are in order and management controls generally sound. (b) (5)



Informal Recommendation 30: (b) (5)



List of Recommendations

Recommendation 1: The Office to Monitor and Combat Trafficking in Persons, in coordination with Embassy Manila, should develop a monitoring plan for high-risk grantees in the Philippines to improve monitoring and evaluation of its foreign assistance programs. (Action: J/TIP, in coordination with Embassy Manila)

Recommendation 2: Embassy Manila should develop a comprehensive interagency strategy to expand U.S. exports to the Philippines that is consistent with the National Export Initiative. (Action: Embassy Manila)

Recommendation 3: Embassy Manila should implement a missionwide public affairs strategy that clarifies the mission's central messages and priorities and allocates resources accordingly. (Action: Embassy Manila)

Recommendation 4: Embassy Manila should develop a plan to improve oversight and direction of the cultural unit and the Information Resource Center. (Action: Embassy Manila)

Recommendation 5: Embassy Manila should require the regional English language officer to develop and execute a quarterly program plan consonant with the officer's regional responsibilities. (Action: Embassy Manila)

Recommendation 6: Embassy Manila, in coordination with the Bureau of Consular Affairs, should designate an officer as deputy to the consul general. (Action: Embassy Manila, in coordination with CA)

Recommendation 7: Embassy Manila, in coordination with the Bureau of Human Resources, should propose an increase in the number of language designated consular positions for inclusion in the next language designation review. (Action: Embassy Manila, in coordination with DGHR)

Recommendation 8: Embassy Manila should implement a plan to reschedule appointments for consular clientele when there is significant threat of flooding. (Action: Embassy Manila)

Recommendation 9: Embassy Manila should prepare a workload analysis to assess the need for additional information management office staffing and approach the International Cooperative Administrative Support Services council with a proposal to improve support to the consular section. (Action: Embassy Manila)

Recommendation 10: Embassy Manila should restructure processing of applications for Consular Report of Birth Abroad of a Citizen of the United States to comply with regulations. (Action: Embassy Manila)

Recommendation 11: Embassy Manila should not allow mission employees to use any method other than Class A and Class B referrals to provide information on nonimmigrant visa applicants. (Action: Embassy Manila)

Recommendation 12: Embassy Manila should send any inquiries or information received regarding nonimmigrant visas to the nonimmigrant visa unit for an appropriate response. (Action: Embassy Manila)

Recommendation 13: The Bureau of Consular Affairs should respond to the request of Embassy Manila and Embassy Majuro regarding access to the immigrant visa system for Embassy Majuro. (Action: CA)

Recommendation 14: Embassy Manila should analyze the reasons for reduced productivity in the fraud unit and undertake additional field work to investigate potential fraud. (Action: Embassy Manila)

Recommendation 15: Embassy Manila, in coordination with the Bureau of Consular Affairs, should calculate the consular agent's workload and time spent on official duties and take appropriate action to compensate the agent appropriately for his work hours. (Action: Embassy Manila, in coordination with CA)

Recommendation 16: Embassy Manila should implement a plan to budget for and repair the facilities, dispose of excess property, and replace nonfunctioning windows and microphones at the U.S. consular agency in Cebu. (Action: Embassy Manila)

Recommendation 17: Embassy Manila should implement procedures to provide regular supervisory oversight and administrative support for the consular agency in Cebu, using a checklist of vital consular and management issues as a guide. (Action: Embassy Manila)

Recommendation 18: Embassy Manila should establish a working group to enhance coordination of management support to Embassies Koror, Kolonia, and Majuro. (Action: Embassy Manila)

Recommendation 19: The Bureau of East Asian and Pacific Affairs should allot regional support funding for Embassies Koror, Kolonia, and Majuro to Embassy Manila. (Action: EAP)

Recommendation 20: The Bureau of the Comptroller and Global Financial Services should develop and communicate to Embassy Manila a plan to improve the performance of the new Pay Intake system for American payroll issues. (Action: CGFS)

Recommendation 21: The Bureau of the Comptroller and Global Financial Services, in coordination with Embassy Manila, should evaluate the cost-effectiveness of allowing the embassy to process additional vouchers and authorize such action if feasible. (Action: CGFS, in coordination with Embassy Manila)

Recommendation 22: Embassy Manila should establish a comprehensive, missionwide training plan and allocate specific resources for training under the direction of the human resources officer. (Action: Embassy Manila)

Recommendation 23: The Bureau of East Asian and Pacific Affairs, in coordination with the Bureau of Human Resources, should eliminate a general services officer position at Embassy Manila. (Action: EAP, in coordination with DGHR)

Recommendation 24: Embassy Manila should compete its simplified acquisitions according to regulations. (Action: Embassy Manila)

Recommendation 25: Embassy Manila should require that passengers acknowledge their trips in writing and that drivers complete the Daily Vehicle Use Record (Form OF-108). (Action: Embassy Manila)

Recommendation 26: Embassy Manila should calculate rates for other authorized vehicle use in accordance with Department of State regulations and on an annual basis. (Action: Embassy Manila)

Recommendation 27: Embassy Manila should justify that its home-to-office shuttle program is in the government's best interest with a chief of mission written finding. (Action: Embassy Manila)

Recommendation 28: Embassy Manila should include in its post arrival information details about Philippine vehicle registration requirements. (Action: Embassy Manila)

Recommendation 29: Embassy Manila should establish procedures to require that the regional security officer and post occupational safety and health officer approve properties before leases are signed. (Action: Embassy Manila)

Recommendation 30: The Bureau of Overseas Buildings Operations, in coordination with Embassy Manila, should install additional toilet facilities to meet general use standards and provide relief for consular employees. (Action: OBO, in coordination with Embassy Manila)

Recommendation 31: The Bureau of Administration should prepare and distribute a plan to restructure operations at Global Publishing Solutions Manila to eliminate working capital fund operating losses. (Action: A)

Recommendation 32: Embassy Manila should develop information management office project plans, post them on the office Web site, and update the Web site regularly to reflect current priorities. (Action: Embassy Manila)

Recommendation 33: Embassy Manila should review its dedicated Internet network operations and consolidate or close redundant networks where possible. (Action: Embassy Manila)

Recommendation 34: Embassy Manila, in coordination with the Office of Medical Services and the Bureau of Human Resources, should abolish U.S. direct-hire position number 59-696000. (Action: Embassy Manila, in coordination with MED and DGHR)

Recommendation 35: Embassy Manila, in coordination with the Bureau of Overseas Buildings Operations and the Office of Medical Services, should implement a plan to consolidate the Manila medical unit and community liaison office at the chancery compound. (Action: Embassy Manila, in coordination with OBO and MED)

Recommendation 36: Embassy Manila should rewrite the position descriptions of the two part-time community liaison office coordinators to include a wider range of responsibilities and to facilitate the equitable distribution of work. (Action: Embassy Manila)

Recommendation 37: Embassy Manila, in coordination with the Bureau of Administration, should revise the charter of the American Recreation Club to reflect current activities, including charitable fundraising. (Action: Embassy Manila, in coordination with A)

Recommendation 38: Embassy Manila should request formal approval from the Office of the Legal Adviser and the Bureau of East Asian and Pacific Affairs for the Ambassador to participate personally in the U.S. Embassy Golf Club's fundraising efforts. (Action: Embassy Manila)

Recommendation 39: Embassy Manila, in coordination with the Bureau of Administration, should place the U.S. Embassy Golf Club under the auspices of the chief of mission through a memorandum of agreement with the American Recreation Club. (Action: Embassy Manila, in coordination with A)

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Recommendation 42: (b) (5) [Redacted]

Recommendation 43: (b) (5) [Redacted]

Recommendation 44: (b) (5) [Redacted]

Recommendation 45: (b) (5) [Redacted]

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 Manila should designate a biographic reporting officer, outline a reporting plan, and arrange with the information management office to establish an embassy shared drive for biographic reporting.

Informal Recommendation 2: Embassy Manila should revise local employee position descriptions in the public affairs section as warranted.

Informal Recommendation 3: Embassy Manila should regularize the public affairs section's contact with U.S. military public affairs elements, including the public affairs officer assigned to the Joint Special Operations Task Force-Philippines.

Informal Recommendation 4: Embassy Manila should analyze readership and media habits of the target audience in Mindanao and decide whether to continue both the virtual presence post and the blog.

Informal Recommendation 5: Embassy Manila should implement a plan for the Information Resource Center to control workflow and sustain relationships with Filipino contacts and organizations during the transition to full staffing.

Informal Recommendation 6: Embassy Manila should implement procedures requiring the public affairs section to complete DS-4012 grants forms.

Informal Recommendation 7: Embassy Manila should stipulate in its grant agreements how the U.S. Government will receive public credit, as appropriate.

Informal Recommendation 8: Embassy Manila should revise the rotation schedule in the American citizens services unit for appropriate case management, continuity, and workload distribution.

Informal Recommendation 9: Embassy Manila should hold a training session on the confidentiality of visa information under section 222(f) of the Immigration and Nationality Act to make all consular staff aware of its provisions and of the procedures for reporting a breach in visa confidentiality.

Informal Recommendation 10: Embassy Manila should make the fraud prevention manager, who is the accountable consular officer in the fraud prevention unit, responsible for the entire genetic testing process.

Informal Recommendation 11: Embassy Manila should require the fraud program manager to organize a training session for consular section employees with the assistant regional security

officers for investigations to clarify lines of responsibility and authority, and codify responsibilities in a post-specific standard operating procedure.

Informal Recommendation 12: Embassy Manila should propose training for judicial entities in the Philippines that are involved in (b) (5)

Informal Recommendation 13: Embassy Manila should limit hours for walk-in service to the public at the U.S. consular agency in Cebu to 4 days a week to allow the consular agent and his assistant adequate time for other duties.

Informal Recommendation 14: Embassy Manila should coordinate a comprehensive program of administrative support to consular agency Cebu.

Informal Recommendation 15: Embassy Manila and the consular agent in Cebu should develop a transition plan for the agent's anticipated retirement so that his knowledge and expertise are not lost.

Informal Recommendation 16: Embassy Manila should update the fees charged for rooms at the Baguio residence and cottages.

Informal Recommendation 17: Embassy Manila should track the submission of work requirements statements for eligible family members and handle delinquent cases accordingly. (Action: Embassy Manila)

Informal Recommendation 18: Embassy Manila should document in writing its trafficking in persons contract monitoring activities.

Informal Recommendation 19: Embassy Manila should request approval from the International Cooperative Administrative Support Services council to reprogram a vacant local employee position for the shipping and customs unit.

Informal Recommendation 20: Embassy Manila should post interagency housing board minutes on its intranet site.

Informal Recommendation 21: Embassy Manila should refrain from closing short-term lease-related work orders in the facility management work order system until the facilities office can confirm that the landlords have completed the work.

Informal Recommendation 22: Embassy Manila should produce trip reports for all information management office assistance visits to neighboring embassies.

Informal Recommendation 23: Embassy Manila should implement a help desk coordination plan, complete with standard operating procedures, for managing all help desk service requests.

Informal Recommendation 24: Embassy Manila should develop a systematic training plan for information management staff that includes rotation of local employees among different information management subunits whenever possible.

Informal Recommendation 25: Embassy Manila should include representatives from different embassy sections on the local Information Technology Change Control Board.

Informal Recommendation 26: Embassy Manila should perform a cost-benefit analysis to determine whether it is cost-effective to contract out both the medical laboratory and the pharmacy.

Informal Recommendation 27: Embassy Manila should dispose of the medical unit's x-ray machine.

Informal Recommendation 28: Embassy Manila should reduce the number of subcashiers and the levels of their advances.

Informal Recommendation 29: Embassy Manila should review consular management controls practices and provide regular training for all accountable consular officers.

Informal Recommendation 30: (b) (5)

A large black rectangular redaction box covers the text of Informal Recommendation 30, starting from the end of the text "(b) (5)" and extending across the width of the page.

Principal Officials

	Name	Arrival Date
Ambassador	Harry K. Thomas Jr.	04/10
Deputy Chief of Mission	Brian L. Goldbeck	ETA 08/12
Chiefs of Sections:		
Management	Robert A. Riley	11/09
Consular	Michael R. Schimmel	10/10
Economic	Joel Ehrendreich	07/12
Engineering Service Center	David B. Noble	07/12
Public Affairs	Robin D. Diallo	08/11
Political	Joy O. Yamamoto	08/10
Global Publishing Solutions	David J. Ekeroth (Deputy)	06/12
Regional Security	Keith A. Swinehart	09/11
Regional Information Management Center	Gabriel F. Cudal	09/09
Overseas Buildings Operations	Wendy Simonson	05/09
Other Agencies:		
American Battle Monument Commission	Larry A. Adkison	03/00
Broadcasting Board of Governors / International		
Broadcasting Bureau	David Strawman	02/09
Drug Enforcement Administration	Robert M. Cash	05/09
U.S. Citizenship and Immigration Services	David V. Roy	02/10
Homeland Security Investigations	Mevedinia Romero	07/12
Department of Justice	Donald D. Ashley	07/12
Joint U.S. Military Assistance Group	Col. Rocky L. Carter	05/12
Defense Attaché Office	Col. Richard W. Matton	01/11
Foreign Agricultural Service	Philip A. Shull	07/10
Animal and Plant Health Inspection Service	Kelan R. Evans	07/11
Foreign Commercial Service	James McCarthy	07/12
Asian Development Bank	Joel N. Fischl	10/09
Legal Attaché Office	Gibson M. Wilson	05/12
Millennium Challenge Corporation	Matthew L. Bohn	09/10
Naval Criminal Investigation Service	Johnnie C. Green	10/10
Peace Corps	Denny Robertson	07/11
Social Security Administration	Darrin K. Morgan	09/07
Transport Security Administration	Anthony M. Mira	06/10
U.S. Agency for International		07/10
Development	Gloria D. Steele	
U.S. Department of Veterans Affairs	Nicolas Pamperin	12/10
U.S. Department of Treasury/Office of		
Technical Assistance	Donna K. Blackburn	06/12

Abbreviations

ARC	American Recreation Club
ARSO-I	Assistant regional security officer-investigator
Department	U.S. Department of State
DOD	Department of Defense
EEO	Equal Employment Opportunity
FAH	<i>Foreign Affairs Handbook</i>
FAM	<i>Foreign Affairs Manual</i>
GPS	Global Publishing Solutions
ICASS	International Cooperative Administrative Support Services
IM	Information management
J/TIP	Office to Monitor and Combat Trafficking in Persons
JSOTF-P	U.S. Joint Special Forces Operations Task Force-Philippines
LE	Locally employed (staff)
PAS	Public affairs section
USAID	U.S. Agency for International Development
VA	U.S. Department of Veterans Affairs



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OR MISMANAGEMENT
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