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AND THE BROADCASTING BOARD OF GOVERNORS
OFFICE OF INSPECTOR GENERAL

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Office of Inspections

February 2014

Inspection of Embassy Sofia, Bulgaria

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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 2012 by the Council of the 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 instances 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 cursive script that reads "Robert B. Peterson".

Robert B. Peterson
Assistant Inspector General for Inspections

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Key Judgments

- The Ambassador possesses strong diplomatic and policy leadership skills and ably directs the embassy's pursuit of U.S. policy objectives in a turbulent political environment. Under her leadership, the embassy country team works well together.
- Embassy Sofia should strengthen some of its internal processes by linking travel, reporting and representation plans, and senior officers' schedules to strategic goals and by periodically assessing the embassy's progress in meeting those goals. The deputy chief of mission needs to move paperwork more quickly to the Ambassador to ensure timely decisionmaking.
- The mission produces generally timely, high-quality analytical reporting on Bulgaria's politics, human rights, legal reform, and the burgeoning bilateral security relationship.
- The management and information management operations provide quality services to the embassy community. The consular section delivers quality services to the public and its staff demonstrates a strong customer service ethic; however, the inspection team identified leadership and management issues that must be addressed.
- The public affairs section develops and implements excellent public diplomacy programs geared to the mission's strategic goals and objectives.
- Embassy Sofia should develop a more structured mentoring and professional development program for first- and second-tour employees.

All findings and recommendations in this report are based on conditions observed during the on-site review and the standards and policies then in effect. The report does not comment at length on areas where the OIG team did not identify problems that need to be corrected.

The inspection took place in Washington, DC, between September 5 and 27, 2013, and in Sofia, Bulgaria, between October 1 and 22, 2013. Ambassador Kenneth Brill (team leader), Laurent Charbonnet (deputy team leader), Robert Eckert, Ellen Engels, Brett Fegley, Darren Felsburg, Ralph Kwong, Brian Mohler, Mary Monica O'Keefe, Colwell Whitney, and Timothy Williams conducted the inspection.

Context

Since the collapse of the Soviet Bloc, Bulgaria has made uneven attempts to transform its political and economic structures. Bulgaria joined the North Atlantic Treaty Organization in 2004 and the European Union 3 years later. Although Bulgaria sees its future with the West, it retains a strong cultural identity with Russia due to shared religious and language traditions and enduring respect for Russia's role in freeing the country from centuries of Ottoman rule.

Bulgaria's democratic and political institutions lag behind those of other European Union members. It has had three governments so far in 2013. Following spring elections, a minority coalition led by socialists formed and survives on tacit support from ultranationalists. Ongoing popular protests against the coalition have become a feature of domestic politics.

Bulgaria's shifting political situation complicates the bilateral partnership with the United States. While security, law enforcement, and counterterrorism cooperation are strong, internal turmoil affects progress on other U.S. priorities, such as promoting the rule of law, energy diversification, and an improved business climate. Some media, for example, have incorrectly blamed the two largest U.S. investments—electricity-generating thermal plants—for Bulgaria's high electricity prices.

Bulgarian military forces participate with U.S. and international forces in Afghanistan. The U.S. Defense Cooperation Agreement with Bulgaria allows use of joint facilities, provides for exercises, and facilitates the movement and temporary stationing of aircraft and ships. Bulgaria receives some U.S. security assistance. Bulgaria's location on the Black Sea makes it a natural route for trafficking in drugs, contraband, and people. Money laundering, financial fraud, and digital piracy are also problems. Counterterrorism collaboration increased significantly after a 2012 terrorist attack linked to Hezbollah.

Bulgaria has been slowly building a market economy, with successive governments committed to economic reforms. In the mid-2000s, bank lending, consumption, and foreign direct investment drove robust growth, but the global downturn has cut domestic demand, exports, capital inflows, and industrial production. Bulgaria is not part of the Euro zone and is the European Union's poorest country. Sluggish economic growth (0.6 percent in 2013), corruption, and high energy bills exacerbated public discontent in 2013. Corruption, a weak judiciary, and organized crime hinder its economic prospects. Nevertheless, its presence in the European Union, abundant natural resources, educated work force, strategic location, and relatively low costs make it a potentially attractive economic partner.

Embassy Sofia employs 77 U.S. direct hires and 323 locally employed (LE) staff, representing eight U.S. agencies. All embassy elements are located in the chancery, which opened in 2005. Total mission funding for FY 2012 was \$19.4 million, which includes Department of State (Department) funding of \$14.5 million and excludes U.S. direct-hire salaries. Total bilateral assistance for FY 2013 is \$9.5 million.

Executive Direction

The Ambassador has demonstrated strong diplomatic and policy leadership skills in directing the embassy's pursuit of U.S. policy objectives in a turbulent political and policy environment. Officials in the Department and other agencies praised her overall performance. She has developed and maintained constructive relationships with key Bulgarian officials and has ready access when needed.

The Ambassador and deputy chief of mission (DCM), who is serving for the first time in such a position, actively support the programs and activities of all agencies and encourage collaboration among country team members. Department and other agency officials gave the embassy generally and the Ambassador specifically credit for the success of a recent, complex counterterrorism exercise with Bulgaria. The Ambassador is ensuring all mission elements integrate their planning for another significant cooperative activity with Bulgaria and is shaping Washington agencies' planning through clear messages on what will be needed for success, in terms of policy and resources.

Strategic Planning and Direction

The embassy developed an Integrated Country Strategy through a missionwide process led by the DCM. The overall document outlines clear embassy goals, although the OIG team noted that the chief of mission priorities section could be more explicit. The embassy's 2014 Mission Resource Request, prepared through a process led by the former management counselor, provides very clear chief of mission priorities. The Ambassador used a town hall meeting following the 2013 summer transfer season to outline her priorities and expectations for the embassy staff.

While the embassy did a good job of preparing its planning documents, it needs to do more to make them part of its day-to-day operations. For example, the embassy has no missionwide reporting, travel, or representation plans linked to strategic goals. Similarly, the embassy has no process to assess periodically its progress in achieving the goals it has set for itself and that Washington has implicitly endorsed.

Recommendation 1: Embassy Sofia should establish a periodic process to assess its progress in meeting the goals of the Integrated Country Strategy, including appropriate adjustments to mission reporting, travel, and representation plans, and report the assessment to the Ambassador and the Bureau of European and Eurasian Affairs. (Action: Embassy Sofia)

Informal Recommendation 1: Embassy Sofia should tie the work requirements of all Department of State U.S. direct-hire employees to its strategic goals.

Informal Recommendation 2: Embassy Sofia should use the political/economic section's reporting plan as the core for developing a missionwide reporting plan linked to its Integrated Country Strategy.

Informal Recommendation 3: Embassy Sofia should apportion representational and travel funds based on deputy chief of mission-approved section travel and representation plans linked to the mission's strategic goals.

Informal Recommendation 4: Embassy Sofia should periodically use its weekly scheduling meeting to assess whether the Ambassador's and other senior officers' meetings are tracking with the mission's strategic goals.

Embassy Management and Coordination

The embassy front office works together as a team and is accessible to embassy staff. Embassy staff members confirm the front office's open-door policy is real and used. The DCM drops by offices and frequently meets informally with mission staff, which they appreciate. The Ambassador, who had done less of that in her first year, has begun to get out of the front office more often and engage informally with staff. It is important that she continue and build on this practice.

Despite good teamwork, the front office can be slow to make decisions. The main problem is that cables, memoranda, and other items requiring decisions become stuck in the DCM's office. The OIG team counseled him to promptly deal with issues and paperwork that come to him for action. He acknowledges the problem and is trying to improve. The Ambassador crisply leads embassy meetings, uses agendas, and assigns follow-up actions. The DCM is much less effective in meetings. The team counseled him on the use of agendas to help staff prepare for meetings and the need to make clear follow-up assignments at the end of meetings.

Informal Recommendation 5: Embassy Sofia should direct the deputy chief of mission to develop a paper-flow process that will permit office management specialists to move cables and memoranda from his inbox to the Ambassador's, if he has taken no action on them within 12 hours.

Embassy Sofia has a talented country team that generally works well together. Embassy Sofia's regional security officer (RSO) is dedicated, creative, and hard-working, but occasionally takes issues to the front office before coordinating with all colleagues whose equities are affected, including the law enforcement agencies. This lack of coordination has produced some tension and hampered mission teamwork. At times, the RSO has not adequately explained security procedure changes to the general embassy community, causing puzzlement. OIG inspectors counseled the RSO on practical ways to engage the broader community on, and build support for, embassy security procedures and policies.

Informal Recommendation 6: Embassy Sofia should require the regional security officer to consult with relevant country team colleagues before developing and reaching decisions on proposals for front office approval.

Morale and Workplace Issues

Embassy Sofia's staff generally has high morale. Embassy workspaces are relatively new and well maintained. The LE staff members are extremely competent and professional, and they are valued and respected by their American colleagues. The embassy's antidiscrimination and

antiharassment programs have adequate counselors for American and LE staff. Embassy management agreed with the OIG team's suggestion to have a town hall meeting in the coming months featuring those counselors and to conduct staff awareness training on discrimination and harassment issues. The community liaison office functions well.

Mentoring and Professional Development for First- and Second-Tour Staff

Embassy Sofia has 14 first- and second-tour (FAST) employees, but the FAST mentoring and professional development program is unstructured. The front office is supportive but not actively engaged in shaping the program. The DCM appropriately serves as the reviewing officer for most FAST employees. The OIG team counseled him to more actively mentor his subordinates, including the FAST staff. A newly designated FAST coordinator polled FAST employees on issues they would like to have addressed and organized a well-received brown bag lunch with three embassy section chiefs to discuss career-related issues. Future meetings will involve brown bag sessions with the heads of non-Department agencies at the embassy.

The Secretary, the Director General, and other senior Department officials have made clear they look to ambassadors and DCMs to contribute actively to the professional development of FAST personnel.

Recommendation 2: Embassy Sofia should develop a more structured mentoring and professional development program for first- and second-tour staff, which includes periodic engagement with the Ambassador and the deputy chief of mission. (Action: Embassy Sofia)

Rightsizing

Embassy Sofia will undergo a rightsizing review early in 2014. In the view of the inspectors, the most significant issue may be expansion of the Department's Post Support Unit, which provides voucher processing services to posts worldwide. The Sofia unit is geographically located to cover time zones in Europe, Africa, and much of the Middle East, giving it real-time coverage of many posts. It comprises part of a network of support units—including Charleston and Bangkok—that gives the Department near-24/7 processing operations. Embassy Sofia could play a key role in developing more regionalized functions, potentially reducing financial management staff at individual posts.

Policy and Program Implementation

Political/Economic Section

Embassy Sofia's political/economic section performs strongly under the effective leadership of an FS-01 counselor and his deputy, who also serves as the economic unit chief. Although four of five section officers (including the counselor and deputy) arrived during summer 2013, they already are a fully integrated team. Officers' portfolios and work requirements statements accurately reflect the mission's Integrated Country Strategy. All officers are language-qualified in Bulgarian, including one with near-native fluency. The section spends approximately 10 percent of its time handling visitors. During 2012, it supported 22 visits, including 6 at the deputy assistant secretary-level or above.

Reporting and Advocacy

In the 9 months before the inspection, this relatively small section drafted approximately 140 political cables and 35 economic cables, with a good mixture of well-sourced analytical messages and spot reports; contextual commentary was insightful. Formally mandated reports on trade, human trafficking, narcotics, human rights, and religious freedom were solid and submitted on time. Washington consumers gave the embassy uniformly high marks on reporting, particularly applauding its extensive coverage of the continually evolving and complex political landscape in Bulgaria, an increasingly close security partner. Washington agencies also appreciated reportage on the embassy's actions to secure Bulgaria's support for the U.S. position on the destruction of Syria's chemical weapons, and on the Ambassador's successful effort to get Bulgaria to support the European Union's designation of Hezbollah as responsible for a 2012 terrorist bombing.

Washington readers did cite occasional delays in reporting breaking events; the delays are due to front office clearance issues beyond the section's control. Current staffing allows for adequate coverage of high-priority issues, but the range of reported subjects has become more narrowly focused, with limited coverage of labor unions, environmental issues, external relations, and human trafficking. The OIG team suggested providing clearer sourcing of information in reporting.

The section makes good use of record emails. During a 6-month period in 2013, the section sent 75 record emails. Most are excellent "end of day" reports, containing timely information of policy relevance, and are distributed to an appreciative interagency group. The section has productive daily contact with the Department's Bulgaria desk.

The section maintains and follows good written plans for reporting and official travel. All officers and most LE staff have hosted representational events.

Human Rights and Refugees

A full-time human rights officer implements the embassy objective of improving social inclusion of marginalized groups such as Muslims, persons with disabilities, homosexuals, and the Roma population. The human rights officer also covers refugee and migration affairs, the

workload for which is growing as the Bulgarian Government is challenged to care for recent waves of refugees from Syria. As Bulgaria prepares to join global refugee resettlement programs, the embassy has organized government-to-government training by visiting U.S. officials. The officer maintains close relations with representatives of the United Nations High Commissioner for Refugees, the Red Cross, and the Helsinki Committee.

Political-Military Cooperation and Leahy Vetting

A full-time political-military officer monitoring the robust U.S.-Bulgarian security relationship under the Defense Cooperation Agreement works collaboratively with the U.S. military representatives in the embassy. Recently, the officer reported extensively on the destruction of obsolete Bulgarian military weapons that could have been used by terrorists, supporting a key U.S. security goal in Bulgaria. The officer has become heavily involved in a major initiative on the potential training of Libyan soldiers at a Bulgarian base by U.S. and Bulgarian trainers. This project, if carried out as planned, will limit the section's ability to cover other political-military issues.

The human rights officer and an LE colleague have completed required training on Leahy vetting, as have two colleagues who act as backups. This process seeks to vet Bulgarian candidates for U.S.-sponsored military or security training to ensure none have committed human rights violations. During the past year, no one has been turned down for training on human rights grounds, although some applicants have been rejected for other reasons. The section processed 334 individuals for Leahy vetting in 2012.

Law Enforcement Cooperation

To bolster bilateral law enforcement cooperation, the embassy hosts the Federal Bureau of Investigation, the Drug Enforcement Administration, and the U.S. Secret Service. The DCM and the RSO co-chair meetings of the law enforcement working group to coordinate the efforts of the respective agencies with local counterparts. Given the political complexity and the presence of transnational organized crime, it would be useful to ensure participation in the working group by other relevant sections, including consular and political/economic, to add perspective and better understanding of the Bulgarian political and crime scene.

Informal Recommendation 7: Embassy Sofia should add the chiefs of the political/economic and consular sections to the law enforcement working group.

Rule of Law

A full-time rule-of-law officer works to strengthen the Bulgarian justice system's ability to combat local and transnational crime, while protecting civil rights. The section chief chairs the rule-of-law working group—which includes law enforcement agency representatives, the RSO, the consular section, and the public affairs section—to coordinate U.S. efforts to: improve U.S.-Bulgarian cooperation; enhance the efficiency and independence of the courts; assist the government's electoral reform efforts; and help Bulgaria root out corruption.

Trade Promotion

Bulgaria's market potential is stymied by access issues, including poor intellectual property protection and an opaque government procurement regime. The embassy has worked to open Bulgaria's market to U.S. exports. After progress in protecting intellectual property that resulted in the United States dropping Bulgaria from the Special 301 watchlist some years ago, this year the embassy argued that the country should be put back on the watchlist because of backsliding due to poor enforcement of its own laws. The monthly economic/energy/investment working group, chaired by the economic unit chief, is the mechanism through which the three economically related sections devise U.S.-export promotion strategy. The OIG team observed strong collaboration and coordination between the political/economic section, the Foreign Commercial Service, and the Department of Energy representatives.

Environment, Science, Technology, and Health

The United States and Bulgaria signed a Science and Technology Cooperation Agreement in 2008. One economic officer spends 10-15 percent of her time on environmental and scientific issues, assisted by an LE staff member. This amount of time is sufficient for delivery of demarches, occasional outreach, and one or two larger projects per year. A regional environment, science, technology and health officer at Embassy Budapest covers Bulgaria but has not visited Sofia in several years due to limited travel budgets.

Assistance Programs

In FY 2014, Bulgaria will receive \$9.5 million in security assistance, largely Foreign Military Financing and International Military Education and Training. There is a small amount of funding set aside for nonproliferation, antiterrorism, demining, and related programs. No one in the political/economic section is certified as a grants officer representative because these programs are monitored from Washington or the Office of Defense Cooperation. The political-military officer participated in the development of the operational plan for security assistance.

Consular Management

Embassy Sofia's consular operations work well. The quality of American citizens services, including Federal benefits, is high despite a staffing deficit. Visa services are courteous, professional, and usually timely. The quality of visa interviews is solid, and the most experienced American officers and LE staff have a sophisticated understanding of law, procedure, and local conditions. In her first year, Embassy Sofia's consular section chief made important procedural changes that strengthened visa adjudicators' ability to make independent, well-grounded decisions.

In June 2013, at the request of the consular chief, a Consular Management Assistance Team visited Embassy Sofia for one week. The team made 11 recommendations, officially communicated by cable on August 29, 2013. The embassy's response cable, dated September 19, 2013, reported progress in complying with most recommendations and committed to comply with the remainder. Beyond its formal recommendations, the Consular Management Assistance Team found "few technical areas for improvement." The OIG team concurs with this judgment.

Leadership and Communication

The consular section generally performs well, but some gaps in the consular chief's communication and organizational skills have hampered her ability to build a team and formulate strategic plans effectively. The consular section chief is an experienced and conscientious consular officer with a strong understanding of immigration law and the *Foreign Affairs Manual* (FAM). She expressed concern that consular officers might feel overextended by their assigned duties, but officers generally felt insufficiently challenged and expressed a desire for broader responsibilities to employ and extend their professional skills. Staff also characterized the consular chief as procedurally rigid and detail-focused in a way that sometimes inhibited independent problem solving and resulted in delayed decisionmaking. LE staff members generally describe her as knowledgeable, accessible and responsive; however, a number of LE staff members expressed a desire for more personal engagement by the consular chief, which would demonstrate an interest in their work and a willingness to collaborate with them as subject-matter experts.

The consular chief works long hours, including weekends. Although her management responsibilities grew following the elimination of a deputy chief position in 2011, the consular chief has insufficiently delegated responsibilities to her staff. Politically sensitive extraditions this year exacerbated time management problems, as did the peak season for the Summer Work Travel program visa applicants, who experienced numerous adjudication delays.

Informal Recommendation 8: Embassy Sofia should require the deputy chief of mission to identify appropriate mentors to strengthen the consular chief's leadership, management, and communication skills. The specific mentoring arrangement should be determined in consultation with the deputy chief of mission

Staffing of Extradition Cases

During FY 2013, several high-profile extradition cases required unusually large time commitments by embassy staff. For a variety of reasons, the bulk of these responsibilities fell to the consular chief, even though they touched on political or public diplomacy concerns. These responsibilities took inordinate time away from her leadership and management responsibilities in the consular section.

Recommendation 3: Embassy Sofia should implement a standard operating procedure that formally delineates between sections responsibilities for handling extradition cases. (Action: Embassy Sofia)

Summer Work Travel Program

The Department-sponsored Summer Work Travel program brings full-time university students to the United States for cultural exchange and temporary employment. The popular program has a high profile with the Bulgarian Government and public. It is important to the bilateral relationship that visa adjudication for the program be efficient and transparent, with appropriate safeguards.

Communication problems and misunderstandings between Sofia's consular section, the Bureau of Consular Affairs' Visa Office, and the Kentucky Consular Center hampered visa processing for the FY 2013 program. Adjudication of hundreds of Summer Work Travel visas was delayed until almost the time of scheduled departure. Reportedly, several neighboring posts with large numbers of Summer Work Travel applications experienced similar problems. The Consular Management Assistance Team recommended that the embassy address these issues, working with relevant offices.

Recommendation 4: Embassy Sofia should engage with the Bureau of Consular Affairs' Visa Office to clarify procedures well in advance of the FY 2014 Summer Work Travel peak season. (Action: Embassy Sofia, in coordination with CA)

After conducting a validation study of the 2012 Summer Work Travel program, the consular section implemented enhanced screening procedures that improved the quality of visa adjudication. Embassy Sofia intends to conduct another study of the FY 2013 program to validate success of the new procedures. Implementation of the procedures last summer, however, resulted in a higher number of refusals and attendant negative publicity.

Informal Recommendation 9: Embassy Sofia should task the consular and public diplomacy sections to implement an affirmative public outreach strategy prior to the beginning of the application season for the FY 2014 Summer Work Travel program.

Portfolios

Sofia's two most experienced consular FAST officers consistently express a desire for greater management responsibility. Although each has supervisory responsibility for a functional unit or units, the consular chief assigns broader management responsibilities for matters such as communication, outreach, and professional development on a more ad hoc basis. The section's talented and team-oriented LE staff is also capable of taking on more challenging professional responsibilities. A realignment of officer and LE staff portfolios would help the consular section operate more effectively.

Recommendation 5: Embassy Sofia should review existing consular portfolios and consolidate related functions. (Action: Embassy Sofia)

Recommendation 6: Embassy Sofia should require teams that include a first- and second-tour officer and locally employed staff to manage the consular portfolios. (Action: Embassy Sofia)

Fraud Prevention

Sofia's fraud prevention investigator is an experienced, knowledgeable, and professional LE staff member. The fraud investigator personally screens 100 percent of documents submitted in support of immigrant and nonimmigrant visa cases prior to interviews, an unusual practice.

Prescreening documents for 100 percent of applications might identify issues for officers to consider during interviews, but it also has at least three drawbacks: the responsibility for the visa issuance decision rests solely on the adjudicating officer, and the fraud investigator's notes may inappropriately affect, or appear to affect, the officer's decisionmaking; there is little need

for the investigator to review documents of applicants who were refused visas by the adjudicators; and the current approach places excessive emphasis on documents at the expense of other evaluative tools.

Recommendation 7: Embassy Sofia, in coordination with the Bureau of Consular Affairs, Office of Fraud Prevention Programs, should review Sofia's practice of screening all visa application supporting documents, and identify a process that will protect the integrity of the adjudications, while maximizing efficiency and effectiveness of the fraud prevention investigator. (Action: Embassy Sofia, in coordination with CA)

American Citizens Services

A Consular Management Assistance Team recommended that the consular chief delegate her management of the American citizens services unit to a FAST officer. Although the delegation formally took place, the consular chief remains involved in a number of American citizens services matters. While such involvement is not inappropriate, reporting responsibilities have not yet been fully clarified, which sometimes causes confusion among the LE staff about who is in charge.

Recommendation 8: Embassy Sofia should define reporting responsibilities within the American citizens services unit so that reporting and case management flow directly through the American citizens services first- and second-tour officer. (Action: Embassy Sofia)

The Consular Management Assistance Team strongly recommended that the embassy hire a second LE staff member in support of the current American citizens services assistant. Embassy Sofia has initiated the hiring process and expects to hire a second American citizens services staff member soon. Summer Work Travel season lays heavy demands on consular staffing. The inspection team counseled the consular chief to ensure that all American citizens services demands are met before assigning staff from that unit to other duties.

Public Affairs Section

Sofia's public affairs section plays an integral and effective role in addressing the priorities in the mission's Integrated Country Strategy. The public affairs officer enjoys a close relationship with the Ambassador and DCM, communicating daily and participating actively in regular embassy and interagency meetings. The section was part of a pilot program, now required by the Under Secretary for Public Diplomacy and Public Affairs, to create a public diplomacy implementation plan tied to the mission's Integrated Country Strategy. At the start of FY 2013, the section outlined every planned public diplomacy program, indicating timeframe, funding source, estimated cost, and public diplomacy theme.

While public affairs is integrated into the strategic work of the mission, the embassy has not organized a formal outreach program for American personnel to speak to Bulgarian audiences, but conducts such events on an ad hoc basis. The public affairs section is the logical section to manage such a program, which should include FAST employees.

Recommendation 9: Embassy Sofia should establish a mission speakers program for American employees, including first- and second-tour employees, to conduct outreach to Bulgarian audiences. (Action: Embassy Sofia)

Section Management

The public affairs officer effectively leads the public affairs section and has formed a cohesive team. The public affairs section expanded its budget from its regular FY 2013 allotment of \$861,000 to more than \$1 million by seeking additional resources from other Department bureaus for strategic programs, creating an organization for program alumni, and enhancing American Spaces. The section competed for and won a \$100,000 grant for the Ambassador's Fund for Cultural Preservation for an historic Bulgarian heritage site. The section partners with U.S. firms, the American Chamber of Commerce, the America for Bulgaria Foundation, local institutions, and universities to augment public diplomacy funding by sponsoring high-profile public events to encourage entrepreneurship, increase tourism to the United States, and showcase American performing arts and culture. The public affairs section judiciously provides grants to reliable local partners to organize public diplomacy programs furthering the mission's strategic objectives, simultaneously expanding the mission's reach, and building capacity in local organizations. Grants records are in good order. All programs are documented in the Mission Activity Tracker. The contact database is used missionwide. Position descriptions are evaluated regularly, but a few for LE staff need updating to include added responsibilities for social media use and analysis and digital technology.

The public affairs section provides photographic and audiovisual services for official mission events, but requests are sent ad hoc and are difficult to track and coordinate; this hampers decisionmaking on effective allocation of resources.

Recommendation 10: Embassy Sofia should implement a policy for prioritizing requests for the public affairs section's photographic and audiovisual services for official mission events and devise a computer-based system for submitting and tracking requests. (Action: Embassy Sofia)

Cultural and Exchange Programs

The cultural affairs officer creatively finds ways to leverage limited appropriated funds by seeking partner contributions from local and American businesses and organizations. For example, he collaborated with a local filmmaker who produced a documentary on a New Orleans jazz band, secured extra funding to bring the group to Bulgaria for concerts, showed the film, arranged media coverage, and showcased the group in television interviews, thereby amplifying the audience many times over. During the course of the inspection, however, the inspectors were unable to observe any public diplomacy events because of cancellations due to the U.S. Government shutdown.

The Fulbright Commission, with five Bulgarian and five American members, including the public affairs officer and the cultural affairs officer, oversees the Fulbright program. The well-respected executive director helped steer the program through the societal changes of the past 20 years and is now focused on leveraging alumni relationships for development and fundraising. In addition, the program sponsors 28 American English teaching assistants, partially supported by funding from the America for Bulgaria Foundation (successor organization to the

U.S.-Bulgaria Enterprise Fund) and other donors. These English-teaching assistants have become the flagship of the Bulgaria Fulbright program, bringing innovation and energy to schools and communities all over Bulgaria. The Commission also conducts educational advising, serving over 12,000 clients last year.

Media Relations and Reporting

A high-performing entry level officer leads the press office. Washington audiences expressed appreciation for regular updates on the changing media ownership and political affiliations. The public affairs section sends to the Department occasional email reports on significant media developments. The inspection team counseled the public affairs officer to employ record email for these reports.

Social Media

Since Embassy Sofia launched its Facebook page in 2011, fans have exceeded 17,000, considerable growth for a country of this size. Daily posts receive between 1,000 and 3,000 views. Some popular posts (Ask the Ambassador and the photo contest) have reached 45,000 to 60,000 views. The section makes effective use of modest advertising aimed at target audiences for specific Facebook activities, which has led to a large number of people actively engaged and sharing Embassy Facebook posts. The embassy YouTube site surpassed 100 subscribers; the section has plans to attract more viewers with its new layout and cover photo. The site will be updated regularly with shorter videos with more easily accessible content. The inspection team did not have an opportunity to evaluate active, daily use of the public Web site, Facebook, or YouTube sites, because updates were halted during the U.S. Government shutdown. The public affairs officer has proposed a missionwide social media working group, chaired by the press officer, to help prepare a monthly Facebook calendar to which each section and agency may contribute events.

Information Resource Center and American Spaces

Although the Information Resource Center, located within the embassy building, is not open to the public for security reasons, the public affairs section has wisely chosen to make it the command center for overseeing administration and management for all aspects of the American Spaces program in Bulgaria. The center director and deputy are experienced LE staff members who make use of their extensive professional relations with prominent institutions in the Bulgarian information community. The director oversees the partnerships with three American Corners supported by public libraries in Sofia and two other cities. The Sofia American Corner, located in the Sofia Public Library in the center of town, is a partnership between the library, the embassy, the American Chamber of Commerce, the America for Bulgaria Foundation, and locally-based U.S. firms. The outreach network also includes fifteen “American Shelves” in local libraries that extend reach to audiences outside the capital. American Corners are in wide demand as program venues, not only for embassy events, but from local U.S.-affiliated organizations. In 2012, more than 20,000 Bulgarians participated in programs at these partner institutions and preliminary statistics for 2013 indicate a similar level of interest.

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 & Consular Program	26	9	14	49	\$2,452,494
Consular Affairs	4	3	12	19	\$520,745
ICASS	6	7	111	124	\$6,218,100
Diplomatic Security			71	71	\$1,011,000
Overseas Buildings Operations					\$85,700
Public Diplomacy	3		16	19	\$901,100
Diplomatic Security	5	1	18	24	\$993,813
Marine Security	6		2	8	\$108,700
Representation				0	\$26,800
Overseas Buildings Operations	1			1	\$1,531,217
Department of Agriculture					
Foreign Agriculture Service			2	2	\$141,313
Department of Defense					
Defense Attaché Office	7	1	3	11	\$509,460
Office of Defense Cooperation	4		6	10	\$513,932
Force Protection Detachment	2		1	3	\$240,000
Department of Justice					
Drug Enforcement Administration	3		1	4	\$141,203
FBI/Legal Attache's Office	3			3	\$206,637
Department of Homeland Security					
U.S. Secret Service	4		1	5	\$478,675
Customs and Border Control				1	
Foreign Commercial Service	1		4	5	\$358,766
Department of Energy	2		2	4	\$153,668
Comptroller and Global Financial Services			36	36	\$634,375
Peace Corps			2	2	\$2,200,000
Totals	77	21	302	401	\$19,427,698

General

The management section provides high-quality services to its customers. International Cooperative Administrative Support Services (ICASS) customer satisfaction survey scores exceeded worldwide averages in 24 of 29 categories of service. OIG surveys yielded similarly positive results. Inspectors identified some areas of improvement but found the section and individual operating units otherwise to be well led and managed. The U.S. direct-hire and LE staff is knowledgeable and functions as a cohesive team. Business processes generally are defined and executed accordingly, and internal controls are fundamentally sound.

Embassy management recognizes that the Post Support Unit should be better integrated into the embassy. Inviting the unit's supervisor to the weekly management meeting could be an effective first step, as it would give her a more formal connection to the embassy and enable regular face-to-face communication with management staff.

Informal Recommendation 10: Embassy Sofia should invite the Post Support Unit to participate in its weekly management staff meeting.

Under the capable and decisive leadership of the recently arrived management counselor, the management team responded well to rapidly changing circumstances during the U.S. Government shutdown that, among other things, affected funding and delayed salary payments to some LE staff members. Working closely with the front office and providing sound advice that conformed to Department guidance, the management counselor and staff ameliorated the impact of the appropriation lapse. The embassy, for example, acted quickly to coordinate with its recreation association to offer interest-free loans to LE staff whose salaries were delayed.

Financial Management

Embassy Sofia's financial management officer also serves as the human resources officer and, with significant experience in both disciplines, is well suited to this dual position. She has given the senior LE staff financial specialist supervisory responsibility for the entire section, a change that establishes a more normal hierarchical structure and eases the direct supervisory burden on the American officer. The section's LE staff has significant expertise and is highly motivated.

Status of Funds

Review of funds management showed unliquidated obligations of \$149,000 from FYs 2010-2012, primarily for several public diplomacy grants which (properly) have not yet closed out. The unliquidated balances, however, are fully justified to the Department on a regular basis and represent less than 1 percent of ICASS and program budgets over the last three fiscal years. Separation of duties is proper. Voucher payment processing is timely and well documented. Representational funds are shared appropriately among embassy sections and the Ambassador's and DCM's voucher preparers are well educated on the differences between official residence expenses and representation costs, making for a smooth reimbursement process.

Cashiering

The Class B cashier and alternate Class B cashier keep meticulous records, and there have been no problems with cash counts. The Office of Defense Cooperation funds travel for up to 350 Bulgarian trainees yearly, which resulted in a temporary increase of the cashier's accountability to [Redacted] (b) (2), [Redacted] (b) (5) for regular embassy needs plus [Redacted] (b) (1), (c), (f), (g) for the Defense cooperation program). The embassy vetted this process with the Financial Service Center Charleston and expects that the cash accountability will remain at the same level for the foreseeable future.

The cashier uses suspense deposit accounts for collections of value-added tax reimbursements from the host government and makes disbursements to individuals promptly. The cashier also makes collections into a suspense deposit account for social security payments for employees of the employee recreation association and collects U.S. dollar funds from the association for deposit into a U.S.-based bank account. The cashier has permission to do reverse accommodation exchange only for the Marine security guard detachment. An onsite Bulgarian bank provides all other regular and reverse accommodation exchange for embassy employees.

The inspectors noted that Financial Service Center Charleston makes salary payments directly to official residence expense employees through electronic funds transfers. This practice does not comply with 3 FAM 3257, which states that staff employed under official residence expenses are employees of the principal representative, not of the U.S. Government. Thus, these employees cannot be paid directly from appropriations, U.S. Disbursing Officers, or cashiers. In its May 2010 report, the cashier monitor cited Embassy Sofia for incorrectly disbursing these staff salaries directly, when the principal representative should be paying. The embassy did not take corrective action.

Recommendation 11: Embassy Sofia should implement a policy of direct payment of salaries to official residence expense employees by the Ambassador and deputy chief of mission. (Action: Embassy Sofia)

[Redacted] (b) (5)

Informal Recommendation 11: Embassy Sofia should provide the Class B cashier and alternate Class B cashier with training on recognizing counterfeit U.S. and local currency.

International Cooperative Administrative Support Services

The financial management section and the ICASS council enjoy excellent relations. The council and service providers annually review their ICASS memorandum of understanding and service-level agreements and budgets. Council members are engaged and pay close attention to ICASS issues, but they report no difficulties in reaching agreements. Council members appreciate the financial management officer's effective coaching on "big picture" issues and the financial specialist's ability to explain the specifics of ICASS charges and program administration. The financial management officer provided introductory training to the council during the past year but, with a significant turnover in council membership in summer and fall 2013, refresher and new member training is in order.

Informal Recommendation 12: Embassy Sofia should provide training on the administration of the International Cooperative Administrative Support Service program to the council members.

Human Resources

Embassy Sofia's human resources LE staff members are experienced, conscientious, and generally positive about their work and role in the embassy. As in the financial management section, the human resources/financial management officer restructured the human resources section, giving one of the locally employed HR assistants supervisory responsibilities over the entire section.

The LE staff compensation plan and local leave and separation plans are updated appropriately and have Washington approval. Revisions to the 2009 Foreign Service National Handbook are underway, with good progress. The post report, retail price survey, and differential reports are up to date, and the staff administers the awards system for LE staff and Americans correctly, but only once a year, in May or June. Performance recognition is an important morale factor and, in the case of Americans, granting awards no later than April each year would ensure their inclusion in official personnel folders in time for promotion panels.

Informal Recommendation 13: Embassy Sofia should hold awards solicitations semiannually.

Locally Employed Staff Services

LE staff paper files are complete and reflect prompt processing of within-grade increases, promotions, and yearly evaluations. The human resources staff provides position descriptions, along with instructions and employee performance reports to supervisors 2 months in advance of the evaluation due date for each employee and follow-up with reminders 1 month and 1 week prior, resulting in an excellent record of timeliness.

Several LE staff members noted, and the inspectors confirmed, that some position descriptions do not accurately reflect work performed. In one case, the position description is accurate, but reclassification to a higher grade is overdue. Although the human resources staff provides position descriptions to supervisors and employees each year when LE staff employee performance reviews are due some supervisors have not updated the positions descriptions to reflect current duties, as required by 3 FAM 7513.1(4).

Recommendation 12: Embassy Sofia should review and update the following position descriptions and, if warranted, reclassify and regrade them: information assistant (C-73024); distribution clerk (Admin) (C-76021); warehouseman (C-52633); visa assistant (C-31015); and visa clerk (C-31003). (Action: Embassy Sofia)

Informal Recommendation 14: Embassy Sofia should require supervisors of locally employed staff to review and update position descriptions if duties change, in accordance with Department of State guidelines.

American Staff Services

Work requirements statements for Embassy Sofia's U.S. direct hires are completed within 45 days of the start of the rating period, but they are sometimes prepared in a Microsoft Word document that is not submitted through ePerformance in a timely manner. Recording every step of the process in ePerformance ensures proper tracking of employee evaluation reports.

Informal Recommendation 15: Embassy Sofia should require supervisors or their proxies to enter work requirements statements into ePerformance when due.

Embassy Sofia currently has 20 full-time or part-time eligible family member positions. Procedures for establishing and filling positions, including distributing job announcements, assessing qualifications, training supervisors on proper interview techniques, and using the employment committee in the selection of applicants, are correct and well documented.

One area of concern is the embassy's failure to report consistently on absences of American employees. Such reporting alerts time and attendance staff to stop and start post differential payments. While a post management notice requires all American staff to note in their leave slips any travel to the United States, employees sometimes overlook the requirement.

Informal Recommendation 16: Embassy Sofia should implement management controls to ensure that employees and supervisors alert time and attendance staff when post differential payments should stop and restart.

Foreign Service National Committee

Embassy Sofia has an active Foreign Service national committee that meets quarterly and otherwise on an as-needed basis; however, the frequency of committee's meetings with management varies. The management officer intends to meet with the committee monthly, and the DCM has met with the committee only once since his arrival a year ago. The human resources officer does not meet with the committee but has a staff member send monthly updates to the committee, a practice the committee feels is inadequate. More direct attention from the DCM and human resources officer could contribute to improved morale.

Informal Recommendation 17: Embassy Sofia should require the human resources officer, management officer, deputy chief of mission, and Ambassador to attend meetings of the Foreign Service national committee on a regular basis.

Records show that, at least since 2005, the Foreign Service national committee has identified as its primary issue the legal status of LE staff under Bulgarian labor law and resulting taxation requirements. Committee members want the Department to authorize the embassy to withhold and pay taxes directly to the Government of Bulgaria and to amend its standard personal services agreement to include specific language that would aid LE staff in securing loans and conducting other legal activities. In February 2013, the Office of the Legal Adviser, Office of Employment Law, responded to the embassy's inquiry, stating that it is Department policy that posts should not withhold taxes on behalf of the host state and that any exception to the policy requires the approval of the Under Secretary for Management. The response outlined the circumstances under which such exceptions (very few) have been granted and embassy

management determined that, given the cooperation of the Government of Bulgaria with the embassy in providing an acceptable mechanism for LE staff to pay taxes individually, it would not be worthwhile to pursue such an exception. Embassy Sofia published a management notice announcing the decision and its rationale on February 28, 2013, and considers the matter resolved.

With the tax issue resolved, the Foreign Service national committee remains focused on amending the standard personal services agreement; the embassy's request for an exception in this regard has been under review by the Bureau of Human Resources, Office of Overseas Employment, and the Office of the Legal Adviser, Office of Employment Law, for more than a year. The real purpose of such an amendment, however, remains unclear, as the inspectors learned that numerous banks, including the bank physically located within the embassy, which has excellent loan rates, fully accept the existing terms of LE staff employment when determining eligibility for loans. Additionally, the Government of Bulgaria recognizes the personal services agreement as equal to its standard labor contract, with all the benefits that accrue.

Recommendation 13: Embassy Sofia should formally request the Department to make a determination on the personal services agreement issue and follow up until the Bureau of Human Resources and the Office of the Legal Adviser respond. (Action: Embassy Sofia)

The inspectors noted that, in 2007, Embassy Sofia published a thorough explanation, in English and Bulgarian, of all the issues involved in the LE staff's legal employment status. It including official correspondence between the Bulgarian National Revenue Agency and the embassy, and a chart comparing the various employment types and corresponding benefits, to show the clear benefits of the current arrangement. The embassy has not reissued this extensive notice since 2007, but in some years distributes, along with the yearly statement of earnings, a shorter management notice on the subject.

Recommendation 14: Embassy Sofia should implement a schedule to update and reissue annual guidance on the locally employed staff's legal employment status. (Action: Embassy Sofia)

Regional Services

Embassy Sofia has not always provided timely, quality human resources support to Embassy Vilnius' American and LE staff as outlined in a 2009 memorandum of understanding between the two embassies. OIG's inspection of Embassy Vilnius in 2013¹ also highlighted this deficiency. Notwithstanding the substandard service, the Bureau of European and Eurasian Affairs and both embassies expressed their commitment to making the relationship work as a model for post-to-post support and regionalization. The two embassies have already taken positive steps. The Vilnius management officer and human resources assistant visited Embassy Sofia to discuss possible improvements and worked with Embassy Sofia to draft revisions to the memorandum of understanding, including a role for the Regional Support Center Frankfurt as adviser and facilitator of the program. A better-defined formal agreement and commitment of

¹ *Inspection of Embassy Vilnius, Lithuania*, Report No. ISP-I-13-41A, September 2013.

more Sofia staff resources to support Vilnius make for a promising start in developing the post-to-post regional model that all sides envision.

The inspectors noted, however, the need for additional improvements. For example, regular visits of Embassy Sofia's human resources staff to Embassy Vilnius would establish personal contact and enhance and solidify relations between the two posts. In addition, the OIG team identified a need for mechanisms that ensure accountability and track Embassy Sofia's effectiveness as defined in the agreement. This mechanism could include: records of services performed, measured against the Department's Uniform Service Standards; trip reports listing issues discussed/resolved/outstanding, meetings with Vilnius staff, and other activities; and regular narrative input by the Vilnius management officer on Embassy Sofia's human resources performance, which could be used for program evaluation or performance evaluations. The viability of the Sofia-Vilnius arrangement and its potential use as a model elsewhere in the region can only be determined after establishing accountability and evaluating the success of the program based on established standards over a reasonable period of time.

Recommendation 15: The Bureau of European and Eurasian Affairs, in coordination with Embassy Sofia and Embassy Vilnius, should revise the memorandum of understanding on human resources regional support, including the specific duties of each embassy and Regional Support Center Frankfurt, accountability, and performance metrics. After a reasonable evaluation period, the bureau and embassies should evaluate whether to continue or further revise the arrangement. (Action: EUR, in coordination with Embassy Sofia and Embassy Vilnius)

General Services

The general services office received high marks on the 2013 ICASS customer satisfaction survey. More recent OIG questionnaire data reinforce the scores, as the office rated 4.35 on a 5-point scale and compared favorably against an average score of 3.72 for prior posts OIG inspected. The OIG team found the general services office to be strongly led and staffed by very competent U.S. direct-hire and LE staff who collaborate well, particularly at key points along the supply chain process. Unit cohesiveness is bolstered by a semiannual off-site teambuilding event that is organized and funded by general services employees. The event focuses on continuous improvement, so the group works to develop solutions to operational problems and improve performance. The last session, for example, concentrated on practices that would enhance service and thereby raise ICASS service satisfaction and scores. Significantly improved general services ICASS ratings from 2012 to 2013 indicate they succeeded.

The OIG team noted no issues with the customs and shipping unit or the travel unit. Both function within regulations, follow sound business processes, and provide services that are rated highly by their customers.

Procurement

The procurement unit functions effectively, with adequate personnel, a sensible distribution of duties that plays to employee strengths, and good use of the Department-standard Integrated Logistics Management System to automate processes and maintain internal controls.

An apparent lapse in procurement management controls occurred in 2010-2011, namely, over 1,000 unauthorized commitments valued at about \$1.25 million made by the then-contracting officer, whose warrant had expired. One of the current general services officers identified the gross error of his predecessor and took steps to correct it. The Office of the Procurement Executive ratified them en masse only in October 2012. No consequences appear to have accrued to the contracting officer, a FAST officer, who was responsible for the unauthorized commitments. Instead, the LE staff fulfilled the ratification requirements, working the better part of 2 months to document each procurement action. The OIG team was satisfied that the embassy is attuned to the need to verify contracting officer warrants.

The embassy makes no use of blanket purchase agreements and limited use of its purchase cards, in large part due to the financial management section's preference to fund separately each individual purchase. The embassy does not bulk fund purchase agreements or purchase cards and is not required to do so. Bulk funding could streamline procurement while maintaining management controls.

Informal Recommendation 18: Embassy Sofia should bulk funding purchase cards to streamline procurement.

The procurement unit was functioning as the embassy's designated billing office receiving invoices, attaching copies of the purchase order and receiving report, and forwarding the packet to the financial management office for payment. In March 2013, the financial management office assumed this role, and the Department clarified via telegram in April 2013 (State 57938) the policy that financial management offices are posts' designated billing offices. Embassy Sofia is now in compliance with the Department policy, which facilitates requirements of the Prompt Payment Act and strengthens management controls.

Property Management

The property management unit maintains adequate controls and accountability of nonexpendable and expendable items. Its latest annual inventory of almost \$8 million of nonexpendable property indicated a shortage of about \$15,900, which is well below the 1 percent level that, if exceeded, requires survey board action. Expendable supply inventory totaled almost \$98,000, with no shortages. A spot check of expendable property items during the inspection showed shelf quantities matched records.

The embassy has made significant strides in establishing a furniture and appliance pool, which should reduce overall costs, extend the life span of furnishings, and reduce the need for warehouse space. The Drug Enforcement Administration is the sole nonparticipant but is projected to join in FY 2015. Since 2008, the embassy has disposed of property using an online auction Web site. As a result, the bidder pool is larger, administrative workload and costs are lower, and the U.S. Government should receive local market price for sale items. The embassy was recognized for this disposal initiative in the 2012 Office of Logistics Management Supply Chain Idea competition.

The property unit faces a challenge with regard to sufficient warehouse storage space. Having terminated in 2012 its short-term lease warehouse, the embassy now relies only on the warehouse facility on the embassy compound. Placement of a chiller on the warehouse floor has

reduced that space; an influx of residential furniture ordered, but not placed in housing units, further exacerbates the storage problem. The warehouse is now at maximum capacity and the embassy continues to explore options that will alleviate the warehouse space problems.

Timely signing of residential inventory forms also presents a challenge. One employee had been at the embassy almost 3 years and had not signed the inventory that regulations require be completed within 30 days of the arrival of the occupant. The property unit made an extraordinary effort prior to the OIG inspection to get signatures on approximately 40 outstanding inventories, the last of which was completed during the inspection.

Informal Recommendation 19: Embassy Sofia should implement controls to complete residential inventories in a timely manner.

The property unit uses the Integrated Logistics Management System to generate receiving reports for ordered goods, but the receiving clerk takes a reactive, rather than proactive, approach to his work. As goods arrive, he searches the database for the corresponding purchase order or requisition; he does not maintain constant awareness of, or track, what should arrive. Some items in the queue of items ordered, but not received, dated back more than 1 year with no followup. Moreover, many items in the same queue had been received, but the clerk had not archived them in a timely manner, thereby diminishing the utility of the list as a management tool. Maintaining an accurate list would facilitate tracking and followup of items not yet received.

Informal Recommendation 20: Embassy Sofia should use the Integrated Logistics Management System to accurately track items that have been ordered by the procurement unit but not yet received.

Housing

The interagency housing board performs its functions in accordance with regulations and meetings are documented. The 22 government-owned and 50 short-term lease residences are maintained by the facilities management section and landlords, as appropriate. OIG questionnaire responses indicated general satisfaction with the administration of the program, as well as maintenance. The Bureau of Overseas Buildings Operations changed Embassy Sofia's Locality Index Rating, which determines the maximum allowable residential space. The change will reduce the square footage allowed for embassy residences by 10 percent. The housing unit is managing the transition as employees depart and already has terminated four leases that will not fit into the new profile.

Motor Pool Operations

Motor pool operations and maintenance work well. The chief of mission established a vehicle-use policy that was last reviewed and issued in November 2012. The chief of mission also determined that the RSO should have use of a government-owned vehicle for home-to-office transportation at no cost. Guidance in 14 FAM 433.3-4 a. on the no-cost aspect, however, is not clear and the OIG team understands that the Department has been considering for many months a clarification of the policy. Pending resolution of the matter, which has been in question for several years, Embassy Sofia's arrangement may or may not conform to Department policy.

Recommendation 16: The Bureau of Administration should determine if Embassy Sofia's policy that allows the regional security officer use of a government-owned vehicle for home-to-office transportation at no cost is allowable and conforms to Department regulations. (Action: A)

The RSO is inappropriately using for home-to-office transportation a vehicle that is meant solely for local guard force activities. He does not have the required advance approval from the Bureau of Diplomatic Security to use this vehicle. Without the bureau's approval, he should use a motor pool vehicle.

Recommendation 17: Embassy Sofia should direct the regional security officer to discontinue use of the local guard force vehicle. (Action: Embassy Sofia)

Motor pool chauffeurs document vehicle use on the Optional Form-108, Daily Vehicle Use Record, and turn them in to the dispatcher for review in accordance with 14 FAM 431.2-2(7) and 14 FAM 436.1a.; other drivers, such as the local guards and the RSO, do not, however. The form provides an official record of vehicle use as well as other important information, such as fuel consumption and vehicle condition, for maintenance purposes.

Recommendation 18: Embassy Sofia should implement controls for drivers to complete and turn in Optional Form-108, Daily Vehicle Use Record. (Action: Embassy Sofia)

Facilities Management/Safety, Health, and Environmental Management

The facilities management section delivers services that customers rated very highly on the most recent ICASS customer satisfaction survey. The section is fundamentally sound in all aspects: leadership, customer orientation, organizational effectiveness, program management, initiative, and technical competence. Customer feedback is uniformly positive and centers on facilities management and general services units providing quality working and living conditions for employees and their families. The OIG team found a number of examples of the facilities management team's initiatives in the areas of operations and service:

- Semiannual residential preventive maintenance inspections, during which a team of technicians conduct system checks, identify potential deficiencies, and correct them before they develop into problems.
- Greening initiatives, such as systematic replacement of fluorescent lighting with light-emitting diode technology, which is less costly in the long term and more efficient.
- Customization of task codes in the automated work order system, which facilitates tracking of labor hours more accurately to better plan and manage resources.
- Addition of documentation for short-term lease properties, which requires landlords to provide data, such as seismic tolerance information, to ensure structural integrity and safety of residences.
- Conversion of government-owned residential property from fuel oil to natural gas heating, which reduces costs and carbon emissions. This initiative also dramatically reduced the number of residences to which fuel must be delivered, thereby also reducing risk associated with internal controls of bulk fuel programs.

The inspector's review of work order data indicated a well-managed system. The work order clerk updates records in a timely manner, including information on labor hours, equipment,

and preventive maintenance. A small number of items are past due for valid reasons, such as pending receipt of parts. A walkthrough of shop areas showed generally neat, organized, and safe workspaces.

The safety program appears to function well but the OIG team noted that, prior to the safety committee meeting in August 2013, the committee had not met since November 21, 2011. The committee, which is chaired by the DCM and is required to meet at least semiannually, plays an important role in implementing Department policy and showing front office support of the program.

Recommendation 19: Embassy Sofia's safety, health, and environmental management committee should meet at least semiannually. (Action: Embassy Sofia)

Information Management

Embassy Sofia's information management section adequately meets the mission's communication and information technology needs. The information management officer has created a positive working environment and the information management staff is results-motivated. OIG and ICASS surveys indicate high satisfaction with information management customer support.

The OIG team evaluated the mission's classified and unclassified computer systems, telephone and radio programs, mailroom and pouch services, communications security, and emergency planning. All programs and services meet the Department's standards and are supported by generally effective management and inventory controls. The OIG team counseled managers in several areas, including improving mail pickup accountability, updating duplicate position descriptions, controlling outdated fire extinguisher and safety checks, as well as expanding the use of their SharePoint site. Emergency planning and records management will require more sustained attention from management.

Emergency Planning

The OIG team reviewed the information management contingency plan for the unclassified computer systems and the alternate command center, which would support embassy communications in an emergency, and found both current but minimal. The information management team does not document its rehearsals of the unclassified computer systems contingency plan nor conduct after-action reviews. The LE staff is competent and committed but does not have a clear understanding of business function priorities. Management deems power outages, which occur several times a year, adequate for contingency plan testing; using different scenarios would improve the training experiences, however. After-action reviews are important to expose plan deficiencies and develop appropriate emergency responses.

Informal Recommendation 21: Embassy Sofia should document information management contingency plan exercises and conduct after-action reviews of the plan.

A single member of the information management staff performs the monthly tests of the communications equipment at the alternate command center. American information management and emergency action committee members do not regularly participate in the tests. Broad

participation in tests of the alternate command center provides a practical measure of the staff's ability to execute emergency plans, increases their familiarity with the plans, and improves response times and efficiency during emergencies.

Embassy Sofia should include emergency action committee members and American information management staff in alternate command center exercises.

Records Management

Embassy employees are not making effective use of the State Messaging and Archive Retrieval Toolset (SMART) program. Some sections are not using record emails, some employees have not received guidance on the use of record email, and there is a general lack of understanding of the procedures for determining which emails must be preserved by using the archive function of SMART. Records management ensures that important data needed for policy analysis and archival research will be available in the future.

Informal Recommendation 22: Embassy Sofia should require personnel to take the record email training and to use, as required, the State Messaging and Archive Retrieval Toolset.

Quality of Life

Employees are quite satisfied with quality-of-life aspects of embassy services, as evidenced by ICASS and OIG questionnaires.

The community liaison office receives wide praise for its efforts to welcome, in-process, and integrate newcomers very quickly into the embassy. The three-person staff effectively addresses the eight aspects of the community liaison mission and has excellent working relationships with the management and front offices.

Parents are satisfied with the embassy-supported school's ability to meet their education needs. The Office of Overseas Schools provides some grants for teacher training and materials, as well as for physical security enhancements. The regional education officer was scheduled to visit Sofia in late October.

The health unit is adequately staffed and the community is well served by a Foreign Service health practitioner, two part-time nurses, an LE staff physician, and an administrative assistant. It attends well to both medical and administrative aspects of its mission. The health practitioner is experienced and knowledgeable, and provides sound leadership. The physician provides excellent liaison with the local medical community for referrals. An inspector conducted a spot check of controlled substances and found that stock quantities matched records.

The American Employee Recreation Association provides a variety of popular services but, until recently, was operating at a loss of at least \$1,000 per month. The association board of directors earlier this year eliminated its unprofitable car wash operation and, as of September 30, 2013, the day care operation that was the biggest money loser. All Americans clients or potential clients already had opted for other arrangements and only a few LE staff members were using the day care service. Despite some resulting morale problems, the board has a fiduciary responsibility to close unprofitable cost centers in order to save the association from bankruptcy. The current board is conscientiously reviewing all operations, ensuring compliance with regulations concerning record keeping, reports, administrative procedures, and local labor law.

Recommendation 20: Embassy Sofia should require the American Employee Recreation Association to complete its review of operations and revise its charter to include only self-supporting or profitable services. (Action: Embassy Sofia)

Management Controls

The OIG team found Embassy Sofia management controls to be generally sound. The Ambassador expressed in her annual management control statement of assurance, dated July 15, 2013, that she was reasonably assured that management control objectives were achieved. Documentation indicated that the embassy conducted 19 specific reviews in the areas of: financial management, consular, general services, and facilities management. The reviews uncovered no significant deficiencies or material weaknesses. The OIG team identified shortcomings that are addressed in the sections of this report that deal with each functional area.

List of Recommendations

Recommendation 1: Embassy Sofia should establish a periodic process to assess its progress in meeting the goals of the Integrated Country Strategy, including appropriate adjustments to mission reporting, travel, and representation plans, and report the assessment to the Ambassador and the Bureau of European and Eurasian Affairs. (Action: Embassy Sofia)

Recommendation 2: Embassy Sofia should develop a more structured mentoring and professional development program for first- and second-tour staff, which includes periodic engagement with the Ambassador and the deputy chief of mission. (Action: Embassy Sofia)

Recommendation 3: Embassy Sofia should implement a standard operating procedure that formally delineates between sections responsibilities for handling extradition cases. (Action: Embassy Sofia)

Recommendation 4: Embassy Sofia should engage with the Bureau of Consular Affairs' Visa Office to clarify procedures well in advance of the FY 2014 Summer Work Travel peak season. (Action: Embassy Sofia, in coordination with CA)

Recommendation 5: Embassy Sofia should review existing consular portfolios and consolidate related functions. (Action: Embassy Sofia)

Recommendation 6: Embassy Sofia should require teams that include a first- and second-tour officer and locally employed staff to manage the consular portfolios. (Action: Embassy Sofia)

Recommendation 7: Embassy Sofia, in coordination with the Bureau of Consular Affairs, Office of Fraud Prevention Programs, should review Sofia's practice of screening all visa application supporting documents, and identify a process that will protect the integrity of the adjudications, while maximizing efficiency and effectiveness of the fraud prevention investigator. (Action: Embassy Sofia, in coordination with CA)

Recommendation 8: Embassy Sofia should define reporting responsibilities within the American citizens services unit so that reporting and case management flow directly through the American citizens services first- and second-tour officer. (Action: Embassy Sofia)

Recommendation 9: Embassy Sofia should establish a mission speakers program for American employees, including first- and second-tour employees, to conduct outreach to Bulgarian audiences. (Action: Embassy Sofia)

Recommendation 10: Embassy Sofia should implement a policy for prioritizing requests for the public affairs section's photographic and audiovisual services for official mission events and devise a computer-based system for submitting and tracking requests. (Action: Embassy Sofia)

Recommendation 11: Embassy Sofia should implement a policy of direct payment of salaries to official residence expense employees by the Ambassador and deputy chief of mission. (Action: Embassy Sofia)

Recommendation 12: Embassy Sofia should review and update the following position descriptions and, if warranted, reclassify and regrade them: information assistant (C-73024);

distribution clerk (Admin) (C-76021); warehouseman (C-52633); visa assistant (C-31015); and visa clerk (C-31003). (Action: Embassy Sofia)

Recommendation 13: Embassy Sofia should formally request the Department to make a determination on the personal services agreement issue and follow up until the Bureau of Human Resources and the Office of the Legal Adviser respond. (Action: Embassy Sofia)

Recommendation 14: Embassy Sofia should implement a schedule to update and reissue annual guidance on the locally employed staff's legal employment status. (Action: Embassy Sofia)

Recommendation 15: The Bureau of European and Eurasian Affairs, in coordination with Embassy Sofia and Embassy Vilnius, should revise the memorandum of understanding on human resources regional support, including the specific duties of each embassy and Regional Support Center Frankfurt, accountability, and performance metrics. After a reasonable evaluation period, the bureau and embassies should evaluate whether to continue or further revise the arrangement. (Action: EUR, in coordination with Embassy Sofia and Embassy Vilnius)

Recommendation 16: The Bureau of Administration should determine if Embassy Sofia's policy that allows the regional security officer use of a government-owned vehicle for home-to-office transportation at no cost is allowable and conforms to Department regulations. (Action: A)

Recommendation 17: Embassy Sofia should direct the regional security officer to discontinue use of the local guard force vehicle. (Action: Embassy Sofia)

Recommendation 18: Embassy Sofia should implement controls for drivers to complete and turn in Optional Form-108, Daily Vehicle Use Record. (Action: Embassy Sofia)

Recommendation 19: Embassy Sofia's safety, health, and environmental management committee should meet at least semiannually. (Action: Embassy Sofia)

Recommendation 20: Embassy Sofia should require the American Employee Recreation Association to complete its review of operations and revise its charter to include only self-supporting or profitable services. (Action: Embassy Sofia)

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 Sofia should tie the work requirements of all Department of State U.S. direct-hire employees to its strategic goals.

Informal Recommendation 2: Embassy Sofia should use the political/economic section's reporting plan as the core for developing a missionwide reporting plan linked to its Integrated Country Strategy.

Informal Recommendation 3: Embassy Sofia should apportion representational and travel funds based on deputy chief of mission-approved section travel and representation plans linked to the mission's strategic goals.

Informal Recommendation 4: Embassy Sofia should periodically use its weekly scheduling meeting to assess whether the Ambassador's and other senior officers' meetings are tracking with the mission's strategic goals.

Informal Recommendation 5: Embassy Sofia should direct the deputy chief of mission to develop a paper-flow process that will permit office management specialists to move cables and memoranda from his inbox to the Ambassador's, if he has taken no action on them within 12 hours.

Informal Recommendation 6: Embassy Sofia should require the regional security officer to consult with relevant country team colleagues before developing and reaching decisions on proposals for front office approval.

Informal Recommendation 7: Embassy Sofia should add the chiefs of the political/economic and consular sections to the law enforcement working group.

Informal Recommendation 8: Embassy Sofia should require the deputy chief of mission to identify appropriate mentors to strengthen the consular chief's leadership, management, and communication skills. The specific mentoring arrangement should be determined in consultation with the deputy chief of mission

Informal Recommendation 9: Embassy Sofia should task the consular and public diplomacy sections to implement an affirmative public outreach strategy prior to the beginning of the application season for the FY 2014 Summer Work Travel program.

Informal Recommendation 10: Embassy Sofia should invite the Post Support Unit to participate in its weekly management staff meeting.

Informal Recommendation 11: Embassy Sofia should provide the Class B cashier and alternate Class B cashier with training on recognizing counterfeit U.S. and local currency.

Informal Recommendation 12: Embassy Sofia should provide training on the administration of the International Cooperative Administrative Support Service program to the council members.

Informal Recommendation 13: Embassy Sofia should hold awards solicitations semiannually.

Informal Recommendation 14: Embassy Sofia should require supervisors of locally employed staff to review and update position descriptions if duties change, in accordance with Department of State guidelines.

Informal Recommendation 15: Embassy Sofia should require supervisors or their proxies to enter work requirements statements into ePerformance when due.

Informal Recommendation 16: Embassy Sofia should implement management controls to ensure that employees and supervisors alert time and attendance staff when post differential payments should stop and restart.

Informal Recommendation 17: Embassy Sofia should require the human resources officer, management officer, deputy chief of mission, and Ambassador to attend meetings of the Foreign Service national committee on a regular basis.

Informal Recommendation 18: Embassy Sofia should bulk funding purchase cards to streamline procurement.

Informal Recommendation 19: Embassy Sofia should implement controls to complete residential inventories in a timely manner.

Informal Recommendation 20: Embassy Sofia should use the Integrated Logistics Management System to accurately track items that have been ordered by the procurement unit but not yet received.

Informal Recommendation 21: Embassy Sofia should document information management contingency plan exercises and conduct after-action reviews of the plan.

Informal Recommendation 22: Embassy Sofia should require personnel to take the record email training and to use, as required, the State Messaging and Archive Retrieval Toolset.

Principal Officials

	Name	Arrival Date
Ambassador	Marcie B. Ries	09/12
Deputy Chief of Mission	Bryan Dalton	08/12
<i>Chiefs of Sections:</i>		
Management	J. Chris Karber	07/13
Consular	Deborah Campbell	07/12
Political/Economic	Marc Dillard	07/13
Public Affairs	Elizabeth Fitzsimmons	08/12
Regional Security	Seth Green	06/12
<i>Other Agencies:</i>		
Foreign Agricultural Service (based in Warsaw)	Michael Henney	
Department of Defense – Defense Attaché	Ray Schultz	06/11
Department of Defense – Office of Defense Cooperation	David Galles	09/12
Force Protection Detail	Andrew Covell	06/10
Foreign Commercial Service	Thomas Bruns	08/13
Department of Justice – Drug Enforcement Agency	Sheila Lyons	07/12
Department of Justice – FBI	Chris Byers	08/13
Department of Energy	Jon Shearer	06/12
U.S. Secret Service	Carlos Castro	05/09

Abbreviations

DCM	Deputy chief of mission
Department	Department of State
FAM	Foreign Affairs Manual
FAST	First- and second-tour
ICASS	International Cooperative Administrative Support Services
LE	Locally employed
RSO	Regional security officer
SMART	State Messaging and Archive Retrieval Toolset



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OR MISMANAGEMENT
OF FEDERAL PROGRAMS
HURTS EVERYONE.**

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