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AND THE BROADCASTING BOARD OF GOVERNORS
OFFICE OF INSPECTOR GENERAL

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Office of Inspections

May 2014

Inspection of U.S. Interests Section Havana, Cuba

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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.



Robert B. Peterson
Assistant Inspector General for Inspections



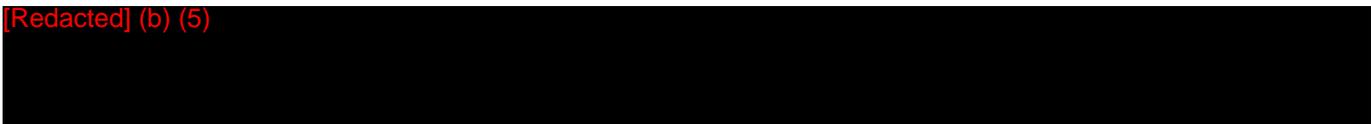
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Key Judgments

- The U.S. Interests Section Havana advances U.S. objectives in a challenging environment. The Chief of Mission and his deputy provide strong leadership.
- The consular section has reduced waiting times for Cuban visa applicants and deftly handled the increase in American citizens cases. The consular facility and staffing are inadequate for the volume and complexity of the current workload.
- The political/economic section meets high standards in its reporting, despite limited information and host government restrictions that limit opportunities to make representations to the Cuban Government.
- Public diplomacy is a major focus of the mission. The public diplomacy section has found ways to reach out to Cuban civil society, despite government restrictions.
- The management section performs well under difficult conditions that hamper its ability to provide seamless administrative support.
- Local employees are hired under contract and do not receive the same benefits as locally employed staff at other missions. The Department of State should explore whether it is possible to treat them as locally employed staff rather than contract employees.

[Redacted] (b) (5)



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 3 and October 17, 2013, and in Havana, Cuba, from November 5 through 21, 2013. The overseas portion of the inspection was truncated because of the partial Federal Government shutdown. Ambassador Pamela Smith (team leader), Lavon Sajona (deputy team leader), Paul Cantrell, Eric Chavera, Mark Jacobs, John Moran, John Philibin, Iris Rosenfeld, and Steven White conducted the inspection.

Context

Cuba is an island nation the size of Pennsylvania with a population of 11 million. The Cuban Government adopted a repressive one-party communist state in 1959 and expropriated U.S. properties in 1961. The United States imposed an embargo in 1960 and severed diplomatic relations in 1961. The United States in 1977 reopened the U.S. Interests Section Havana (USINT), which operates under the auspices of the Swiss Embassy.

Mission employees face a difficult working environment. U.S. officers can meet only with certain government officials. They are allowed to travel only a limited distance from Havana without special permission. Shipments of supplies, mail, and personal effects are frequently delayed. Normal banking operations are nonexistent. Consumer goods are scarce and expensive. Communication facilities are substandard. Surveillance by Cuban authorities is pervasive.

U.S. policy toward Cuba is focused on encouraging democratic and economic reforms, supporting the development of civil society, promoting respect for human rights, and supporting the Cuban people's right to self-determination. U.S. assistance supports human rights and democracy promotion and facilitates a freer flow of information. USINT manages a complex set of immigration and consular challenges, including in-country refugee and parole programs, a growing visa workload, and increased requirements to assist the 550,000 American tourists who now visit the country each year.

Although economic sanctions imposed by the United States remain in effect, in 2012 the United States was Cuba's primary supplier of food and agricultural products and Cuba's seventh-largest trading partner in goods. The Department of the Treasury's Office of Foreign Assets Control licenses travel by U.S. citizens to Cuba. The Department of Commerce's Bureau of Industry and Security authorizes all exports to Cuba.

In 2009, the United States lifted restrictions on family travel and remittances to Cuba, expanded the list of humanitarian items eligible for export to Cuba, and announced new regulations for U.S. telecommunications firms to increase the flow of information to Cuba. In 2011, the U.S. Government took additional steps to increase travel by American citizens to Cuba, including religious, cultural, educational, and people-to-people visits. It also expanded the categories of individuals and groups eligible to send and receive remittances, which now exceed \$2 billion a year. Cuban airlines are not allowed to fly to the United States, but the U.S. Government now authorizes licensed flights from 10 airports in the United States to fly to 7 airports in Cuba. Only three U.S. airports—all located in Florida—currently offer these services.

In FY 2013, the mission had 51 U.S. direct-hire employees, a cap jointly agreed to by the United States and Cuba. Total funding, excluding U.S. direct-hire salaries, was \$13,119,451.

Executive Direction

USINT, under the leadership of an experienced Chief of Mission (COM) and deputy chief of mission (DCM), advances U.S. policy toward Cuba. With the Cuban Government's loosening of strictures on relations with the United States and controls over its own citizens, the United States engages with the Cuban Government and Cuban society in a considerably more normal fashion than previously possible.

The COM spearheads outreach efforts. He meets with dissidents now able to travel abroad and express their viewpoints in international fora. He seeks to make interactions with the government as business-like and pragmatic as possible. In Washington, he is a respected interlocutor on Cuba issues on Capitol Hill and throughout the foreign affairs community. His background in consular affairs has helped the consular section respond ably to a dramatic surge in the number of Cubans leaving for the United States and Americans traveling to Cuba.

USINT's productivity is remarkably high, despite the restrictions, inconveniences, and impediments imposed by the Cuban Government. Strong section chiefs and agency heads, dedicated officers at every level, and front office leadership all deserve credit. The COM and DCM have a traditional division of labor, with the COM focusing more attention externally, both in Havana and Washington, and the DCM acting internally as chief operating officer. Both spend more time on operational issues than is typical because even minor administrative actions require Cuban Government vetting, which can cause delays and complications.

The COM and DCM recognize the pressures and isolation of American staff living in Cuba and attend carefully to housing, security, and other quality-of-life issues. They personally model inclusiveness and informality, while maintaining high standards of ethical and professional conduct. As a result, most American employees are motivated and have high morale, although some consular officers suffer from overwork and single employees lack social outlets at this family-oriented mission. Several officers have extended their tours at USINT, which is remarkable in a place where services taken for granted at home—such as mail and Internet access—are grossly inadequate.

No interagency working group is assigned to address future operational and program issues at USINT. Issues requiring attention include staffing size and facilities, effective messaging to the Cuban population, Internet and telecommunications, educational and cultural exchanges, medical equipment and pharmaceuticals licensing, private enterprise potential, and refugee and parole programs. The Bureau of Western Hemisphere Affairs needs to take the lead in establishing a working group.

Recommendation 1: The Bureau of Western Hemisphere Affairs, in coordination with the Office of the Under Secretary for Political Affairs and the Bureaus of Overseas Buildings Operations and Diplomatic Security, should establish an interagency working group to develop and implement a strategic plan that addresses operational and program issues affecting the U.S. presence in Cuba. (Action: WHA, in coordination with P, OBO, and DS)

Relations with the Office of the Coordinator for Cuban Affairs

Sixteen employees work in the Office of the Coordinator for Cuban Affairs, one of the Department's largest country desks. Communication within the office and between the office and USINT could be improved. Unreliable telephone and Internet connectivity in Havana is a problem, overcome only in part by weekly secure phone conferences. The sensitivity of U.S. policymaking on Cuba means that oral communications often replace official messages. Not all the coordination office's operations are transparent to USINT or to working-level office staff, and sometimes mixed or faulty signals from the coordinator's office require USINT leadership to intervene with Bureau of Western Hemisphere Affairs leadership. USINT's efforts to achieve U.S. objectives in Cuba would benefit from more visible, assertive advocacy from management in the coordinator's office. Compounding these difficulties, the coordinator has not visited USINT since his assignment in Havana began more than a decade ago.

Recommendation 2: The Bureau of Western Hemisphere Affairs should require the director of the Office of the Coordinator for Cuban Affairs to visit Havana at an early opportunity. (Action: WHA)

First- and Second-Tour Officers

Most first- and second-tour (FAST) officers work in the consular section, which has seen a surge in workload. A majority of them expressed concerns to the OIG team about the limited time and attention paid by consular section management to their career development. The COM includes FAST officers when he travels, and the DCM hosts events at his residence for them. Although helpful, these activities do not fully address FAST officers' concerns. The mission needs to strengthen and formalize its professional development for these officers, including providing effective mentoring.

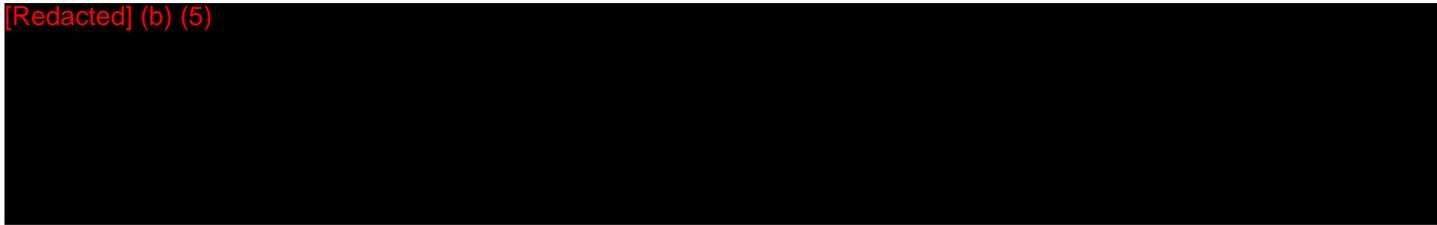
The mission maintains a spreadsheet of activities that each FAST officer should complete while in Havana, including tasks such as serving as note-taker at a foreign ministry meeting. In practice, few officers have completed these recommended activities, due in part to a heavy interview workload in the consular section. FAST officers in the consular section are not being given sufficient professional development opportunities.

Informal Recommendation 1: The U.S. Interests Section Havana should strengthen and formalize its program for first- and second-tour officers, including mentoring and opportunities to perform professional activities outside the consular section.

Strategic Planning

Under the DCM's chairmanship, USINT in 2013 prepared its first 3-year Integrated Country Strategy to identify its key goals for 2014–2016. The mission supplemented the ICS with a 1-year Mission Resource Request budgetary document that will be updated on an annual basis. All sections contributed to the strategy, and all sections and agencies work within its framework to achieve these goals.

[Redacted] (b) (5)



Policy and Program Implementation

Political/Economic Section

Staffing and Background

The combined political/economic section, under the leadership of a respected counselor, meets high standards while working in a largely hostile environment. Examples of this adversity include restrictions on how far U.S. embassy employees may travel outside of Havana and constant surveillance of U.S. and local employee staff members. U.S. officials include an Expanded Professional Associate Program staff member, who departs in summer 2014, and a U.S. Coast Guard officer, whose portfolio includes drug interdiction, law enforcement collaboration, and ensuring safe migration. The section enjoys high morale; U.S. employees frequently extend tours.

Local Employees

The suspicions harbored by the local government complicate relations between U.S. and locally employed (LE) staff in the section. Nonetheless, working relations between U.S. officers and the section's three Cuban employees are collegial. Training opportunities for LE staff have included travel to the United States. The counselor hosts a weekly meeting of all section employees, and the American officers try to visit the local employees' shared office as much as possible. Some weekly meetings are postponed, however, and some officers do not visit with the local employees every day. The OIG team counseled American officers about the importance of frequent contact with the Cuban staff and suggested they reschedule any postponed meetings.

Reporting and Representation

The section engages with the government, business community, and civil society to the extent possible, given official restrictions. As a result of these restrictions, the section makes representations only to the foreign ministry and drug, maritime, aviation, and postal authorities. Some third country missions and business firms shy away from contact with USINT for fear of offending the Cuban Government. The section seeks sources from all walks of life, including visa and refugee applicants and non-official contacts.

The section cannot meet with most Cuban ministries for reporting or representation purposes. Political and economic information is difficult to obtain, often does not meet international standards, and is frequently outdated. Cuba does not belong to any international financial institutions, which further complicates the acquisition of reliable and timely economic data. The mission does not include representatives from many U.S. agencies often found overseas, including the Agency for International Development, the Department of Defense, the Drug Enforcement Administration, the Centers for Disease Control and Prevention, the Department of Commerce, the Department of Agriculture, and most law enforcement entities/agencies other than the Coast Guard officer and the regional security officer. Commercial efforts are limited to what the political/economic section can do with its own resources under U.S. sanctions. Law enforcement and military-to-military cooperation is minimal. Exchange of information on drug interdiction is limited.

Despite these obstacles, a variety of Department and Washington offices praised the volume and quality of reporting. Most noted an improvement in the quality of reporting following the arrival of the section's counselor in summer 2012. The Department's Office of Trafficking in Persons would like to see more efforts by the mission to encourage greater Cuban trafficking prevention measures and implementation. To that end, the mission recently hosted a rare digital video conference among the trafficking office and other Department officials, Cuban Embassy officials in Washington, and Cuban Government officials in Havana. For the second time since the mission reopened in 1977, Cuban Government officials visited the mission to attend the video conference.

Foreign Assistance

U.S. foreign assistance to Cuba is largely administered from Washington, with a small portion flowing through the public affairs section. The political/economic section does not administer or monitor any assistance, but it assists the public affairs section in its efforts, including hosting monthly gatherings of large groups of Cuban civil society participants and dissidents at the mission or front office residences.

Public Diplomacy

USINT identifies public diplomacy as the mission's primary instrument for reaching out to Cuban civil society. The mission's chief audiences are actors in civil society, young people, and cultural and online communities. The COM chairs a weekly PD meeting that includes the DCM and officers from the public diplomacy and political/economic sections.

Outreach and Training Activities

Almost no traditional public diplomacy programs, including information and exchange activities, can be carried out in Cuba. USINT conducts a number of training programs that seek to fill the gap by fostering contact between Americans and Cubans and providing information about the United States. The subject matter of the training programs includes basic journalism, computer literacy, governance, and the English language. Some of these programs are conducted online. The section also hosts receptions, discussions, and other activities, such as photography exhibits and "short message service" competitions. The OIG team witnessed significant interest and participation in public diplomacy activities on the part of Cuban citizens, as well as the difficulties they face obtaining access to the mission and mission resources.

USINT personnel, including the COM, conduct briefings several times a week for U.S. citizens traveling in Cuba. Cuban Government tour guides escort the groups around Havana and the island and set up briefings for them. The briefings provide a useful corrective point of view on issues, including the embargo, the Cuban economy, and the role of the U.S. Government.

Information Resource Center

USINT personnel believe that Cubans value the free uncensored Internet access more than any other service of the mission that the Information Resource Center (IRC) provides, except a U.S. visa. Internet access is rare in Cuba, limited to probably less than 5 percent of the population. The OIG team observed enthusiasm for the IRC Internet program first hand. Cuban

users sign up for 90-minute blocks of time at a computer. The center's work stations were in constant use throughout the inspection.

The IRC operation, including a distance learning center staffed by public diplomacy personnel, is spread across three areas of the building, all of them substandard and rundown. One center is located in the consular waiting room, where IRC patrons can overhear interviews of visa applicants. The mission has identified a potential solution that would move the center to another space, ease congestion in the consular waiting room, and provide a venue where IRC patrons can concentrate, making efficient use of their 90 minutes at the computer. Longer term, the mission will have to bring the IRC operation into a single space with adequate infrastructure. This will improve staff efficiency, simplify administration, and enhance the users' experience. In any future scenario, the resources of the IRC will continue to be a major asset of the mission, and the demand for them will continue to increase.

Media

The Cuban Government owns and controls all Cuban media. Freedom of the press is nonexistent. The public diplomacy section produces two daily summaries of Cuba-related news articles, focusing largely on items from the international media. Their diverse readership includes the mission and Washington offices, other diplomatic missions in Havana, and American journalists. Some individual Cubans also receive the summaries, which provide an efficient way to follow Cuba issues in a country in which Internet access remains problematic. Because of Cuban Government restrictions, the mission is seldom able to engage with journalists working for government organizations. Given the difficulty of dealing directly with journalists, the public diplomacy section prepares and distributes compact discs with information in Spanish about the United States and related issues, such as freedom of the press, to selected Cuban contacts. The loss of an experienced senior local employee dealing with press issues has made a challenging job more difficult. It is important to find a replacement.

As with the Internet, social media presence in Cuba is low. The mission maintains a Facebook page and a Twitter account, and the public diplomacy section also maintains USINT's homepage. Despite low Internet presence, it makes sense for the mission to put time and resources into social media because those platforms allow USINT personnel to engage some younger Cubans with whom they would not otherwise have any contact. The DCM has been an active user and proponent of social media.

Staffing

USINT ranks a cultural affairs officer position first on its list of needed personnel. The OIG team concurs that a cultural affairs officer is needed to expand outreach to include the kinds of educational and cultural exchange programs that the Department supports worldwide. In any likely scenario of change in Cuba, a robust public diplomacy capacity will be required to achieve U.S. policy goals.

Regional English Language Officer

The regional English language officer has not been able to visit USINT because of visa issues but is able to provide support via email, the Internet, and digital video conferences,

without visiting the country. The portfolio of the incumbent includes several countries in Europe as well as Cuba. The OIG team concurs with USINT that an officer with a connection to Spanish-speaking countries in the Western Hemisphere would have more impact on its English programs and that the public diplomacy section would benefit from increased connections with English-language operations in the region. The Bureau of Educational and Cultural Affairs supports this position.

Informal Recommendation 2: The U.S. Interests Section Havana should request that the Bureau of Educational and Cultural Affairs reassign the Cuba portfolio to a regional English language officer with responsibility for other Spanish-speaking countries nearby.

Consular Affairs

The consular section provides nonimmigrant visas and immigrant visas, and American citizens services. It also processes a large number of parole applications on behalf of U.S. Citizenship and Immigration Services (USCIS), a part of the Department of Homeland Security. At the time of inspection, the consular section was adapting to a number of major changes in workload.

The section had recently completed the first phase of an effort to reduce wait times for nonimmigrant visa appointments after experiencing explosive increases in demand earlier in the year. Consular managers had also begun implementing a plan to consolidate LE staff from the nonimmigrant visa, IV, and Information units into one operation. Their most visible success has been reducing wait time for nonimmigrant visa appointments from nearly 5 years to less than 6 months.

Effective January 2013, the Government of Cuba abolished the requirement that Cubans obtain exit visas in order to leave the country. Demand for nonimmigrant visa appointments ballooned. Perhaps most significant, a wider range of Cubans, including young people, professionals, and children, are now able to travel abroad. Productivity increases have allowed the section to handle the new wave of visa applicants. It issued visas to 50 percent more Cubans in FY 2013 than in FY 2012.

The number of U.S. citizens traveling to Cuba has also increased markedly. USINT estimates the number of Americans visiting Cuba in 2012 at 550,000. Nearly 100,000 were traveling with organizations granted specific licenses by the Department of the Treasury to sponsor and organize educational exchange programs known as “People-to-People Groups.” One-third more Americans visited Cuba in this manner in 2012 than in 2011. In addition, an estimated 450,000 Cuban Americans received licenses to travel to Cuba in 2012 to visit family members. An undetermined number of U.S. citizens also traveled to Cuba in contravention of the travel ban that same year. As an example of the added workload, USINT reported that the number of death cases it handled in FY 2013 increased nearly 50 percent over FY 2012.

The section also processes parole applications for USCIS. In FY 2013, the section processed nearly 14,000 parole cases, a component of the 20,000 Cuban nationals that the U.S. Government is obligated to allow to immigrate to the United States annually under the 1994–1995 U.S.-Cuba Migration Accords. The section has processed parole cases since 1995.

Recently, USCIS proposed taking over processing of parole cases. At the time of inspection, the National Security Staff was reviewing the proposal.

Also contributing to the 20,000 quota is the in-country refugee processing program, which the Department's Bureau of Population, Refugees, and Migration operates jointly with USCIS at a building known as the "annex," 2 blocks from the chancery.

Consular Leadership and Management

The consul general's successful effort to improve visa processing capacity made it possible for Cubans to travel to the United States within months rather than years of requesting an appointment. To improve processing, USINT persuaded the Bureau of Consular Affairs (CA) to provide additional temporary duty consular officers to support existing staff. The consular management team coached officers to improve their interview speed and tweaked the application process to improve efficiency. Productivity increased by a factor of four, as the consular section went from interviewing 120 to 150 applicants per day to an average of more than 500.

First- and Second-tour Officers

This success has not come without costs. Many of the section's 12 FAST officers report that the pressure to interview so many cases leaves them little time for their other duties in the section, much less for professional development activities outside the section. The combination of long hours spent interviewing visa applicants and the stresses of life in Havana have resulted in low morale among many FAST officers in the section. The consul general needs to address low morale among FAST officers with the same energy he has brought to improving visa operations. Involving FAST officers in planning, as well as executing, management initiatives like the visa processing surge would increase a sense of buy-in and accomplishment.

Informal Recommendation 3: The U.S. Interests Section Havana should delegate to first- and second-tour officers greater responsibility for finding solutions to consular section problems, while closely monitoring their performance and providing coaching, as needed.

Consular managers need to do a better job matching workload with the number of available interviewing officers. Typically, consular managers schedule a large number of nonimmigrant visa appointments for a future time on the basis of the expectation that additional TDY officers will arrive in time to assist with the extra work. Their arrival is frequently delayed because they are unable to obtain Cuban visas, forcing FAST officers to work extra hours on the interview line to handle the increased number of applicants. Section leadership could do a better job scheduling interviews. The visa appointment system provides enough flexibility to refine appointment scheduling. Managers planning several months ahead can make fewer appointments available for each day and later make additional appointments, if staffing is adequate.

Informal Recommendation 4: The U.S. Interests Section Havana should schedule nonimmigrant visa appointments with greater flexibility and attention to actual staffing levels.

Another factor damaging morale is that some FAST officers are more productive than others and have to work longer hours to compensate for their slower colleagues. Consular managers schedule appointments assuming that each officer will interview at least 110 applicants per day. In reality, some officers interview as many as 140 applicants a day, but others interview as few as 80. The rate at which the top producing officers are expected to interview is not reasonable or sustainable for the long term. Consular managers have not addressed this imbalance.

Informal Recommendation 5: The U.S. Interests Section Havana should involve first- and second-tour officers in developing training programs to improve performance and hold accountable officers who fail to meet performance targets.

Each FAST officer has a portfolio of responsibilities in the consular section. Many of these duties provide excellent opportunities to develop managerial skills and build substantive knowledge. These responsibilities are not distributed equitably among the section's 12 FAST officers, however. For example, one officer is chief of one functional unit and the backup for several others and unable to keep up with all these responsibilities. Other officers have relatively few substantive responsibilities and express a desire for more management responsibility.

Informal Recommendation 6: The U.S. Interests Section Havana should distribute consular duties equitably among first- and second-tour officers.

Like FAST officers in the nonimmigrant visa unit, those in the IV unit report feeling overwhelmed by the volume of cases they are required to interview each day. Several officers described the system used for scheduling IV appointments as opaque. They saw no relation between the number of cases scheduled and the number of officers available to interview them. For example, during the OIG team's visit, the National Visa Center, which schedules IV appointments according to input from the consular section, had for unknown reasons doubled the number of appointments for 1 week. IV scheduling is more complicated than in most consular sections. USINT's consular section also processes parole cases under the Cuban Family Reunification Program on behalf of USCIS. Appointments for applicants for this program were scheduled years ago and are difficult to change. Consular managers need to gain better control of the scheduling of IV and parole appointments and adjust appointments to match the availability of officers to interview them.

Informal Recommendation 7: The U.S. Interests Section Havana should establish a process for scheduling immigrant visas and parole interviews and set appointments at a level appropriate for the number of officers available.

Staffing

USINT cannot sustain the elevated pace of nonimmigrant visa adjudications without increasing the number of consular officer positions. By mutual agreement of the two countries, American officer positions at USINT are capped at 51. Because of this cap, it is unlikely that new permanent officer positions can be established in the short term. However, longer-term temporary duty officer assignments – as long as a year – could provide the staffing level the section needs.

Recommendation 3: The U.S. Interests Section Havana should request that the Bureau of Consular Affairs provide long-term temporary duty officer support. (Action: USINT)

Consular Facilities

Havana's consular operations are located in a hodgepodge of disconnected offices and waiting rooms that provide too little space for operations in some areas, while underusing space in other locations. In July 2013 the Bureau of Overseas Buildings Operations sent a team of architects and planners to Havana to review consular facilities and develop options for improving operational processes and reconfiguring and remodeling the section. The Bureau of Overseas Buildings Operations released a report in September 2013 concluding that USINT's consular facility is poorly adapted to current workload and is inadequate to meet the demands of increased workload. The report describes a number of options, ranging from no-cost or low-cost changes to extensive remodeling of the section.

USINT has requested that the Department approve a plan described in the Bureau of Overseas Buildings Operations report as "Modification Scheme C," which includes a major reconfiguration of the consular section at an estimated cost of \$9 million. The reconfiguration is needed to address current workload and essential for keeping up with the growth of the nonimmigrant visa and American citizens services workload.

Recommendation 4: The U.S. Interests Section Havana should request that the Bureau of Overseas Buildings Operations and the Bureau of Consular Affairs expedite their consideration of a major reconfiguration of the consular section. (Action: USINT)

While USINT's request for a reconfiguration project is under consideration, a number of no-cost or low-cost improvements described in the Bureau of Overseas Buildings Operations report could improve efficiency and customer service. USINT has already implemented some of these changes. Additional changes that should be implemented include improved signage, a public address system for the exterior interview area, and removing the IRC from the consular section's interior waiting area.

Recommendation 5: The U.S. Interests Section Havana, in coordination with the Bureau of Overseas Building Operations and the Bureau of Consular Affairs, should implement no-cost and low-cost changes to improve consular section facilities. (Action: USINT, in coordination with OBO and CA)

Consolidation of Locally Employed Staff

The consular management team has begun to consolidate the nonimmigrant visa, IV, and Information units. The plan calls for LE staff members to work in teams of five and for the teams to rotate from one work activity to another one every 3 to 4 months. The objective is to improve the flexibility and responsiveness of LE staff by broadening their skills and varying their work assignments. In revising position descriptions, the section leadership discovered that some local staff did not have the English skills required in their position descriptions. Consular managers responded by creating an English-language improvement program for LE staff. This program would not be necessary if managers had regularly evaluated the performance and skills of LE staff members and required improvement plans when skills were not sufficient.

Recommendation 6: The U.S. Interests Section Havana should put in place a plan to review local consular staff performance and skills, verify that staff members have all requisite skills, and implement improvement plans, where appropriate. (Action: USINT)

American Citizens Services

The American citizens services unit has significantly improved its ability to assist U.S. citizens in Cuba. The American citizens services officer and her staff have expanded their outreach efforts to match the growing number of U.S. citizens visiting the country. Additionally, the public diplomacy section offers regular briefings to visiting U.S. citizens to alert them to hazards and familiarize them with the assistance available at the consular section. USINT officers' travel is limited to within Havana province. Permission to travel outside that area requires sending a diplomatic note a minimum of 5 days before travel begins. To prepare for emergencies involving U.S. citizens, the American citizens services officer met recently with government officials to request a fast-track method of gaining approval for travel outside the restricted area in emergencies. Cuban officials appear inclined to cooperate with this request, and already the American citizens services unit has received direct telephone numbers for government officials who can assist in a crisis.

Informal Recommendation 8: The U.S. Interests Section Havana should implement a fast-track method of obtaining Cuban Government approval to travel outside Havana for emergencies involving U.S. citizens.

The American citizens services unit communicates regularly with its wardens throughout Cuba. In November 2013, it hosted the first town hall meeting in 12 years for U.S. citizens resident in Cuba. The American citizens services officer also met recently with Cuban authorities to establish a procedure for dealing with death cases. For the first time in many years, the American citizens services staff established a means of transporting decedents' remains to the United States via charter airlines. In April 2013, staff from the American citizens services unit, the regional security office, and other sections received unprecedented assistance from Cuban officials in coordinating the repatriation of two children abducted from the United States.

Consular Management Controls

USINT's Class B cashier does not always provide the accountable consular officer with a copy of the OF-158 receipt on a daily basis, as required.

Recommendation 7: The U.S. Interests Section Havana should require the Class B cashier to provide the accountable consular officer with an OF-158 receipt for consular deposits daily. (Action: USINT)

The Bureau of Consular Affairs' Consular Integrity Division reports that consular managers and the DCM do not perform all required nonimmigrant visa adjudication reviews in a timely manner.

Recommendation 8: The U.S. Interests Section Havana should perform all required nonimmigrant visa adjudication reviews in a timely manner. (Action: USINT)

Consular Fee Collections

The consular section collects all machine-readable visa application fees for nonimmigrant visa on-site. While most consular sections collect fees off-site through banks, this option is not available in Havana because of Department of the Treasury regulations that restrict U.S. banks from doing business in Cuba. This fact slows the intake process for nonimmigrant visa applicants and creates extra work for USINT's Class B cashier, who is required to account for [REDACTED] to [REDACTED] each day.

The consular section plans to implement, under CA's Global Support Strategy, a new practice that would make it possible for visa applicants' family members in the United States to pay the application fee via credit card. The section would continue to collect fees on-site and to serve applicants unable to use the new payment option, as well as applicants from other countries. Consular managers anticipate that, under the new policy, the majority of fee transactions will be paid by credit card in the United States.

Parole Processing

In addition to processing immigrant visas for Cuban beneficiaries, the consular section's IV unit also processes a large number of public interest parole cases on behalf of USCIS. Although consular staff does virtually all the processing, a USCIS officer spends 1 day per week formally adjudicating parole applications. The IV unit approved nearly 14,000 parole cases in FY 2013 and devoted approximately 2.5 consular officers, as well as numerous LE staff members, to accomplish this. In 2012, USINT proposed that USCIS take over responsibility for processing parole cases, with the goal of moving much of the casework to the United States. Subsequently, USCIS made its own proposal to take over processing of parole cases. The proposal would keep all processing in Cuba and create three new USCIS office positions at USINT, using space in the consular section, and eight LE staff positions.

Because of the cap on American officer positions, USINT would have to give up two consular officer positions – the number currently needed to process parole cases – to accommodate two of the three new USCIS positions. The USCIS proposal, however, includes creating one additional permanent USCIS officer position over and above the cap. This increase would not be possible unless the overall cap were raised. A new USCIS officer position is not high on USINT's priority list. The OIG team believes two officer positions are sufficient to process the parole caseload. The consular section currently uses 2.5 officers to process paroles. Given demands on the consular section's already cramped and dysfunctional physical plant and the limited number of American officer positions, USINT's original proposal to move much of the process to the United States makes the most sense.

Recommendation 9: The Bureau of Consular Affairs, in coordination with the Bureau of Western Hemisphere Affairs, should support the U.S. Interests Section Havana's proposal that U.S. Citizenship and Immigration Services take responsibility for processing parole cases for Cuban nationals and move much of the casework to the United States. (Action: CA, in coordination with WHA)

In-Country Refugee Processing

Cuba and Iraq are the only two nations where refugee applications are accepted and processed in-country. Since 1995, the refugee admissions program has been administered from a USINT annex 2 blocks from the chancery. The annex houses the Bureau of Population, Refugees, and Migration's Resettlement Support Center as well as the USCIS field office. A Bureau of Population, Refugees, and Migration refugee coordinator manages the resettlement center and its staff of 22 local and third country national employees. Third country national staffers pre-screen applications and conduct interviews. A USCIS officer then determines refugee status for cases that meet eligibility criteria. USCIS sends teams of temporary duty officers to Havana several times a year to conduct these interviews. If refugee status is granted, USCIS passes the case back to the resettlement center, which completes the remaining logistical steps, including matching the refugee with a resettlement agency in the United States and arranging for travel to the United States.

Cases waiting for the initial pre-screen interview—approximately 12,500 applicants—are experiencing a nearly 5-year backlog. The Bureau of Population, Refugees, And Migration refugee coordinator has launched an effort to reduce the pre-screen backlog. Her review of preliminary questionnaires concluded that many pending applicants no longer meet eligibility criteria. She has provided pre-screeners with clearer guidance and estimates that, barring any unexpected growth in the number of new applications, she and her staff will be able to reduce the backlog by one third or more in the coming year. The resettlement center has discovered an increased number of fraudulent documents in refugee applications. Pre-screeners would benefit from training to identify fraudulent applications.

Resource Management

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Foreign National Staff	Total Staff	Total Funding FY 2013
Department of State					
Diplomatic & Consular Programs	11	2	13	26	\$2,256,072
ICASS	5	4	208	217	\$5,417,700
Public Diplomacy	2	2	10	14	\$413,690
Diplomatic Security	4	1	79	84	\$185,911
Marine Security	9		5	14	\$186,980
Representation				0	\$30,809
Consular Affairs	16	3	48	67	\$1,269,887
OBO				0	\$2,115,037
Population, Refugees and Migration	1	2	19	22	\$754,979
Department of State Subtotal	48	14	382	444	\$12,631,065
Department of Homeland Security					
Coast Guard	1			1	\$139,528
USCIS	2		5	7	\$348,858
Other Agency Subtotal	3		5	8	\$488,386
Totals	51	14	387	452	\$13,119,451

Management Overview

USINT's management section faces considerable difficulties working with the Cuban bureaucracy. Some service standards suffer as a result. USINT cannot function well without the cooperation and support of Cuba's Ministry of External Relations and the diplomatic services branch of the Council of State, known as PALCO. Some recent indications point to greater responsiveness to USINT requests, and PALCO's record is telling. Shipments of official procurements take 6 months or more to be cleared even after receiving pre-clearance from the Ministry of External Relations—another lengthy process. Unclassified pouches with personal mail are often rejected and sent back to the United States. Incoming household effects, which take 1 day to sail from Miami to Havana, have sat for months in the port awaiting clearance; the same holds for personal vehicles and consumables. In the meantime, offices go without equipment and supplies, the maintenance section lacks materials to repair buildings and residences, and employees and their families go without familiar foods, medicines, clothes, children's toys, transportation, computers, and books. Other diplomatic missions have informed mission staff members that their shipments are cleared more quickly than USINT's cargo.

Inspectors found that USINT is not in regular communication with the Bureau of Diplomatic Security's Office of Foreign Missions on issues of reciprocity. Since the movement of diplomatic pouches, cargo, and personal shipments is covered under the Vienna Convention on Diplomatic Relations, USINT should inform the Office of Foreign Missions and the Bureau of Western Hemisphere Affairs on a regular basis of delayed shipments and other reciprocity issues. The inspectors discussed this issue with management leadership, which is in the process of preparing a comprehensive report to the Office of Foreign Missions. The inspection team concluded that it would be useful for the Office of Foreign Missions to send an official to Havana for a site visit and for USINT management to meet with the Office of Foreign Missions officials whenever in the Department.

Informal Recommendation 9: The U.S. Interests Section Havana should communicate regularly with the Department of State on reciprocity issues and request a visit to Havana by the Office of Foreign Missions.

Real Property

USINT is located in a U.S. Government-owned building constructed in 1951 as a chancery and substantially renovated in the early 1990s. The land was first leased from the Cuban Government in 1949 for a 90-year term with a 90-year extension. In exchange, the U.S. Government leased three residences (in Havana, Matanzas, and Santiago) to the Cuban Government, also for 90 years.

The facilities management team has sought to keep the mission facility attractive, functional, and safe, and has succeeded in most respects. A major roof replacement project is in the planning stages with the Bureau of Overseas Buildings Operations. CA and the Bureau of Overseas Buildings Operations have developed a space usage and expansion plan for the consular section in response to the large growth in consular workload and staffing, but it has not yet been approved.

The Department constructed and first occupied the U.S. Government-owned COM residence in 1942. The original eagle from the monument to the victims of the battleship Maine, which was toppled following the Bay of Pigs invasion, adorns the grounds. Representational, family, and guest spaces are well appointed. The residence is well maintained and furnished, but over time will require substantial improvements, such as the roof replacement project now under consideration by the Bureau of Overseas Buildings Operations.

Short-term-leased properties in Havana include an annex, which houses Department of Homeland Security and the Bureau of Population, Refugees, And Migration, a warehouse, the DCM residence, a two-house Marine detachment compound, and residential housing for all other USINT American staff. These properties are all covered under an umbrella lease agreement with PALCO.

For 18 years, the Bureau of Population, Refugees, And Migration has occupied the "temporary" annex building, which has outlived its usefulness. The office and waiting areas of this former residence are severely overcrowded. The large number of file cabinets located on the second floor threatens the structural integrity. The OIG team identified fire hazards as well. The

facilities manager has taken steps to improve conditions but a major Bureau of Overseas Buildings Operations review is needed without delay.

Recommendation 10: The Bureau of Overseas Building Operations should implement a comprehensive plan to address security, structural, fire safety, and space planning deficiencies at the U.S. Interests Section Havana annex building. (Action: OBO)

Financial Management

The financial management section functions in the face of Cuba's financial and banking sector and diplomatic restrictions. Funds management, vouchering, and payroll operations work well, although limited Internet bandwidth causes disruptions and delays in processing transactions. USINT has a large cashier operation because most financial transactions are in cash due to banking and credit card restrictions. Accommodation exchange, consular collections, and petty cash payments are the most typical transactions handled by the USINT cashier. The mission has a small checking account in local currency, but many Cuban vendors and other local entities refuse to accept checks.

USINT's expenditures are approximately [REDACTED]. The Charleston financial services center granted the mission a waiver from the cash payment limitations outlined in 4 FAH-3 H-394. An assistant U.S. disbursing officer from Charleston reviewed cashier operations in March 2013 and found operations working well, citing the cashier's expertise and the financial management officer's technical expertise. The review made several recommendations, such as publishing a complete set of cashier policies, which were implemented prior to the OIG inspection.

Several employees complained about the cashier's limited hours, particularly consular officers who cannot leave their section during the cashier's present hours. The Class B cashier is open mornings for 14 hours per week; afternoon hours are limited to 1 hour weekly. Various factors affect the cashier's ability to expand her hours, including reconciling consular collections every afternoon and depositing them at the mission's local bank, accompanied by a USINT security guard. Monthly unannounced cash verifications can take more than 3 hours. The management officer recognizes the need to expand cashier hours and he is exploring various options.

International Cooperative Administrative Support Services

International Cooperative Administrative Support Services (ICASS) is the cost distribution system through which agencies budget and share the cost of common administrative services they receive at missions abroad. USINT uses the ICASS Standard to distribute costs to 34 cost centers. Until 2006, USINT, like many small and medium-sized missions, used the simpler ICASS Lite system, which distributes the same services to 19 cost centers. It switched to the more labor-intensive standard process in anticipation of changes in bilateral relations that would lead to an increase in the mission's size.

But USINT staffing has remained static, with only the Department and two other agencies represented at the mission. A return to ICASS Lite would reduce time spent administering the program by consolidating workload counts and streamlining reporting. If

mission staffing changes significantly, ICASS Standard can be reinstated. Department regulations permit switching ICASS processes, subject to approval by the mission's ICASS Board, the regional bureau, and the Department's ICASS director.

Informal Recommendation 10: The U.S. Interests Section Havana should request Department of State approval to use the International Cooperative Administrative Support Services Lite process.

Human Resources

The human resources section is led by an officer who also serves as the financial management officer. Human resources operations received mixed scores on the FY 2013 ICASS customer satisfaction survey and inspection questionnaires. Employees rated services to LE staff above average but services to American employees as below average. Many American employees characterized the human resources officer as intransigent and unwilling to seek creative solutions to human resources issues. The officer is exacting in interpreting personnel regulations, and when employees are told "no," the message often lacks tact. The management officer has counseled the human resources officer to bring potential conflicts to her attention.

Local employees cannot perform many functions for American personnel; therefore, the human resources officer relies on a part-time eligible family member to perform many human resources functions. The current workload may warrant a full-time position. The eligible family member is departing post this summer, and it is uncertain whether a full-time or part-time substitute can be found. Should the mission's American staffing increase substantially, the Department will need to reevaluate human resources American staffing to ensure workload demands are met. Meanwhile, the mission has increased opportunities for local staff members to attend training in the United States.

Performance evaluations for American and LE staff are timely, and American position descriptions are accurate. Position descriptions for LE staff affected by the consular reorganization are under review. In the past, U.S. employee allowances and differential were not always suspended or resumed properly. The human resources officer has resolved this issue.

Eligible Family Members

The mission makes effective use of eligible family members to fill gaps and augment its workforce to meet critical needs. At the time of the inspection, 12 family members served in mission jobs, leaving only 3 vacancies. Two spouses participate in the Expanded Professional Associates Programs and fill Foreign Service positions. All family members who wish to work have jobs.

Locally Employed Staff

USINT employs approximately 370 Cuban nationals who carry out the same roles and responsibilities of LE staff at missions worldwide. All diplomatic missions in Cuba are required to obtain their staff through an umbrella employment contract with the Cuban Government. The Department, therefore, categorizes USINT LE staff as contractors. Under the contract and individual work agreements, USINT pays the Cuban Government a monthly fee for each

employee's services. The Cuban Government withholds a large portion of the fee, ostensibly as the employee's contribution to the social welfare system, and pays employees a salary that can be as little as the equivalent of \$10 per month.

USINT pays local employees a supplement based on salaries paid to local staff at other diplomatic missions in Cuba. Upon retirement, or after 5 years of service, local employees are paid a lump sum severance payment of 1 month's salary for each year employed. USINT employees receive a small Cuban pension upon retiring (roughly \$10 per month), which is far lower than what is paid to Cuban Government employees, despite the high fees paid to the contracting agency. The Department's Office of Overseas Employment is not involved in USINT's local compensation plan.

The hiring and personnel administration processes applied to USINT's local employees mirror those of U.S. missions worldwide. For example, USINT advertises positions, recruits applicants, and makes the final selection to fill positions (although the Cuban Government sometimes rejects the applicant). Jobs are classified and graded according to worldwide standards, and the payroll is processed through the financial services center in Charleston. Local employees receive traditional performance evaluations and are eligible for step increases, promotions, training opportunities, and some awards. In these respects, USINT's local employees cannot be distinguished from those at other U.S. missions.

The COM supports normalizing the relationship between local employees and the Department and treating local staff as U.S. Government employees, not contractors. Doing so would make them eligible for additional benefits, including the special immigrant visa program and the offshore supplemental retirement plan, when available.

According to 9 FAM 42.32(d) (2) N4.3, local national employees may be considered U.S. Government employees if an employer-employee relationship exists. The criteria to make this determination include the Department's right to control how and what work is assigned and performed, the duration of the relationship with the Department, and the payment method. This is a complex issue with legal, political, and financial ramifications. For example, the Department would have to determine to what extent the employees could be treated as LE staff, given their employment relationship with the Cuban Government, and if this relationship could be altered or even severed.

Recommendation 11: The Bureau of Western Hemisphere Affairs, in coordination with the Bureau of Human Resources and the Office of the Legal Adviser, should determine to what extent local Cuban staff can be treated as U.S. Government employees eligible for additional benefits. (Action: WHA, in coordination with DGHR and L)

Special Immigrant Visa Program

Until 2004, when the practice was stopped, USINT's Cuban national employees were allowed to apply to the special immigrant visa program. 9 FAM 42.32(d)(2) N4.1 states that "where a foreign government requires that it or one its agencies be the technical employer of its nationals who work for the U.S. Government in that country, an alien may qualify for special immigrant status provided that the alien was in a bona fide employer-employee relationship with a U.S. Government department or agency." During the inspection, the mission submitted a memo

to the Department to recommend reinstating the special immigrant visa program. This process may proceed independently of the process to convert the employees to U.S. Government employees.

Recommendation 12: The U.S. Interests Section Havana, in coordination with the Bureaus of Human Resources and Consular Affairs, should determine whether Cuban nationals employed by the mission qualify for special immigrant status and, if so, reinstate the program. (Action: USINT, in coordination with DGHR and CA)

Equal Employment Opportunity

In October 2013, the COM named two new American Equal Employment Opportunity counselors and the first-ever local employee liaisons. American counselors and local liaisons require training, as outlined in 3 FAM 1514.2. Some program materials posted in the mission have not been translated into Spanish.

Informal Recommendation 11: The U.S. Interests Section Havana should provide Equal Employment Opportunity training to those who require it and post information on the program in Spanish.

General Services Office

The general services office scored well in all areas except procurement and travel services. These anomalies are due largely to delays within the Cuban bureaucracy and employee frustration with the e2 travel manager system. The staff is well led and professional, and section morale is high. The office has embraced the Integrated Logistics Management System to manage paper flow and improve internal controls.

Travel and Transportation

The travel and transportation unit is responsible for arranging travel of employees and their dependents and processing all incoming and outgoing shipments and pouches, both official and personal. Because Cuba has no private enterprises that specialize in travel or shipping, the mission cannot contract for these services.

The travel clerk is overworked. For each traveler, she must book tickets on charter flights to and from the United States, as well as onward domestic or international travel arranged through e2 travel manager. Charter flights can be paid for only in cash, so the travel clerk must go in person to the Cuban Government travel agency with a cash advance from the cashier to purchase a paper ticket. The assistant general services officer is exploring ways to handle this process more efficiently.

The travel clerk also books personal charter flight tickets for employees and their families and friends who wish to visit Cuba. If friends and family in the United States were required to book their own charter flights in the United States, the travel clerk would be relieved of workload associated with arranging personal travel.

Informal Recommendation 12: The U.S. Interests Section Havana should determine whether friends and families of mission staff can book and purchase charter airline tickets in the United States and, if so, cease providing that service.

The ineffectiveness of the Cuban bureaucracy and its lack of capacity daily challenge the transportation section. The staff merits commendation for its perseverance. In addition to the clearance delays cited above, staff report that the Havana port authority has only one crane and one forklift (not always operable) to move containers, adding to delays. Inbound shipments to Havana are routed either through the U.S. Despatch Agency in Miami or the European Logistical Support Office in Antwerp. During the inspection, the Department advised USINT that future outbound shipments need only be forwarded to Miami for onward shipping. This procedure will simplify outbound shipping.

The supply chain between the United States and USINT is mission-critical, and a well-coordinated process will become more important if the Cuban economy and U.S.-Cuban relations expand. Mission leadership has taken an active role in nudging the Cuban bureaucracy at every opportunity, as seen by some signs of slight improvement. Room for improvement exists on the U.S. end, as well. The shipping staff is in nearly daily contact with the Miami despatch agency to prioritize and accelerate shipments. Goods destined for USINT, however, must often await consolidation with other orders before shipment, a step that can add significantly to delays. Furthermore, USINT must compete with other U.S. missions for despatch agency attention. Because of USINT's dependence on shipments from the United States, the Department should seek ways to expedite the shipping process. One option would be to dedicate a position at the U.S. Despatch agency in Miami to coordinate all shipments to USINT from Miami.

USINT does not use door-to-door international government bills of lading, because no private shipping concerns exist in Cuba that can handle such shipments. The Cuban Government books all shipments from Havana to Miami. On a more positive note, employees state that Cuban packers are some of the best they have experienced in their careers. Unfortunately, Cuban customs authorities open and x-ray both inbound and outbound shipments before they will clear them. Ministry of Culture officials examine shipments as well, ostensibly to ensure that no cultural heritage items are exported. These practices should be included in the review of reciprocity issues noted above.

Housing

The supervisory general services officer, with the assistance of a housing clerk and third country national management assistant, manages the USINT housing program. The interagency housing board meets as required to assign housing. All leased housing is obtained under an umbrella lease agreement with PALCO. The lease expired in 2012, and the Bureau of Overseas Buildings Operations and the Office of the Legal Adviser have requested changes to the language. These changes have been presented to PALCO piecemeal, rather than as a comprehensive package. This has led to some confusion regarding the status of the negotiations. In the meantime, PALCO has rejected other requests for housing, pending a signed agreement. The next best step is for USINT, the Bureau of Overseas Buildings Operations, and the Office of the Legal Adviser to coordinate a comprehensive umbrella lease proposal for presentation to PALCO.

PALCO provides the housing inventory, which has been virtually static for many years. PALCO has been unable or unwilling to provide post with housing better suited to the mission's demographic, which includes many more families than in the past. As a result, some employees are assigned housing that does not meet their expectations. Most housing provided was built prior to 1958. The sun, heat, and salt air all conspire to deteriorate buildings at a rapid rate, requiring continuing preventive maintenance. Although responsible for maintaining the housing, PALCO has responded in a lukewarm fashion, often brought on by its lack of capacity, and the facilities manager at post often must step in to do the work in the interest of staff safety and morale.

Motor Pool

USINT's motor vehicle program has a number of problems. The vehicle fleet is a hodgepodge of new, used, dilapidated, and side-lined vehicles. The state of the program is, in part, a result of restrictions that limit the mission's ability to import new vehicles and dispose of old ones, as well as a liberal mission policy on the use of vehicles for both official and personal use. The supervisory general services officer is taking steps to manage the motor pool better. He has implemented new procedures on fuel purchases, which will improve management controls. The motor pool supervisor has made progress in requiring drivers to complete daily trip sheets and is providing Smith System training to occasional drivers. Much remains to be done in two major areas: development of a motor pool policy that is in compliance with regulations and right-sizing the vehicle fleet to meet mission needs.

The mission's draft motor pool policy requires considerable revision to bring it into compliance with regulations. The draft policy designates some services as being "for business purposes," such as home-to-office transport for the DCM and transport of employees and family members during check-in. Regulations on "other authorized use of motor vehicles" cover those services. In accordance with 14 FAM 433.3-1, the COM must make a written determination that public transportation is unsafe or unavailable before authorizing transportation for other than business purposes. He must then determine that such use is advantageous to the U.S. Government, per 14 FAM 433.3-4. A determination also is required for use of vehicles by on-call personnel. Those determinations have not been made in full. The inspectors also found no evidence that the mission had calculated the cost of home-to-office transportation annually, as required in 14 FAM 434.4a(3). Once the mission implements an updated policy, it should review its stock of vehicles, per 14 FAM432.2

Recommendation 13: The U.S. Interests Section Havana should implement a motor pool policy in compliance with Department of State guidance. (Action: USINT)

USINT's motor pool fleet consists of 62 vehicles. Fourteen are either unserviceable or in poor condition. Fourteen replacement vehicles are in transit. A number of the existing vehicles were purchased used from other diplomatic missions, during a period when the Cuban Government refused to permit USINT to import official vehicles. As a result, mission employees operate vehicles that are damaged, unsightly, and possibly unsafe. One vehicle is missing interior door panels and its gear shift knob. In Cuba, diplomatic vehicles can be sold only to other diplomatic missions. No mission has expressed interest in purchasing USINT's unserviceable vehicles. Recently, GSO identified a Cuban state-owned company that is interested in purchasing the surplus vehicles. In the meantime, the surplus vehicles occupy valuable parking space.

Informal Recommendation 13: The U.S. Interests Section Havana should continue its efforts to dispose of its surplus vehicles as quickly as possible.

Personal Property Management

Accountability procedures for personal property such as furniture, equipment, and expendable supplies are good. During the inspection, the general services office was considering steps to further tighten controls at the warehouse, which is not manned full-time. Another staff member suggested that the warehouse supervisor enter issuances of furniture and furnishings directly into the inventory application, rather than passing a hard copy for her to enter the data. This would further strengthen controls.

In the past, USINT auctioned excess property to other diplomats and local employees on-line. The general services officer determined that this process did not provide adequate management controls. As a result, the most recent sale was by live auction, which proved to be a successful and transparent format.

PALCO leases the warehouse. It is large but dilapidated, and the roof leaks, despite several efforts by PALCO to resolve the problem. The facilities manager is addressing maintenance requirements to bring the warehouse up to a higher standard. The two sections of the warehouse controlled by the property section have very little shelving, resulting in an inefficient use of otherwise ample space. [Redacted] (b) (5)

Informal Recommendation 14: The U.S. Interests Section Havana should acquire additional shelving for the warehouse [Redacted] (b) (5)

Three other sections of the warehouse are dedicated to facilities management for use as a carpentry shop and to store maintenance supplies. These spaces are unsightly and cluttered with spare parts, making for an unsafe and unprofessional environment.

The regional security office, facilities maintenance, and the property section each controls some of the at least 40 20-foot containers that are lined up on the grounds of the warehouse. Once warehouse shelving is installed, all non-expendable property will be moved into the warehouse, where it can be easily identified and the containers removed. The warehouse grounds are unsightly and littered with debris, and high grass and kudzu cover some of the containers and a used generator.

Informal Recommendation 15: The U.S. Interests Section Havana should clean up the carpentry and maintenance supply sections of the warehouse and the warehouse grounds.

Procurement and Contract Management

The procurement and contracting unit adheres to foreign acquisition regulations and purchase card program policies. The locally employed procurement clerks report to the assistant general services officer, who monitors management controls in the unit. The clerks have

government credit cards for purchases from the United States and pre-loaded charge cards for use at the few Cuban Government vendors who accept them. Otherwise, all local purchases require cash advances from the cashier. Two of the procurement clerks spend the majority of their time scouring the local market for supplies and materials, often having to go to several vendors to fill one basic order. Bulk purchase agreements do not work in Cuba because all stores are government-owned and such billing processes are non-existent. The mission has no contracts or grants that require monitoring for trafficking-in-persons violations. The general services office is examining the benefits of increasing stateside supply orders from bi-annually to quarterly and establishing an annual flexible procurement plan that can be adjusted as priorities change and funding is available.

The procurement staff has not received offshore training. Furthermore, they have never visited the U.S. Despatch Agency in Miami, which receives and, therefore, authorizes payments to vendors on behalf of USINT. Some shipments arrive in Havana incomplete, because the despatch agency does not open boxes to verify that quantities are correct. It would be useful for both procurement and shipping clerks in the general services to visit the Miami agency to gain a better understanding of the receiving process there and resolve outstanding issues.

Informal Recommendation 16: The U.S. Interests Section Havana should send its procurement and shipping clerks to the Miami Despatch Agency for consultations.

Facilities Management

The facilities maintenance section does a good job maintaining U.S. Government-owned and leased properties in a challenging environment. The USINT office building has been described as “a ship at sea.” Located adjacent the ocean, it is subject to high winds and salt air and requires constant attention. Maintenance materials and supplies are usually unavailable on the local market. Materials and supplies sourced in the United States can take 6 months or longer to procure, ship, and clear into Cuba; that is if the Cuban Government doesn’t reject them.

The new facilities manager, the first one permanently assigned in more than a year and a half, has moved quickly to establish short-, medium-, and long-term goals for the section, build a case for additional Bureau of Overseas Buildings Operations funds for maintenance and repair, and strengthen internal management controls. He has established a comprehensive plan and a dedicated team to address the dire maintenance needs of the annex, which houses Department of Homeland Security and the Bureau of Population, Refugees, And Migration. New policies should reduce overtime, after-hours use of official vehicles and the cost of fuel. The general services and facilities offices are coordinating schedules to keep make-readies on track, and the facilities manager has created two new teams to make monthly visits to every residence to address existing and anticipated problems. Continuing maintenance problems at the long-neglected leased warehouse are getting attention.

The facilities manager has met with several units of PALCO in an effort to build relationships and find mutually beneficial solutions to address maintenance issues at PALCO properties. As a result, PALCO has agreed informally to let USINT purchase materials directly from its warehouse stock, in return for the mission doing the work on leased properties rather than waiting for PALCO to respond. The facilities manager also is working with his staff to develop a rational and defensible budget request to the Bureau of Overseas Buildings Operations.

He is training his supervisors on the Bureau of Overseas Buildings Operations budgeting and funding categories, so that building and maintenance expenditures are allocated appropriately. This will enable the facilities manager to get a better picture of his funding requirements and defend his budget request accordingly.

Safety, Health, and Environmental Management

As post occupational, safety, and health officer, the facilities manager has identified numerous weaknesses in USINT's Safety, Health, and Environmental Management (SHEM) program. He has established a weekly training day for his staff and plans to procure additional safety gear and uniforms so that other mission staff and families can easily identify maintenance workers. The 2011 SHEM report identified numerous priority-one deficiencies that have not been addressed. The facilities manager is in contact with the Bureau of Overseas Buildings Operations on these matters and is working with his SHEM assistant on how to address the deficiencies as soon as possible.

Information Management

USINT's information management (IM) program is meeting mission communication needs in one of the most challenging operational environments of any of the Department's overseas missions. Network performance and the staff's ability to maintain operations directly affect every aspect of mission operations. Staffing U.S. direct hire positions is problematic, adding to the challenges of working in the section. Since his arrival in summer 2013, the IM officer has focused on improving customer service and plans to institute a helpdesk standard operating procedure that will prioritize service requests.

The OIG team identified several areas that require IM's immediate attention. Adequate staffing is essential and requires careful coordination with the Department. The OIG team counseled section management in administrator cross-training, position descriptions, and network security. The classified annex to this report addresses information security issues and other challenges.

Staffing

Staffing shortfalls in the IM program were cited as a problem in the 2007 OIG inspection. System administration is restricted to four U.S. direct-hire positions, making every position critical. A curtailment for medical reasons in a key American position has left the program short-staffed. Regional support will fill the gap for only a portion of the expected vacancy, placing an additional burden on the staff.

The sheer volume of system administrative duties requires each U.S. information technology position to be a "hands-on" working assignment. Current technical skills and ability are vital for each position. Currently none of the American positions is language-designated, but having Spanish speakers would improve the section's efficiency.

During the course of the inspection, the OIG team observed an inequity in administrative support. The information systems officer with minimal support handles the OpenNet administration, which encompasses the majority of daily support requirements. That individual is

the only U.S. direct-hire who transferred directly from an overseas assignment and is adequately familiar with the mission's systems requirements. Information technology officers assigned to Havana should have the technical expertise necessary to support the mission's information management program.

Recommendation 14: The U.S. Interests Section Havana, in coordination with the Bureau of Western Hemisphere Affairs and the Bureau of Information Resource Management, should establish a staffing plan that addresses technical capability and language ability. (Action: USINT, in coordination with WHA and IRM)

The IM program previously included an eligible family member position that has not been filled because of funding restrictions. The OIG team believes the position is needed.

Telephone Charges

In 2012, the mission's telephone network was upgraded, giving USINT the capability to capture call-accounting data. All calls are now billed to the responsible agency, except for calls originating from the annex building. The annex building's telephone bill averages \$5,000 per month, a sum currently being borne by the Department, although Department of Homeland Security personnel make most of the calls. According to 5 FAM 527 (a), executive officers or their designees should review monthly telephone service statements for accuracy and charges to seek repayment to the U.S. Government for telephone charges. The purpose of the review is to maintain management control over Department telephone expenses. During the inspection, management was in the process of resolving the issue.

Informal Recommendation 17: The U.S. Interests Section Havana should establish accountability controls for telephone call charges originating from the annex building.

Quality of Life

The quality of life for American staff and their families is difficult for reasons noted in this report. As a result of these hardships, American employees are authorized a 25-percent post differential. They also receive a 20-percent cost-of-living allowance to reflect the high cost of consumer goods, most of which must be shipped from the United States as part of a consumables shipment that can take months to arrive. USINT employees also receive three rest and recuperation trips to Miami over the course of a 2-year tour.

Health Unit

The health unit received high scores on the OIG questionnaires and on the FY 2013 ICASS customer satisfaction survey. A Foreign Service health practitioner, a full-time local physician, and a full-time local nurse staff the unit. The Department's regional medical officer and regional psychiatrist, located at Embassy Mexico City, support the unit.

The quality of local medical care is substandard compared to that in the United States. The former health practitioners found only one hospital adequate to meet basic medical needs. Even though some providers there are well trained, the availability of equipment and medication is limited. As a result, the mission and the Department's Office of Medical Services take a liberal approach to authorizing employee travel to the United States for treatment.

Community Liaison Office

The Community Liaison Office (CLO) was in transition during the inspection, with a new full-time coordinator having recently taken over. The CLO coordinator provides a range of community services and organizes events to build morale. The COM has asked the coordinator to make pre-arrival, welcome, and orientation a priority. The nascent employee association does not have funding for community events, so the coordinator must find other ways to raise funds within the guidelines established by the Department's Family Liaison Office. The CLO organizes group trips, taking the burden of the approvals process for travel outside of Havana off the employee. The CLO also publishes a weekly newsletter.

Employee Association

Mission employees formed an employee association in January 2012 after a previous association was disbanded. The association began operations in late 2012. A single-room facility in USINT's basement serves as a convenience store that rents videos and sells a limited selection of food, snacks, and beverages. The association has 22 members, and cash on hand is approximately \$5,000 in local currency. The association board will survey USINT employees to determine employee preferences for new edibles and services. The mission will help the association identify a means to have an annual financial audit performed because no local entity can do this. Neither the board nor the manager has received training on commissary operations.

Informal Recommendation 18: The U.S. Interests Section Havana should request training materials from the Office of Commissary and Recreation Affairs and other assistance as required.

Overseas Schools

[Redacted] (b) (5), [Redacted] (b) (6)
[Redacted] A mission officer serves as the COM's representative on the board, which includes representation from other embassies. The Office of Overseas Schools provides an annual grant to the school, and the Bureau of Overseas Buildings Operations has provided funding to enhance school security. USINT assists the school with educational supply shipments. Because athletic and other facilities do not meet U.S. standards, the Department has authorized an away-from-school education allowance. [Redacted] (b) (5), [Redacted] (b) (6) USINT provides a school shuttle service.

In the future, the school will need to expand its facilities, restrict enrollment, or both, if it is to maintain its high standards. It is important, therefore, that USINT and the Office of Overseas Schools maintain close ties with the school as it develops and implements its strategic plan. The Department's regional education officer for Havana last visited the mission in December 2009, and an early return to discuss the school's future would underscore U.S. interest in [Redacted] (b) (5), [Redacted] (b) (6)

Informal Recommendation 19: The U.S. Interests Section Havana should request an early visit by the Office of Overseas Schools regional education officer.

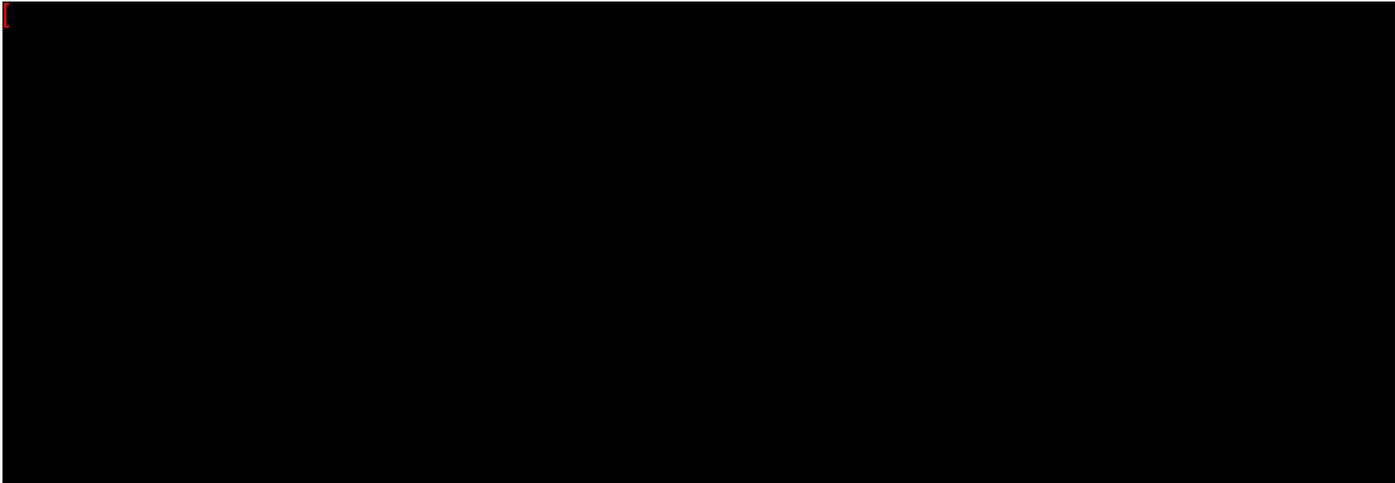
Management Controls

The COM plays a leadership role in implementing and enforcing effective management controls. Documentation in support of his 2013 statement of assurances to the Department was comprehensive and thorough. The inspectors found that managers throughout the mission continually look for ways to improve controls. The management officer stresses the importance of strong controls to her staff on a regular basis. The COM's 2013 statement identified one significant deficiency, involving excess currency, which the mission and Department are addressing. The OIG team found no material weaknesses.

Excess Currency

The United States and Cuba do not have a direct banking relationship so USINT has no direct mechanism by which it can deposit fees collected to the U.S. Disbursing Officer account in the United States. Since January 2013, when Cuba eased travel restrictions on its citizens, collections have increased dramatically. [Redacted]

[Redacted] The Department waived the limit on the authorized advance because the post is not able to transfer funds directly. Most applicants pay fees in local currency, but some pay in U.S. dollars. At the time of the inspection, the mission had approximately [Redacted] (b) (5) plus an equivalent amount in local currency. [Redacted] (b) (5)



List of Recommendations

Recommendation 1: The Bureau of Western Hemisphere Affairs, in coordination with the Office of the Under Secretary for Political Affairs and the Bureaus of Overseas Buildings Operations and Diplomatic Security, should establish an interagency working group to develop and implement a strategic plan that addresses operational and program issues affecting the U.S. presence in Cuba. (Action: WHA, in coordination with P, OBO, and DS)

Recommendation 2: The Bureau of Western Hemisphere Affairs should require the director of the Office of the Coordinator for Cuban Affairs to visit Havana at an early opportunity. (Action: WHA)

Recommendation 3: The U.S. Interests Section Havana should request that the Bureau of Consular Affairs provide long-term temporary duty officer support. (Action: USINT)

Recommendation 4: The U.S. Interests Section Havana should request that the Bureau of Overseas Buildings Operations and the Bureau of Consular Affairs expedite their consideration of a major reconfiguration of the consular section. (Action: USINT)

Recommendation 5: The U.S. Interests Section Havana, in coordination with the Bureau of Overseas Building Operations and the Bureau of Consular Affairs, should implement no-cost and low-cost changes to improve consular section facilities. (Action: USINT, in coordination with OBO and CA)

Recommendation 6: The U.S. Interests Section Havana should put in place a plan to review local consular staff performance and skills, verify that staff members have all requisite skills, and implement improvement plans, where appropriate. (Action: USINT)

Recommendation 7: The U.S. Interests Section Havana should require the Class B cashier to provide the accountable consular officer with an OF-158 receipt for consular deposits daily. (Action: USINT)

Recommendation 8: The U.S. Interests Section Havana should perform all required nonimmigrant visa adjudication reviews in a timely manner. (Action: USINT)

Recommendation 9: The Bureau of Consular Affairs, in coordination with the Bureau of Western Hemisphere Affairs, should support the U.S. Interests Section Havana's proposal that U.S. Citizenship and Immigration Services take responsibility for processing parole cases for Cuban nationals and move much of the casework to the United States. (Action: CA, in coordination with WHA)

Recommendation 10: The Bureau of Overseas Building Operations should implement a comprehensive plan to address security, structural, fire safety, and space planning deficiencies at the U.S. Interests Section Havana annex building. (Action: OBO)

Recommendation 11: The Bureau of Western Hemisphere Affairs, in coordination with the Bureau of Human Resources and the Office of the Legal Adviser, should determine to what extent local Cuban staff can be treated as U.S. Government employees eligible for additional benefits. (Action: WHA, in coordination with DGHR and L)

Recommendation 12: The U.S. Interests Section Havana, in coordination with the Bureaus of Human Resources and Consular Affairs, should determine whether Cuban nationals employed by the mission qualify for special immigrant status and, if so, reinstate the program. (Action: USINT, in coordination with DGHR and CA)

Recommendation 13: The U.S. Interests Section Havana should implement a motor pool policy in compliance with Department of State guidance. (Action: USINT)

Recommendation 14: The U.S. Interests Section Havana, in coordination with the Bureau of Western Hemisphere Affairs and the Bureau of Information Resource Management, should establish a staffing plan that addresses technical capability and language ability. (Action: USINT, in coordination with WHA and IRM)

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: The U.S. Interests Section Havana should strengthen and formalize its program for first- and second-tour officers, including mentoring and opportunities to perform professional activities outside the consular section.

Informal Recommendation 2: The U.S. Interests Section Havana should request that the Bureau of Educational and Cultural Affairs reassign the Cuba portfolio to a regional English language officer with responsibility for other Spanish-speaking countries nearby.

Informal Recommendation 3: The U.S. Interests Section Havana should delegate to first- and second-tour officers greater responsibility for finding solutions to consular section problems, while closely monitoring their performance and providing coaching, as needed.

Informal Recommendation 4: The U.S. Interests Section Havana should schedule nonimmigrant visa appointments with greater flexibility and attention to actual staffing levels.

Informal Recommendation 5: The U.S. Interests Section Havana should involve first- and second-tour officers in developing training programs to improve performance and hold accountable officers who fail to meet performance targets.

Informal Recommendation 6: The U.S. Interests Section Havana should distribute consular duties equitably among first- and second-tour officers.

Informal Recommendation 7: The U.S. Interests Section Havana should establish a process for scheduling immigrant visas and parole interviews and set appointments at a level appropriate for the number of officers available.

Informal Recommendation 8: The U.S. Interests Section Havana should implement a fast-track method of obtaining Cuban Government approval to travel outside Havana for emergencies involving U.S. citizens.

Informal Recommendation 9: The U.S. Interests Section Havana should communicate regularly with the Department of State on reciprocity issues and request a visit to Havana by the Office of Foreign Missions.

Informal Recommendation 10: The U.S. Interests Section Havana should request Department of State approval to use the International Cooperative Administrative Support Services Lite process.

Informal Recommendation 11: The U.S. Interests Section Havana should provide Equal Employment Opportunity training to those who require it and post information on the program in Spanish.

~~SENSITIVE BUT UNCLASSIFIED~~

Informal Recommendation 12: The U.S. Interests Section Havana should determine whether friends and families of mission staff can book and purchase charter airline tickets in the United States and, if so, cease providing that service.

Informal Recommendation 13: The U.S. Interests Section Havana should continue its efforts to dispose of its surplus vehicles as quickly as possible.

Informal Recommendation 14: The U.S. Interests Section Havana should acquire additional shelving for the warehouse [REDACTED]

Informal Recommendation 15: The U.S. Interests Section Havana should clean up the carpentry and maintenance supply sections of the warehouse and the warehouse grounds.

Informal Recommendation 16: The U.S. Interests Section Havana should send its procurement and shipping clerks to the Miami Despatch Agency for consultations.

Informal Recommendation 17: The U.S. Interests Section Havana should establish accountability controls for telephone call charges originating from the annex building.

Informal Recommendation 18: The U.S. Interests Section Havana should request training materials from the Office of Commissary and Recreation Affairs and other assistance as required.

Informal Recommendation 19: The U.S. Interests Section Havana should request an early visit by the Office of Overseas Schools regional education officer.

Principal Officials

	Name	Arrival Date
Chief of Mission	John P. Caulfield	09/11
Deputy Chief of Mission	Conrad R. Tribble	08/12
Chiefs of Sections:		
Management	Martina C. Polt	01/13
Consular	Timothy P. Roche	08/12
Political	Thomas A. Palaia	07/12
Economic	Daniel G. Keen	08/11
Public Affairs	Lynn W. Roche	08/12
Regional Security Officer	Dennis A. LeBow	07/13
Population, Refugees, And Migration	Mary P. Doetsch	08/13
Other Agencies:		
Department of Homeland Security	Jorge E. Medina	04/12

Abbreviations

CA	Bureau of Consular Affairs
CLO	Community liaison office
COM	Chief of Mission
DCM	Deputy chief of mission
FAST	first- and second-tour
ICASS	International Cooperative Administrative Support Services
IM	Information management
IRC	Information Resource Center
LE	Locally employed
SHEM	Safety, Health, and Environmental Management
USCIS	U.S. Citizenship and Immigration Services
USINT	U.S. Interests Section Havana



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