



OIG HIGHLIGHTS

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What OIG Inspected

OIG inspected the U.S. Embassy in Riga during October 24–November 13, 2014.

What OIG Recommended

OIG made 24 recommendations to U.S. Embassy Riga and U.S. Department of State bureaus to improve policy implementation and management operations. These included recommendations to expand outreach to ethnic Russians; increase contact work in political/economic section reporting; establish a missionwide training plan for locally employed staff; provide training for the alternate cashier, motor pool personnel, and health unit staff; establish procedures to use the designated billing office to process all invoices and to use official residence expenses to pay residence staff health insurance premiums; improve expendable property record keeping, telephone operations, and pouch duties; reorganize the motor pool to improve supervisory oversight; and request funding to replace old vehicles.

The team also made recommendations to address housing and facilities issues, including leasing a temporary chief of mission residence in Riga town center to save more than \$150,000 per year in operating costs; identifying and allocating space for information systems center equipment storage; and installing plumbing and decontamination equipment at the mail screening container.

May 2015
OFFICE OF INSPECTIONS
Bureau of European and Eurasian Affairs

Inspection of Embassy Riga, Latvia

What OIG Found

- As Latvia evolves into a “frontline” state in the wake of the Ukraine crisis, mission sections and agencies are changing their focus to strengthening security relationships and increasing outreach to ethnic Russians, who constitute about 25 percent of the population.
- The chargé and acting deputy chief of mission are ably leading the mission in making this adaptation, as outlined in 3 *Foreign Affairs Manual* 1214. Externally, they are maintaining a strong U.S. presence in Latvian Government circles and with the Latvian public. Internally, they are helping the mission recover from an atmosphere of tension and lack of communication that pervaded the embassy prior to their arrival.
- The political/economic section is fulfilling its policy advocacy responsibilities but could improve the quality of its reporting through greater contact work.
- The public affairs section is an essential partner in mission strategic planning and carrying out Integrated Country Strategy goals and objectives. It has increased its engagement with Department of Defense elements, a change prompted by a new focus on bilateral and multilateral military cooperation, including the presence of U.S. soldiers in Latvian territory.
- Consular workload is not sufficient to justify filling an existing consular associate position. The existence of the position has created confusion and disappointment for eligible family members seeking employment and should be eliminated.
- The embassy should lease a temporary residence in Riga town center for the new Chief of Mission to bridge the time until the completion of a new chief of mission residence in 2016. The move will save the U.S. Government more than \$150,000 per year in operating costs.
- The health unit is performing well below expectations, and the new staff is in need of urgent, sustained on-site training from the Department of State’s Office of Medical Services.
- The larger and more functionally capable chancery, occupied in 2011, has allowed expansion in the number of users and devices the information management section must support, but the section’s staffing has not grown at the same pace.

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EUROPEAN AND EURASIAN AFFAIRS

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KEY FINDINGS

- As Latvia evolves into a “frontline” state in the wake of the Ukraine crisis, mission sections and agencies are changing their focus to strengthening security relationships and increasing outreach to ethnic Russians, who constitute about 25 percent of the population.
- The chargé and acting deputy chief of mission are ably leading the mission in making this adaptation, as outlined in 3 *Foreign Affairs Manual* 1214. Externally, they are maintaining a strong U.S. presence in Latvian Government circles and with the Latvian public. Internally, they are helping the mission recover from an atmosphere of tension and lack of communication that pervaded the embassy prior to their arrival.
- The political/economic section is fulfilling its policy advocacy responsibilities but could improve the quality of its reporting through greater contact work.
- The public affairs section is an essential partner in mission strategic planning and carrying out Integrated Country Strategy goals and objectives. It has increased its engagement with Department of Defense elements, a change prompted by a new focus on bilateral and multilateral military cooperation, including the presence of U.S. soldiers in Latvian territory.
- Consular workload is not sufficient to justify filling an existing consular associate position. The existence of the position has created confusion and disappointment for eligible family members seeking employment and should be eliminated.
- The embassy should lease a temporary residence in Riga town center for the new Chief of Mission to bridge the time until the completion of a new chief of mission residence in 2016. The move will save the U.S. Government more than \$150,000 per year in operating costs.
- The health unit is performing well below expectations, and the new staff is in need of urgent, sustained on-site training from the Department of State’s Office of Medical Services.
- The larger and more functionally capable chancery, occupied in 2011, has allowed expansion in the number of users and devices the information management section must support, but the section’s staffing has not grown at the same pace.

CONTEXT

Latvia has worked to strengthen itself politically and economically through integration with regional, European, American, and multinational partnerships—including the North Atlantic Treaty Organization—while working to address corruption and Russian political influence within its borders. Latvia continues to wrestle with the role of its sizeable ethnic Russian minority—about 25 percent of the population. Emblematic of this issue, Latvia's post-independence citizenship and naturalization requirements disenfranchised some members of this population, whom the Latvian Government categorizes as stateless persons. The United States considers Latvia to be a trusted partner and ally. The diplomatic bilateral relationship dates from 1922, during a brief interwar period of Latvian independence.

With its 130-mile border with Russia and large ethnic Russian population, Latvia has emerged as a frontline state in the wake of the 2014 Ukraine-Russia crisis. The inspection team focused on how the embassy is working to strengthen Latvia through greater military and security cooperation, including support for U.S. troops now stationed in Latvia on a rotating basis. In addition, the Office of Inspector General (OIG) team focused on how the embassy is promoting business enterprises that further the country's ties with the United States and the European Union and increasing outreach to both Latvian and Russian audiences in the country. The team examined issues ranging from language capability among political and economic officers to public diplomacy efforts in Russian-speaking areas of the country.

Embassy Riga's staffing includes 42 direct-hire U.S. positions, 31 of which are U.S. Department of State (Department) positions. The U.S. Department of Defense and the Federal Bureau of Investigation have representation also in the mission. Missionwide, 131 locally employed (LE) staff members are currently working. Riga considers itself a teaching post; its section chiefs average 11 or fewer years of experience in the Foreign Service, and all are first-time supervisors. In 2011, the mission relocated to a new embassy compound (NEC) located outside downtown Riga. The present chief of mission residence is located nearly an hour's drive from central Riga, which isolates the residence and limits participation at representational events. During the inspection, the Bureau of Overseas Buildings Operations (OBO) approved lease terms for property in central Riga to replace this residence.

Department budget funding for FY 2014 was \$8.7 million. For FY 2015, the mission requested \$3.45 million in foreign assistance funding to support Latvia's defense forces with security stabilization and security reform (\$2.3 million for Foreign Military Financing and \$1.15 million for International Military Education and Training).

LEADERSHIP

The new chargé d'affaires is providing able leadership in a difficult environment. She is leading the mission as it transitions to support Latvia's new geopolitical situation as a frontline state vis à vis Russia. The chargé is focused on maintaining a strong U.S. presence in Latvian Government circles and with the Latvian public during the indeterminate period the embassy will remain without an ambassador. The chargé and acting deputy chief of mission (DCM) also provide appropriate oversight to the country team and Department sections, in accordance with section 207(a) of the Foreign Service Act of 1980. They are addressing work environment issues that

predated their arrival and raising staff morale. Mission employees see the chargé and acting DCM as leaders unified in their outlook and complementary in their skills.

Strategic Direction and Coordination

All senior staff members attending a recent off site led by the chargé and acting DCM on goal setting lauded the session for its participatory brainstorming style and for the use of break-out discussions on three main groups of issues. The participants reported that this approach encouraged staff inclusion and buy-in. The effort had the right result; during OIG interviews, all participants were able to articulate the mission's goals and where their work fits in. The goals—security cooperation, economic prosperity, and rule of law/democracy building—fit with U.S.-Latvian interests articulated by Department principals. The chargé needs to follow up quickly before the momentum dissipates. Once goals are finalized, the chargé agreed to hold a town hall meeting to inform all staff, including the LE staff, of the established mission priorities.

Interagency cooperation runs smoothly. Country team members told the OIG team the meetings are useful, informative, and serve to reinforce the mission's goals. Agency heads and section chiefs uniformly reported having full access to the front office and feeling supported in their work.

Leadership and Management

The chargé's interpersonal skills, command of the Latvian and Russian languages, and experience in public diplomacy enable her to participate effectively in a full range of external meetings and events. She has made a highly favorable impression on Latvian audiences by giving speeches in Latvian and using Russian at outreach events; her language skills and ease with audiences are an asset to the embassy. A review of her calendar for the period encompassing the inspection showed that she traveled to a southern Latvian district for meetings with municipal officials, participated in an award ceremony on live TV in Riga, lunched with a Latvian foundation executive, and hosted a roundtable with stakeholders on trafficking-in-persons.

She also executed several internal responsibilities, such as holding two routine performance counseling sessions with subordinates and chairing a meeting with the embassy's first- and second-tour (FAST) employees. However, the time spent on preparing and executing the external programming, especially travel, detracted from internal work that needs attention, such as expanding communication with Washington offices about the embassy's work, including contributions to reporting. It also placed stress on the sections tasked with providing briefing memos and speech translations. The chargé agreed to recalibrate the amount of time spent in the office versus time devoted to external programming. She will delegate lower priority events to subordinates.

Chargé's Skills

As measured by OIG-administered questionnaires and corroborated by OIG interviews in the embassy, the chargé's staff rated her on par or above average with worldwide chiefs of mission in every leadership category. The highest ratings were for problem solving, receptivity to dissenting views, and providing feedback. The chargé received verbal praise during OIG interviews for active listening and clarity of instructions. Several interviewees—in both

Washington and in the embassy—reported an atmosphere of tension and lack of communication in the embassy prior to the chargé’s arrival, and the staff lauded her efforts to improve morale and communication throughout the mission.

First- and Second-Tour Program

The FAST program is well structured. It consists of prescheduled briefings or discussions on a variety of topics as well as opportunities for experiences outside the FAST employee’s portfolio. The program could benefit from the addition of other professional experiences, including exchange opportunities between sections or with a U.S. embassy in another country. The chargé agreed to expand the scope of the program.

Another training tool is the rotational arrangement for two FAST officers who alternate between the political/economic section and the consular section. The rotation took place in early September, which puts pressure on the political/economic section’s incumbent to finalize quickly the Human Rights report, followed in a matter of weeks by the International Religious Freedom report. The chargé agreed to consider alternatives to the timing of the rotation and/or the nature of the portfolios to minimize the negative impact on these important embassy reports as well as on the officers.

Team Building

Mission sections are located in separate parts of the new, large chancery, which reduces interactions between sections. Information can become stovepiped. Employees may not be aware of how their contributions add to the effectiveness of the mission as a whole. Every Friday afternoon, the chargé sends out an email to all mission employees. This best practice has three purposes: to report on the week’s activities and point out their ties to strategic priorities, to thank employees by name for help with specific events, and to inform staff of upcoming events and visits. The result is that all mission staff members, including LE staff members, can see how their efforts and those of their colleagues from other sections fit into the work of the mission as a whole.

Deputy Chief of Mission

The acting DCM is a when-actually-employed officer who arrived September 2, 2014, for a 90-day temporary duty assignment. Staff members describe her as being fully engaged in all issues and aspects of the mission’s operations, rather than as just attending to “housekeeping” problems. The OIG team observed that she is, indeed, going well beyond the normal duties expected of an officer on a temporary assignment. She is playing an active role in restoring the political/economic section to higher morale and greater productivity. She ably fills in for the chargé as needed. For example, during the inspection she chaired two country team meetings, traveled to an outlying district to attend a volunteerism conference, delivered a démarche to the Ministry of Foreign Affairs, and attended national day ceremonies at other foreign embassies. Upon her departure, the chargé will return to a system of rotating acting DCMs drawn from the embassy’s State Department section heads.

LATVIA AND THE UKRAINE CRISIS

The front office and section and agency heads rightly focus considerable efforts on strengthening Latvia in the wake of the Ukraine crisis and reaching out to the country's large ethnic Russian population. In addition to the embassy's revision of mission goals, the OIG team observed efforts geared toward this new focus. During the inspection, the chargé attended consultations with the U. S. European Command in Stuttgart, Germany, hosted a reception for a visiting Assistant Secretary of Defense, and attended a live-fire tank demonstration at a military base outside Riga.

The political/economic section has focused its reporting on the impact of the Ukraine crisis on Latvian politics and economics. The section is also working on ways the United States can support Latvia during its presidency of the European Union in 2015. Strong language skills have helped the section in these efforts. Two of the section's four Foreign Service officers speak Latvian and two speak Russian, a mix that enables the section to reach a broad spectrum of society.

The public affairs section is pursuing activities that highlight Latvia's status as a North Atlantic Treaty Organization member and ally, further solidify its friendly relations with the United States, and expand U.S. dialogue with the country's Russian population. The stationing of more than 150 U.S. military personnel in Latvia has provided the embassy an opportunity to showcase the United States as an ally. In addition to arranging media coverage of public events, the public affairs section is cooperating with mission military elements to organize opportunities for U.S. soldiers to perform community service at hospitals and homes for Latvian foster children—projects featured prominently in Latvian news and social media.

To strengthen business ties to the United States, the public affairs section has collaborated with the political/economic section to organize Global Entrepreneurship Week with separate "boot camps" for professional and student entrepreneurs and several followup events outside Riga. The public affairs section brought in the main speaker from the United States and promoted the program with social media build-up, media coverage, and community outreach programs. The section also created the Start Strong program to help prepare Latvian students for the job market, teaching skills sought by Latvian employers. Two Russian-speaking entrepreneurs participated in International Visitor Leadership Programs and have become valued alumni by sharing their experience in local "business incubators," teaching entrepreneurship skills and networking.

The public affairs section's outreach efforts include maintaining an American Corner in Daugavpils, the second largest city in Latvia and the country's largest Russian-speaking city, located 75 miles from the Russian border. Far above the Department standard of at least two programs per month, the center hosts several levels of weekly English classes and U.S.-themed activities and conducts presentations at educational institutions. Outreach to the Russian-speaking community is a foreign policy priority in this changing geopolitical situation. The need to counter anti-U.S. propaganda from Russian-based media and to emphasize Latvia's strong and positive ties to the United States is urgent.

To support outreach activities, the public affairs section needs to establish and maintain wider contacts in the Russian-speaking communities. This increased effort will require more Russian-

language capability. Although the assistant public affairs officer position is Russian-language designated and most LE staff members have some Russian capability, only one LE staff member is a native speaker of Russian. The OIG inspection team found this insufficient to maintain frequent and effective outreach programs, which often entail travel to Russian border areas that are several hours away by car. These programs are especially important as most Russian speakers prefer news and entertainment from more sophisticated Russia-based TV.

The section has not expanded its relationships with Russian-speaking opinion leaders, journalists, educational institutions, and nongovernmental organizations to support outreach activities. The most practical way to do so would be to hire an additional LE staff member with native Russian-language capability and with contacts in that community in Riga and in the regions outside the capital.

Recommendation 1: Embassy Riga should reprogram or recreate an additional locally employed staff position in the public affairs section to address the increased need to engage the Russian-speaking community in Riga and other Russian-language regions of Latvia. (Action: Embassy Riga)

In reviewing the embassy's response to higher political tensions in the region, the inspection team noted that Embassy Riga's warden system has not been tested or assessed for operational effectiveness, as required by 7 *Foreign Affairs Manual* (FAM) 073, since at least 2011, largely because of increased reliance on electronic mechanisms to communicate security and emergency messages. Although continuous assessment and annual testing of the warden system is an ongoing requirement, the recent rise in regional political tensions requires a current assessment, implementation, and testing of an effective warden system with the flexibility to meet multiple contingencies, including the potential interruption of electronic messaging capability.

Recommendation 2: Embassy Riga should review, update, and test its warden system. (Action: Embassy Riga)

POLICY AND PROGRAM IMPLEMENTATION

Political/Economic Section

Since the outbreak of tensions between Ukraine and Russia, the combined political/economic section has closely followed the impact of regional geopolitical developments on Latvian politics and the local economy. The section staff is also assessing how the United States can assist Latvia, especially during Latvia's presidency of the European Union in 2015. The section's entry-level political officer alternates primary and backup Leahy vetting coordinator responsibilities with his consular counterpart in the rotational political-consular position that the two share. (The Leahy amendment to the Foreign Assistance Act of 1961 prohibits foreign assistance to security forces where evidence is credible that they have committed gross human rights violations. The Leahy vetting process determines whether such evidence exists.)

Contact work is an important component of the staff's duties, and Latvia's sizeable Russian-speaking minority means that staff often needs Russian-language proficiency. Of the section's

four U.S. direct-hire positions, two are Latvian-language designated and two are Russian-language designated. According to section staff, the current allocation of language requirements is appropriate and enables officers to carry out their duties. They note that although many Latvian contacts speak English, English-language proficiency varies and is not uniform across Latvian society. The OIG team had the opportunity to confirm the section staff's assessment during an embassy roundtable for Latvian Government officials and nongovernmental organization representatives.

Insufficient Contact Work in Reporting

The political/economic section drafted 240 cables from January to October, 2014. Of the 111 cables that the OIG team reviewed, 34 (31 percent) were related to the delivery of démarches to Latvian Government ministries. In interviews with the OIG team, some Washington consumers made a special point of praising these démarche delivery cables for their detailed coverage of the topic under discussion. Washington consumers also lauded the section's cables on Latvia's transition to the use of the euro and the impact of geopolitical developments on Latvia.

The OIG team determined that the section's substantive reporting cables on political and economic issues generally cover the Integrated Country Strategy goals for which the section is an action office. However, section staff could improve the quality of its reporting through greater contact work. Of the 38 substantive reporting cables reviewed, 23 (61 percent) could have included observations and comments from first-hand sources. The inclusion of such insights helps broaden Washington decisionmakers' understanding of political and economic developments. The OIG team suggested that the chargé and acting DCM add more contributions to others' reports or prepare stand-alone reports of information obtained during events attended or hosted.

In addition, the section staff should ensure that its cables are reaching all relevant offices; the OIG team determined that the section's list of cable recipients and use of distribution tags were too narrowly focused. The OIG team encouraged the section chief to implement these suggestions and advised section staff on ways to improve their drafting. Lastly, the team noted Washington's interest in more biographic reporting, especially given the growing cooperation between the United States and Latvia in multiple fora. The section chief agreed to have her staff incorporate more biographic information into cable reporting and to upload that information to the Department's Diplopedia webpage.

Daily Report Not Being Sent as Record Email

The political/economic section is sending to the Bureau of European and Eurasian Affairs, Office of Nordic and Baltic Affairs desk, a daily end-of-day report that is not being transmitted as a record email under the Department's electronic messaging system. Among other items, the daily report frequently contains brief readouts of meetings with Latvian contacts and quick summaries of political and economic developments that the section wants to flag for the desk. According to 5 FAM 443.2, email messages containing such or similar items fall under the definition of records in the Federal Records Act and should be preserved. In addition, the daily report's limited distribution means that many in the interagency community may not be receiving information they need.

Recommendation 3: Embassy Riga should send the political/economic section's end-of-day report as a record email. (Action: Embassy Riga)

Active Export Promotion and Direct Line Participation

Section staff has carried out commercial advocacy on behalf of U.S. firms. In January 2014, their efforts, led by the previous ambassador, helped one U.S. company win an \$18 million contract with a Latvian ministry. Embassy Riga is a Department partner post with the U.S. Foreign Commercial Service at Embassy Stockholm. In its interview with the OIG team, Department of Commerce Washington staff members praised Embassy Riga for its leadership role in the Department's Direct Line webinars for U.S. businesses. The embassy's interagency commercial working group was engaged in multiple activities for Global Entrepreneurship Week at the time of the inspection.

Public Diplomacy

The public affairs section is an essential partner in mission strategic planning and carrying out Integrated Country Strategy goals and objectives. The section plays a central role by showcasing the U.S. commitment as a strategic ally; promoting economic ties; and demonstrating American values through media outreach, public events, and building relationships with key audiences. The public affairs officer has daily contact with the chargé d'affaires or acting DCM and collaborates with mission working groups on joint efforts such as Global Entrepreneurship Week and media events with U.S. military.

Section Is Well Managed

All public affairs activities are planned according to strategies tied to mission goals. The section chief has led her team in responding to new and unexpected challenges. Since the Ukraine events and with the advent of the U.S. military troops in Latvia, the section's workload has increased significantly: expanding engagement with the Russian-speaking community and organizing outreach opportunities for the U.S. military.

Media Engagement and Social Media Underscore Mission Goals

All public mission events are planned to include media coverage and social media amplification. In addition to showcasing programs with the U.S. military, the public affairs section makes strategic use of conventional and social media to underscore objectives such as building tolerance through ongoing Holocaust education projects and highlighting mission support for entrepreneurship. Both the chargé and the public affairs section use their Twitter accounts actively, as Twitter is the preferred social media for Latvian leaders, journalists, and opinionmakers. The target audience tweets and frequently re-tweets hard news and policy messages. According to social media analytics tools, the number of re-tweets indicates that engagement has increased by more than 50 percent since last year. The section also uses Facebook for softer messages and contests to generate interest in embassy programs, such as "Name your favorite Latvian small business."

Training the next generation of journalists, the section used its Alumni Innovation Award to enlist program alumni in organizing the Young Media Sharks project. Already in its second year, the project introduces aspiring student reporters to journalistic ethics and hands-on practice in video, social media, editing, and writing. The public affairs section also helped create a week-

long regional training program for Russian-speaking journalists from Russian border countries to hone such skills as investigative reporting, online media, and networking.

Media Reporting Receives Good Feedback

The section provides twice-weekly press briefings for the chargé and acting DCM as well as for weekly country team meetings. It also produces a daily short media summary of Latvia print, broadcast, online, and social media as well as a later round-up of Baltic wire service stories. A survey conducted by the public affairs officer indicated that embassy personnel, policymakers in Washington, and U.S. military personnel stationed in Latvia appreciate the daily media products. In the past several months, the section has drafted three analytical cables on threats to Latvian press freedom and Latvian media's efforts to counter propaganda from Russia-based media.

Repurposing the Information Resource Center and Stepping Up Outreach

In its 2006 inspection report, OIG recommended that the embassy find a new American Corner location in central Riga to use for program purposes if the embassy moved to a new facility far from the center. The public affairs section has secured space in the newly opened Latvian National Library, situated close to transportation links. The space will not be available until summer 2015, but the public affairs section is working with library officials and the regional information resource officer to optimize use of the new facility. The new chancery has a small Information Resource Center that is not used for outreach purposes because it is not a walk-in facility, and the embassy's location is not a convenient venue for programs. The existing Information Resource Center is well suited for a small conference room outside the embassy hard-line available for missionwide use.

Information Resource Center Director Is Focusing on Outreach

The public affairs officer has chosen to redirect the focus of the Information Resource Center LE staff position toward community outreach to target audiences, schools, and local organizations. In addition to overseeing the transfer of the Information Resource Center function and materials to the new National Library location and managing existing American Corner programs, the center director uses his contacts in the business community to help encourage local entrepreneurship and, more recently, coordinate U.S. military outreach to the Latvian community.

American Corner in Russian-Speaking Region Manages a Dynamic Program

The Information Resource Center director manages the American Corner in Daugavpils. The American Corner and its local director are well known among the city council members, university officials and students, and English teachers' association.

Grants Administration Is In Order

The OIG team reviewed the grants records and found that the public affairs section complies with all Department grants policy directives and maintains complete and accurate records of grants administration. All grants support Integrated Country Strategy objectives. Small grants applications and guidelines are posted on the embassy Web site. The embassy grants

committee meets monthly and selects grants by consensus. LE staff grants coordinators are certified grants officer representatives.

Consular Management

Embassy Riga has a modern and spacious consular section. The visa, American citizens services, fraud prevention, and executive offices in the Bureau of Consular Affairs commented positively on section management and communication.

Consular management controls are timely and consistent. Weekly machine-readable visa fee-to-service reconciliations are performed regularly, and cumulative balances are positive. Cash reconciliations and unannounced cash counts comply with Department regulations. During the inspection, the consular chief and entry-level officer completed an accountable consular item inventory with no discrepancies. The consular chief and acting DCM perform nonimmigrant visa reviews per Department requirements. A validation study, including all 2013 summer work travel program visa recipients, indicated that only 1 of 149 did not return to Latvia. At the time of the inspection, the consular section was preparing to conduct validation studies for all FY 2012 and FY 2013 visitor visas and FY 2014 summer work travel program visa recipients. No visa referrals have occurred in the past 2 years.

In February 2014, Embassy Riga began participating in the Bureau of Consular Affairs' Global Support Strategy, which provides contractor-based services for visa information, appointments, fee payment, and document delivery. With no appointment backlogs, successful visa applicants normally receive visas via courier or the Latvian postal service within 2 to 5 business days. Nonimmigrant visa applications decreased by 6.8 percent since 2010, from 4,016 to 3,743, in part because of the extension of visa validity for student and first-time seamen's visas. Immigrant visa applications increased sharply between FYs 2010 and 2014, from 100 to 187 cases, because of a shift in case processing from Warsaw and a 40-case surge in adoption cases. As of November 20, 2014, adoption cases issued for FY 2015 were again rising sharply, to 59 cases compared to a total of 79 for all of FY 2014.

Consular services are timely and customer service is excellent. American citizens services are available by appointment every work day. Nonimmigrant visa applicants typically spend no more than a half hour in the waiting room from arrival to completion of interviews. Although only 20–25 nonimmigrant visa applicants are scheduled per day, appointments are distributed throughout the 3.5-hour morning schedule. Inspectors advised the section chief to concentrate nonimmigrant visa appointments within a 2-hour window to permit more uninterrupted work time. Inspectors also gave the section chief a list of consular management initiatives, such as a regional working group on emergency preparedness, and suggested he use recaptured time to undertake them.

Consular Associate Position Not Justified by Workload

Consular workload in Riga is insufficient to justify filling an existing consular associate position in Riga, as required by 7 *Foreign Affairs Handbook* (FAH)-1 H-261. The position has been vacant since July 2011, following the significant decline in nonimmigrant visa applications after Latvia joined the visa waiver program. The existence of the position on the embassy's staffing pattern has led to confusion on the part of eligible family members seeking job opportunities in Latvia.

Recommendation 4: Embassy Riga should request that the Bureau of Consular Affairs eliminate position number 97003025 at Embassy Riga. (Action: Embassy Riga)

RESOURCE MANAGEMENT

Table 1: FY 2014 Staffing and Funding, by Agency

Agency	U.S. Direct-hire Staff	U.S. Locally Employed Staff	Foreign National Staff	*Total Staff	Funding (\$)
U.S. Department of State	31	11	128	170	\$ 8,703,027
Diplomatic and Consular Programs	10	3	6	19	1,213,700
ICASS	3	6	103	112	3,244,800
Consular	2	1	3	6	288,814
Public Diplomacy	2	0	10	12	676,382
Diplomatic Security	2	1	6	9	1,741,850
Marine Security	6	0	0	6	174,000
Representation				0	25,100
Regional Affairs	6	0	0	6	
Overseas Buildings Operations				0	1,336,553
Commercial Service Fees				0	1,828
U.S. Department of Defense	7	0	3	10	560,810
Defense Attaché Office	5	0	1	6	282,107
Office of Defense Cooperation	2	0	2	4	265,200
Other				0	13,503
U.S. Department of Justice	4	0	0	4	185,950
Legal Attaché Office	4	0	0	4	185,950
Other Foreign Assistance				0	3,285,000
Foreign Military Financing and International Military Education and Training				0	3,285,000
TOTAL	42	11	131	184	\$12,734,787

* Staffing totals reflect authorized positions not actual personnel.

Source: Embassy Riga, Latvia.

Management Overview

In 2013 and 2014, overall International Cooperative Administrative Support Services (ICASS) scores for services provided by Embassy Riga's management section were higher than regional and worldwide averages. Customer satisfaction was within or exceeded worldwide norms in all but a few management areas. Since 2011, the embassy has occupied a NEC, so problems with infrastructure are few. U.S. direct-hire employees are satisfied with their housing and the international schools, and a post differential of 5 percent is authorized because of such hardship variables as climate and isolation. To augment staffing as required and meet seasonal demand for laborers, secure escorts, and administrative assistants, the embassy has 17 staff members on limited personal services agreements.

Management challenges identified in this report include the need to obtain a temporary chief of mission residence, improve health unit and motor pool services, and address nonmaterial management control weaknesses.

Cost-of-Living Allowance Recalculation

U.S. employees receive reimbursement from the Latvian Government for value-added taxes they pay for the purchase of consumer goods. As a result, in early 2014 the Bureau of Administration, Office of Allowances, reduced the cost-of-living allowance for Riga from 35 percent to 20 percent by applying an across-the-board value-added tax rate of 21 percent in its calculations. Value-added tax in Latvia, however, varies depending on the goods purchased. The Office of Allowances is reviewing the updated cost-of-living survey, which reflects the actual value-added tax rate for surveyed goods.

Funding Shortfall

The embassy and the Bureau of European and Eurasian Affairs have been working to resolve current ICASS budget shortfalls, which were precipitated when the embassy returned approximately \$1.1 million of carryover funds to the bureau in FYs 2012 and 2013. The embassy accumulated these funds as a result of \$1.9 million in additional funding received in FY 2010 for costs related to the move to the NEC, which did not take place until FY 2011. In retrospect, the embassy found it had returned carryover funds needed for both routine operations and one-time investments, such as replacement of ICASS vehicles. The Bureau of European and Eurasian Affairs has approved an additional \$326,000 to establish a new baseline budget (recommended by the Regional Service Center Frankfurt in December 2013). However, the embassy has not received an additional \$162,058 requested for new eligible family member/LE positions. The embassy also has not received \$166,107, lost because of a budgeting error, to replenish funds for the furniture and appliance pool.

July 4th Fund Raising Event Lacks Written Department Approval

Embassy Riga has not sought counsel from the Office of the Under Secretary for Management and the Office of the Legal Adviser prior to hosting a solicitation event in the form of a coffee reception each May, to which they invite both American and Latvian companies in order to solicit donations for the embassy's July 4th event. The embassy interpreted a Department cable (14 STATE 14163, Fourth of July 2014—Gift Solicitation for Official Representational Events) as authorizing such a solicitation event. However, a fund-raising reception of this nature "involves an activity that is unusual," per paragraph 10 of the cable.

Recommendation 5: Embassy Riga should seek counsel from the Office of the Under Secretary for Management and the Office of the Legal Adviser prior to hosting a donor solicitation reception for the annual July 4th event. (Action: Embassy Riga)

Facilities and Real Property

Embassy Riga moved into an NEC in 2011. The NEC includes the chancery, a Marine Security guard detachment residence, a facilities maintenance building, and three compound access control buildings—one each for the consular section, embassy offices, and facilities services. A

warehouse was descoped from the construction project as a cost savings measure, requiring that the embassy rent a commercial warehouse facility.

Department sections and other agencies expressed satisfaction with the NEC, but changing priorities are driving the need for some space adjustments. The public affairs section has requested approval from OBO to reconfigure its office space. The section is also closing its Information Resource Center, which will free space for an additional meeting room. Also, the information management section, which lacks on-compound warehouse space, needs additional storage space in the chancery.

Facilities management has corrected most construction-related punch-list items and is working with OBO to resolve problems with frost forming between the window glass and low interior humidity during the cold months. The OIG inspectors suggested that the facilities team increase communication with their customers so they will understand better the complexity of the NEC and the efforts being made to address their concerns.

The facilities maintenance unit follows routine preventive maintenance practices for all structures on the NEC and for two U.S. Government-owned residences and monitors all NEC controls via a computer-based building management system.

Chief of Mission Residence Deficiencies

The current designated chief of mission residence, which is located 15.5 miles from the embassy and 20 miles from Riga town center, isolates the Ambassador, creates a significant commute, and discourages attendance at representational events. Other residence deficiencies are addressed in the annex to this inspection report. As a result, on July 14, 2014, the embassy signed a lease for a new chief of mission residence, an in-town apartment to be renovated to OBO specifications and scheduled for occupancy in May 2016.

The embassy is proposing disposing of the current chief of mission residence as soon as possible and leasing an interim residence in town for the ambassador-designate. This would result in operational savings on rent, guard, and gardening services; utilities; and driver support. However, the embassy has not requested OBO approval to lease such a designated residence, as required in 15 FAM 313.3.

Recommendation 6: Embassy Riga should request Bureau of Overseas Buildings Operations approval to lease an interim, centrally located designated residence for the Ambassador and terminate the lease on the current residence. (Action: Embassy Riga)

Safety, Health, and Environmental Management

The facilities section has complied with all first-priority recommendations in OBO's July 2014 Safety, Health, and Environmental Management (SHEM) report and works with the general services office to ensure that leased housing meets all safety requirements. During the inspection, the facilities section, in coordination with the regional security office, trained the children of U.S. employees on the use of fire extinguishers and how to increase their personal safety.

The embassy has not been holding semiannual SHEM committee meetings, as required per 15 FAM 933.2, because of employee turnover and the inability of facilities management to pull committee members together. Failure to meet to coordinate SHEM program goals, review mishaps, and assess the overall program could diminish the safety of the embassy community.

Recommendation 7: Embassy Riga should hold safety, health, and environmental management committee meetings at least semiannually. (Action: Embassy Riga)

Human Resources

The OIG inspectors reviewed and found no issues with the timely submission of American and LE staff performance reports, the awards program, time and attendance processing, processes for hiring eligible family members and LE staff members, and position classification. The post language program offers both Latvian- and Russian-language training. Ten positions at post are set aside for eligible family members, and the embassy has a bilateral work agreement with the Latvian Government; however, local salaries are low, and fluent Latvian- and/or Russian-language skills are required.

Locally Employed Staff Issues

An informal focus group of LE staff members from various sections and pay grades represents the LE staff at the embassy. The group meets with the management officer quarterly and reports it has easy access to the front office. At a meeting with the inspectors, the focus group raised a number of concerns: no wage increase since 2010, perceived lack of transparency in the compensation process, and the economic hardships faced by LE staff members since the 2008 financial crisis. Furthermore, because of the burden faced by LE staff members obligated to pay back income taxes to the Latvian authorities, a number of lower level LE staff members have sought approval to take second jobs; others have left the embassy for higher pay elsewhere in the European Union or to avoid their tax liability.

In a recent memorandum to the focus group, the chargé d'affaires addressed each of its concerns. Although the group's expectations were not met, it expressed appreciation for embassy leadership's willingness to address LE staff concerns. The inspectors advised the focus group on how it can better communicate with embassy management so that expectations can be managed.

No Comprehensive Training Plan for Locally Employed Staff

The embassy does not have a comprehensive LE staff training plan for all sections that links training to mission priorities. In the management section, many LE staff members have backup responsibilities requiring continuous training to ensure they are fully qualified for their backup duties. The embassy training policy does not explicitly provide for English-language training for the LE staff. Failure to fully train staff exposes the embassy to inefficiency, inadequate internal controls, poor customer service, and potential financial loss. Per 3 FAM 7631, chiefs of mission are responsible for providing training for the LE staff as necessary, which is intended to help increase employee proficiency. The embassy would benefit from a comprehensive plan that reflects priority training needs of the LE staff and that is centrally managed.

Recommendation 8: Embassy Riga should establish a comprehensive, missionwide training plan for locally employed staff. (Action: Embassy Riga)

Equal Employment Opportunity and Federal Women's Programs

The embassy has designated an Equal Employment Opportunity (EEO) counselor and two LE staff EEO liaisons. The counselor, who has attended both the basic and refresher EEO counselor courses, actively promotes the EEO program by maintaining and updating the EEO bulletin board and intranet SharePoint site, contributing to the embassy newsletter, and consulting with the LE liaisons. Also, she leads regular training sessions for both American and LE staff members and keeps records of attendance. The human resources assistant briefs newly hired LE staff members on the EEO program. In the course of their interviews, inspectors found that American and LE staff members were generally cognizant of EEO issues and had no concerns regarding harassment or discrimination at the embassy. The Department's Office of Civil Rights is working with the embassy to resolve one open case.

Embassy Riga has a designated Federal Women's Program coordinator. The program has not been active because American and LE women are well represented at the embassy. Nonetheless, the inspectors advised the embassy to promote actively the Federal Women's Program.

Financial Management

Budget and financial planning, vouchering, cashiering, and accounts and records all scored higher than the regional and worldwide averages on the ICASS customer satisfaction survey. The OIG team found no anomalies in disbursements, accounting and funds management, unliquidated obligations, and travel advances; however, procedures for the receipt of invoices need to be strengthened.

Designated Billing Office Not Receiving All Invoices

The embassy has not established procedures whereby vendors and contractors are instructed to send their invoices for all contracts, purchase orders, and purchase cards to the designated billing office. As a result, some invoices are sent directly to the general services office and other sections, which is not in compliance with 4 FAH-3 H-422.2-1. This process is inconsistent with sound internal controls and proper separation of duties for ordering, receiving, billing, approval, and payment actions.

Recommendation 9: Embassy Riga should establish procedures whereby the designated billing office is named as the addressee on all procurement documents. (Action: Embassy Riga)

Official Residence Expenses Not Used to Pay Staff Health Insurance Premiums

The embassy is currently paying residence staff health insurance premiums directly to the insurance company. By paying premiums directly to the insurer and not by voucher payments through the chargé and acting DCM as official residence expenses, the embassy risks establishing an employer/employee relationship between the U.S. Government and the residence staff, which violates 3 FAH-1 H-3252.2, 3 FAH-1 H-3252.3, and 3 FAH-1 H-3252.4-1.

Recommendation 10: Embassy Riga should discontinue paying official residence staff health insurance premiums directly to the insurer and require the chargé, acting deputy chief of mission, and future chiefs of mission to make these payments directly to the employees. (Action: Embassy Riga)

Cashiering

Embassy Riga received the highest mark possible in the most recent cashier risk assessment conducted by the Bureau of the Comptroller and Global Financial Services (CGFS). OIG inspectors observed a successful unannounced cash verification, and other cashiering functions were in order. The embassy began using the Consolidated Overseas Accountability Support Toolbox software during the inspection. Despite some small glitches, which the embassy now has resolved, the transition to the new cashiering software went well. A standard operating procedure for securely transporting cash to and from the embassy's bank was recently implemented.

Alternate Cashier Lacks Training

The embassy has not provided required training to the recently designated alternate cashier, who has received a temporary designation until March 2015. Once the alternate cashier has completed training on the new cashier software and has taken the CGFS-sponsored basic overseas cashiering course, the designation can be extended per 4 FAH-3 H-393.1-1 c. The lack of basic cashier training for the alternate cashier creates a serious vulnerability in the cashiering section, should the alternate cashier be needed in the absence of the primary cashier.

Recommendation 11: Embassy Riga should provide the alternate cashier with the required cashier training before the temporary designation expires. (Action: Embassy Riga)

International Cooperative Administrative Support Services Meetings Not Documented

ICASS council and budget committee meetings are ad hoc and informal because of the small size of the council. The ICASS budget committee met only once in FY 2014. The council and committee do not keep minutes of their meetings, as required by 6 FAH-5 H-222.3. Without a written record of meetings and decisions, misunderstandings on council decisions could occur. The documentation of all decisions and recommendations (e.g., new positions, wage increases, new equipment purchases, revised or corrected workload counts) is essential to an open and transparent ICASS process.

Recommendation 12: Embassy Riga should produce and maintain minutes of all regularly scheduled International Cooperative Administrative Support Services council and budget committee meetings and publish them on the embassy intranet site. (Action: Embassy Riga)

General Services

OIG inspectors reviewed operations in procurement, housing, customs and shipping, motor pool, and property management. Although the 2014 ICASS customer satisfaction survey scores for the section were slightly down from 2013, the section received above-average scores on OIG questionnaires.

Procurement and Contracting

In the Office of Management Policy, Rightsizing, and Innovation's monthly post services report, Riga's scores for procurement micropurchases, measured as the percentage of services that meet standards, have improved. The OIG team's review of the procurement process revealed a well-documented section, which observes proper acquisition procedures and maintains good contracts administration. All contracts contain the required Federal Acquisition Regulation on trafficking in persons.

Property Management

At the time of the inspection, standard operating procedures were not codified in writing. Separation of duties was inadequate, and weaknesses existed in the receiving function and the management of expendable supplies. However, during the inspection the management section drafted a standard operating procedure for the property management function. In addition, a new receiving area on the embassy compound will have locked cages for the secure receipt and storage of incoming goods.

The embassy's leased commercial warehouse, which costs the embassy \$62,000 per year, is approximately 50-percent empty. The embassy is studying the viability of becoming a regional warehouse for U.S. embassies in the Baltic region, which would make use of the empty space. If this initiative does not materialize, the embassy should reduce the size of its leased warehouse space.

Surplus Materials from New Embassy Compound Construction Not Recorded Properly

The embassy has not recorded as expendable property in the Integrated Logistics Management System the inventory of building materials and general supplies remaining from the NEC construction project. Per 14 FAM 414.4 and 14 FAH-1 H-412, procedures must be in place to maintain control and accountability of inventory and to establish adequate safeguards and controls. This lack of accountability could lead to mismanagement, fraud, or waste.

Recommendation 13: Embassy Riga should account for and record in the Integrated Logistics Management System all surplus materials from the new embassy compound construction project. (Action: Embassy Riga)

Housing

The housing pool consists of 32 short-term leased and 2 U.S. Government-owned properties. An interagency housing board meets as required to assign housing, in accordance with OBO guidelines. OIG inspectors visited the chief of mission residence and other residences located in the town center and suburbs. The inspection team found all but three properties—the chief of mission residence and two other leased houses outside Riga—to be well located and appropriate for their purposes. The embassy obtained lease waivers from OBO in seven cases where it was in the interest of the U.S. Government to retain the property. All housing is otherwise within OBO rental benchmarks and space standards. The inspectors also reviewed 20 percent of lease files and found that all contained the required regional security office and safety approvals. Landlords in Riga are responsive to maintenance needs at their expense, which enables facilities to keep its staffing at minimal levels required to maintain the NEC.

Motor Pool

The embassy motor pool is right-sized to meet basic transportation needs, with the embassy reviewing fleet use and composition to ensure the right mix of passenger and cargo-carrying vehicles, as required by 14 FAM 434.3. Quality taxi service is readily available to transport employees on official business, and vehicles can be easily serviced at local dealerships. On the basis of the embassy's 2014 vehicle allocation methodology study and motor vehicle survey, the Department authorized the sale of two vehicles. Routine motor pool operations, however, require attention. The chain of command is disjointed, record keeping is haphazard, and funding should be requested from the Bureau of European and Eurasian Affairs to replace deteriorated vehicles.

Insufficient Supervisory Oversight and Use of Fleet Management Software

The motor pool supervisor, who is responsible for vehicle registration and maintenance and supervises four drivers, including the chief of mission's two shift drivers, does not supervise the dispatcher who gives instruction to the drivers. This is a result of an effort to make the best use of limited general services LE staffing through a complicated system of dual-hatted positions and backup responsibilities. Per 1 FAM 014.1, U.S. Government policy is to ensure the most effective use of resources by establishing organizational structures that strive to achieve efficiency of operations and effective employee use and improve service delivery and internal management controls. Furthermore, because of a lack of training, the motor pool supervisor does not fully use the capabilities of the Fleet Management Information System software installed in March 2014; he continues to maintain informal records on all vehicles. The dispatcher, meanwhile, is not trained on the fleet management system, using instead the Department's service-request application, eServices, to dispatch drivers and issue trip tickets. Per 3 FAM 7631 b., training is intended to help increase employee proficiency. The lack of integrated and efficient motor pool operations and proper staff training could result in financial loss due to internal control weaknesses and lapses in customer service.

Recommendation 14: Embassy Riga should reorganize the motor pool to improve supervisory oversight of the function. (Action: Embassy Riga)

Recommendation 15: Embassy Riga should train motor pool staff to use fully the Fleet Management Information System. (Action: Embassy Riga)

Fuel Receipts Not Matched to Invoices

Gas card receipts are not matched to monthly invoices for each vehicle before invoice approval by the general services officer, who is the motor pool program manager. The motor pool supervisor and general services officer were unaware that matching the receipt with the invoice is an important internal management control. Failure to reconcile fuel invoices exposes the official fuel program to potential fraud. Per 14 FAH-1 811.4(5), the motor pool program manager is responsible for ensuring that sound management controls are in place, covering bulk fuel operations, maintenance supplies inventory, and the use of gasoline coupons and designated credit cards.

Recommendation 16: Embassy Riga should reconcile fuel receipts with invoices prior to approving payment. (Action: Embassy Riga)

Vehicle Replacements Overdue

The embassy has not replaced five ICASS vehicles that are more than 10 years old and in poor physical shape because of the harsh winter climate in Latvia. The embassy has been unable to replace these vehicles because of shortfalls in its ICASS budget. Per 14 FAM 438.3, approval of vehicle replacement is based largely on age, mileage, and condition. Failure to replace a vehicle at the optimum time could result in reduced proceeds from sale and pose a safety threat.

Recommendation 17: Embassy Riga should request funding from the Bureau of European and Eurasian affairs to replace five International Cooperative Administrative Support Services vehicles that are old and in poor physical condition. (Action: Embassy Riga)

Travel

OIG inspectors found that all travel is properly authorized via e2 Solutions, the Department's online travel application. The inspectors reviewed authorizations and vouchers for premium class travel. For the 2014 reporting period, premium class tickets were approved only for the departing ambassador and his family, consistent with 14 FAM 567.2-4 b. (4), which permits business class travel under exceptional circumstances, including travel by a chief of mission and accompanying eligible family members departing from post for the last time.

Hotel and Restaurant Survey Overdue

The embassy last submitted its hotel and restaurant survey in 2011. Per Standardized Regulation 072.12 and Office of Allowances guidelines, the survey is to be submitted in December of odd-numbered years. Failure to keep the survey information current could result in the unavailability of adequate lodging and food outlets for U.S. Government travelers.

Recommendation 18: Embassy Riga should submit its hotel and restaurant survey in December of odd-numbered years. (Action: Embassy Riga)

Information Management

The information management office effectively supports computer network, mail, pouch, and radio operations. For example, ICASS customer satisfaction scores were comparable to or higher than worldwide averages. The move to a NEC has for the most part provided a logical and well-documented physical infrastructure to support those operations. However, the larger and more functionally capable building has increased the number of users and devices the section must support, and staffing has not kept pace. Other deficiencies in the new building include a lack of appropriate storage space for information technology equipment and an older model computerized telephone system that has hampered operations. Mail and pouch operations require attention in screening facilities and courier escort duties.

Information Systems Center Operations

Workload Growth Outpaces Staffing

The total workload for information management services, per ICASS workload counts comprising total users and serviced devices, more than doubled between 2009 and 2014, from

approximately 290 to 624. However, the section's staffing remained unchanged during that period. The new embassy's expanded functional capabilities have increased support requirements, such as increased digital video conference and smart board support. Implementation of mobile computing initiatives is likewise adding to the workload. The previous information management officer attempted to create a new information management assistant position to help manage the increased workload, but the request was suspended during the Department's hiring freeze. The section staff has remained focused on customer service, as reflected in responses to OIG questionnaires and in ICASS scores. Nevertheless, they are mostly reactive in their activities, and some internal process documentation and planning duties, such as contingency planning and documenting standard operating procedures, have slipped. Hiring a local American or eligible family member would help to manage the increased workload.

Recommendation 19: Embassy Riga should hire a local cleared American or eligible family member to assist with classified pouch preparation, courier escort duty, and other information program center duties requiring a cleared American. (Action: Embassy Riga)

Lack of Unclassified Storage Space

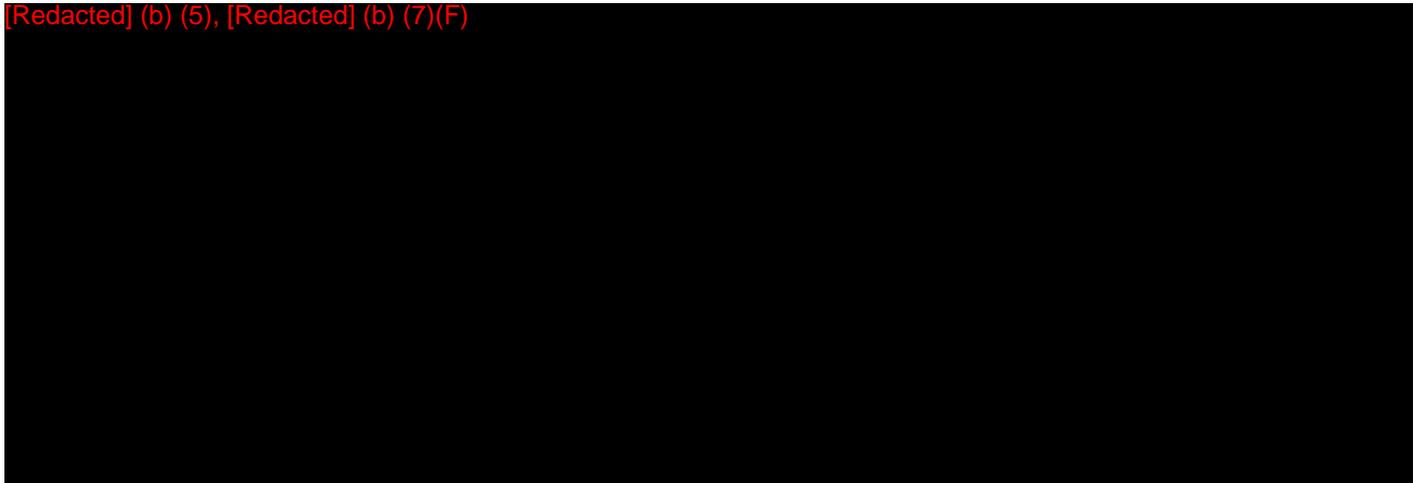
Despite the generally spacious layout of the chancery, dedicated storage space for new and spare information technology equipment is at a premium. The current main storage room is a small room that is already full. Post management has suggested some additional areas, including a storage room near the information management officer's office and a back portion of the main terminal space room. These spaces are insufficient. Because of the lack of storage space, the section also stores equipment within the server room, in the intermediate frame rooms, and along the halls of their main customer service area. Storing equipment within operational areas can hamper those operations and decrease accountability over equipment inventories. For instance, Embassy Riga recently had inventory discrepancies involving radio equipment.

Recommendation 20: Embassy Riga should identify and allocate sufficient space for information systems center equipment storage. (Action: Embassy Riga)

Telephone Operations Hampered by Outdated System

Telephone operations have been problematic for Embassy Riga since the move to the NEC. The telephone frame room and the associated wiring infrastructure were appropriately designed and implemented, but the computerized telephone system itself is an older model that has had numerous problems. Callers have had problems accessing outside lines as well as difficulties reaching the Marine security guards from outside the embassy. The CallBill call accounting system has not worked for at least a year, so usage reports cannot be generated for identifying personal use. The information systems officer completed the Foreign Service Institute's telephone training class, but the instruction was based on the newer model that is significantly different. The current computerized telephone system increases the workload on information management personnel to troubleshoot its numerous problems. To resolve these issues, the embassy has ordered a new computerized telephone system to be installed in December 2014.

[Redacted] (b) (5), [Redacted] (b) (7)(F)



Recommendation 21: [Redacted] (b) (5), [Redacted] (b) (7)(F)



Classified Pouch Escort Duties Not Shared

Embassy Riga's information management staff currently carries the burden for all classified pouch escort duties. However, 12 FAM 151.1 requires that all agencies at post that use the classified pouch share responsibility for providing diplomatic courier escorts. It is unknown how long the information management section has handled this responsibility alone. The current situation exacerbates the staffing-to-workload imbalance previously described because one of the two U.S. direct-hire information management employees must regularly spend a half day

[Redacted] (b) (5)

Recommendation 22: Embassy Riga should enforce the equitable sharing of diplomatic courier escort duty for agencies that use the classified pouch. (Action: Embassy Riga)

MISSION SUPPORT SERVICES

Health Unit

Health unit staff members are in urgent need of training on Department medical program procedures for operating an embassy health unit. Because of past staffing instability in the section and the precipitous departure of the long-time LE doctor in June 2014, the health unit's ICASS satisfaction scores were the lowest of any management function in the embassy for 2012 through 2014 and well below the regional and worldwide averages. A sole LE nurse struggled to keep the unit running throughout the summer of 2014.

In an effort to turn the unit around, embassy management hired in September 2014 an LE doctor, a second LE nurse, and an LE administrative assistant—all in part-time positions. An eligible family member administrative rover was assigned to the health unit to assist temporarily. It is too soon to tell whether this is the optimal mix of staff and staff hours for a health unit at a small embassy. In August 2014, a veteran LE nurse from another embassy was dispatched to Riga for 5 days to assist and train the new employees. However, without sustained on-site

training and oversight by an experienced Department medical professional, the unit will not function as it should, community confidence in the unit will continue to suffer, and the health of the embassy community will be at risk. Per 16 FAM 112 and 6 FAM 113.4, the Department's Office of Medical Services is responsible for managing the worldwide medical program and the regional medical officer oversees the operation of health units.

Recommendation 23: The Office of Medical Services should provide Embassy Riga health unit staff with sustained on-site training. (Action: MED)

The health unit is not providing the human resources section with the results of preemployment medical clearances for newly hired LE staff, as required in 3 FAM 7131.4. The health unit staff attributes this process weakness to heavy workload. As a result, the official personnel folders of newly hired LE staff members are incomplete. Failure to provide medical clearances to the human resources section could threaten the health of the embassy community.

Recommendation 24: Embassy Riga should require the health unit to advise the human resources section of the results of preemployment medical clearances. (Action: Embassy Riga)

International Schools

Embassy dependents in Riga may choose from three international schools. The responses to OIG questionnaires showed the overall satisfaction with schools is high, with an average score of 4.40 out of 5. The chief of mission appoints one member (currently the management officer) to the board of the Department-sponsored [REDACTED]. Two other embassy employees have run successfully for elected positions. The school's director, appointed in June 2013, values and cultivates a relationship with the embassy. The Bureau of Diplomatic Security recently made a soft-target grant of \$75,000 to provide shatter-resistant film for school windows.

Community Liaison Office

Embassy Riga's community liaison office is staffed by a part-time coordinator and a part-time LE administrative assistant. The coordinator organizes sponsorship and orientation programs and has developed a wide range of activities and events that build morale in the community. OIG questionnaires show that overall satisfaction with community liaison support and services is above average, with a score of 4.12 out of 5. Satisfaction with the community liaison sponsorship program is significantly above comparator scores from other posts. Because no employee association can provide funding, the coordinator raises funds through special events and pay-as-you-go activities. Community liaison office funds are kept in a locked cash box that is stored in a secure container.

MANAGEMENT CONTROLS

The chief of mission's 2014 management controls statement of assurance identified no material weaknesses or significant deficiencies. OIG inspectors found the backup documentation in support of the statement to be complete but noted that the management officer initiated the

review on June 11, 2014, even though the statement of assurance was due to the Department on July 25, 2014. As described elsewhere in this report, OIG inspectors identified several areas where internal controls can be strengthened and advised management that review of management controls should be a dynamic process, rather than a snapshot in time.

RECOMMENDATIONS

Recommendation 1: Embassy Riga should reprogram or recreate an additional locally employed staff position in the public affairs section to address the increased need to engage the Russian-speaking community in Riga and other Russian-language regions of Latvia. (Action: Embassy Riga)

Recommendation 2: Embassy Riga should review, update, and test its warden system. (Action: Embassy Riga)

Recommendation 3: Embassy Riga should send the political/economic section's end-of-day report as a record email. (Action: Embassy Riga)

Recommendation 4: Embassy Riga should request that the Bureau of Consular Affairs eliminate position number 97003025 at Embassy Riga. (Action: Embassy Riga)

Recommendation 5: Embassy Riga should seek counsel from the Office of the Under Secretary for Management and the Office of the Legal Adviser prior to hosting a donor solicitation reception for the annual July 4th event. (Action: Embassy Riga)

Recommendation 6: Embassy Riga should request Bureau of Overseas Buildings Operations approval to lease an interim, centrally located designated residence for the Ambassador and terminate the lease on the current residence. (Action: Embassy Riga)

Recommendation 7: Embassy Riga should hold safety, health, and environmental management committee meetings at least semiannually. (Action: Embassy Riga)

Recommendation 8: Embassy Riga should establish a comprehensive, missionwide training plan for locally employed staff. (Action: Embassy Riga)

Recommendation 9: Embassy Riga should establish procedures whereby the designated billing office is named as the addressee on all procurement documents. (Action: Embassy Riga)

Recommendation 10: Embassy Riga should discontinue paying official residence staff health insurance premiums directly to the insurer and require the chargé, acting deputy chief of mission, and future chiefs of mission to make these payments directly to the employees. (Action: Embassy Riga)

Recommendation 11: Embassy Riga should provide the alternate cashier with the required cashier training before the temporary designation expires. (Action: Embassy Riga)

Recommendation 12: Embassy Riga should produce and maintain minutes of all regularly scheduled International Cooperative Administrative Support Services council and budget committee meetings and publish them on the embassy intranet site. (Action: Embassy Riga)

Recommendation 13: Embassy Riga should account for and record in the Integrated Logistics Management System all surplus materials from the new embassy compound construction project. (Action: Embassy Riga)

Recommendation 14: Embassy Riga should reorganize the motor pool to improve supervisory oversight of the function. (Action: Embassy Riga)

Recommendation 15: Embassy Riga should train motor pool staff to use fully the Fleet Management Information System. (Action: Embassy Riga)

Recommendation 16: Embassy Riga should reconcile fuel receipts with invoices prior to approving payment. (Action: Embassy Riga)

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Recommendation 20: Embassy Riga should identify and allocate sufficient space for information systems center equipment storage. (Action: Embassy Riga)

Recommendation 21: [Redacted] (b) (5), [Redacted] (b) (7)(F)

[Redacted]

[Redacted]

Recommendation 22: Embassy Riga should enforce the equitable sharing of diplomatic courier escort duty for agencies that use the classified pouch. (Action: Embassy Riga)

Recommendation 23: The Office of Medical Services should provide Embassy Riga health unit staff with sustained on-site training. (Action: MED)

Recommendation 24: Embassy Riga should require the health unit to advise the human resources section of the results of preemployment medical clearances. (Action: Embassy Riga)

PRINCIPAL OFFICIALS

Title	Name	Arrival Date
:		
Chargé d'Affaires	Sharon E. Hudson-Dean	7/14
Deputy Chief of Mission, Acting	Connie Phlipot	9/14
:		
Management	Aaron C. Olsa	7/13
Consular	Evan K. McCarthy	7/12
Political/Economic	Deborah A. Miller	8/12
Public Affairs	Katherine Giles-Diaz	7/13
Regional Affairs	Terrence Stevens	
Other Agencies:		
U.S. Department of Defense Office of Defense Cooperation	Roger L. Bowman	8/12
Defense Attaché Office	Phillip G. Antekeier	8/13

Source: Embassy Riga, Latvia.

APPENDIX A: SCOPE AND METHODOLOGY

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 OIG for the Department and the Broadcasting Board of Governors (BBG).

Purpose and Scope

The Office of Inspections provides the Secretary of State, the Chairman of BBG, and Congress with systematic and independent evaluations of the operations of the Department and BBG. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals are being effectively achieved and U.S. interests are effectively represented.
- **Resource Management:** whether resources are used with maximum efficiency and effectiveness and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether operations meet the requirements of applicable laws and regulations; whether internal management controls are enforced; whether instances of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

Inspections also assess executive leadership in such areas as security, interagency cooperation, morale, Equal Employment Opportunity, and staff development.

Methodology

The inspection team's primary assessment criteria are regulations contained in the *Foreign Affairs Manual* and *Handbook*, Department instructions, applicable law and generally accepted management principles.

The Office of Inspections solicits reviews of the content of inspection reports from interested offices, individuals, organizations, and activities.

The OIG team inspected the U.S. Embassy in Riga during October 24–November 13, 2014. The team reviewed 371 documents; interviewed 171 employees and officials both in Washington, D.C., and at Embassy Riga; and analyzed the responses to 235 OIG questionnaires.

ABBREVIATIONS

BBG	Broadcasting Board of Governors
CGFS	Bureau of the Comptroller and Global Financial Services
DCM	Deputy chief of mission
Department	U.S. Department of State
EEO	Equal Employment Opportunity
FAH	<i>Foreign Affairs Handbook</i>
FAM	<i>Foreign Affairs Manual</i>
FAST	First- and second-tour
ICASS	International Cooperative Administrative Support Services
LE	Locally employed
NEC	New embassy compound
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
SHEM	Safety, health, and environmental management

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