



OIG HIGHLIGHTS

JUNE 2015
OFFICE OF INSPECTIONS
WESTERN HEMISPHERE AFFAIRS

Inspection of Embassy Mexico City, Mexico

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What OIG Inspected

OIG inspected the U.S. Embassy in Mexico City from September 28 through November 25, 2014. Members of the team inspected U.S. Consulates in Ciudad Juarez, Guadalajara, Hermosillo, Matamoros, Merida, Monterrey, Nogales, Nuevo Laredo, and Tijuana during October 10–November 13, 2014.

What OIG Recommended

OIG made 65 recommendations to Embassy Mexico City intended to improve its operations and programs. Most addressed management control weaknesses, training deficiencies, personnel planning and assignment processes. OIG made five recommendations to the Department's Bureau of Overseas Buildings Operations to address security vulnerabilities and design issues, at consulate locations. The report addressed the growing demand for American citizens services.

What OIG Found

- The Ambassador and deputy chief of mission provide integrative leadership of Mission Mexico, one of the largest and most geographically dispersed U.S. diplomatic missions. Washington officials credit the Ambassador and his team with strengthening and deepening the bilateral relationship over the past 3 years.
- The Ambassador brought improved communication, strategic planning, and coordination to the mission. Extensive digital video conferencing links the far-flung constituent posts to the embassy and one another; nonetheless, senior embassy officials need to visit the constituent posts at least annually.
- Mission Mexico's physical plants range from old, inadequate, and dangerous to a 3-month-old consulate compound. An ambitious \$1.67-billion construction program is underway; however, facilities problems noted in the 2009 Office of Inspector General report remain.
- Several deficiencies exist in grants management. Embassy Mexico City's grants exhibited inaccurate reporting, incomplete closeout, and insufficient oversight.
- Management has paid insufficient attention to communication needs in emergency management.
- The mission will need increased staff to meet demand for American citizens services.
- The age and composition of several Mission Mexico facilities highlight the need for greater physical security mitigation to eliminate vulnerabilities.
- Public diplomacy programs and resources are overly centralized. Consulate public diplomacy sections should be given greater authority over budget and program decisions.
- Growth is straining the administrative support platform. From 2009 to 2014, the embassy added 146 U.S. direct-hire and 223 locally employed staff positions. Mission Mexico estimates that it will need an additional 4 U.S. direct-hire and 51 locally employed staff positions to manage current workloads.

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ISP-I-15-28A

Office of Inspections

June 2015

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KEY FINDINGS

- The Ambassador and the deputy chief of mission provide integrative leadership of Mission Mexico, one of the largest and most geographically dispersed U.S. diplomatic missions. Washington officials credit the Ambassador and his team with strengthening and deepening the bilateral relationship over the past 3 years.
- The Ambassador brought improved communication, strategic planning, and coordination to the mission. Extensive digital video conferencing links the far-flung constituent posts to the embassy and one another; nonetheless, senior embassy officials need to visit the constituent posts at least annually.
- Mission Mexico's physical plants range from old, inadequate, and dangerous to a 3-month-old consulate compound. An ambitious \$1.67-billion construction program is underway; however, facilities problems noted in the 2009 Office of Inspector General report remain.
- Several deficiencies exist in grants management. Embassy Mexico City's grants exhibited inaccurate reporting, incomplete closeout, and insufficient oversight.
- Management has paid insufficient attention to communication needs in emergency management.
- The mission will need increased staff to meet demand for American citizens services.
- The age and composition of several Mission Mexico facilities highlight the need for greater physical security mitigation to eliminate vulnerabilities.
- Public diplomacy programs and resources are overly centralized. Consulate public diplomacy sections should be given greater authority over budget and program decisions.
- Growth is straining the administrative support platform. From 2009 to 2014, the embassy added 146 U.S. direct-hire and 223 locally employed staff positions. Mission Mexico estimates that it will need an additional 4 U.S. direct-hire and 51 locally employed staff positions to manage current workloads.

CONTEXT

The U.S.-Mexico relationship is built on a complex range of political, economic, security, and social issues. Mexico is the third-largest U.S. trading partner, second-largest export market, and third-largest supplier of crude oil. On average, the United States trades \$1 million in goods and services each minute with Mexico. The United States is Mexico's largest foreign investor; more than 18,000 U.S. firms operate there. Mexico is the 15th largest investor in the United States. More than 32 million Americans are of Mexican heritage, and more than 1 million U.S. citizens reside in Mexico. Tourism is robust, with more than 20 million Americans visiting Mexico and more than 14 million Mexicans visiting the United States annually. Illegal immigration; trafficking in persons; and illicit trade in drugs, arms, and money are contentious bilateral issues that have political impact and require close law enforcement cooperation. In 2008, the United States and Mexico established the Merida Initiative, an unprecedented partnership to promote citizen security, dismantle criminal organizations, and enhance the rule of law. The U.S. Congress has appropriated more than \$2 billion for the Merida Initiative since its inception.

The U.S. mission to Mexico, which reflects the scale and importance of the bilateral relationship, has more than 2,700 employees and 29 agencies located in the embassy as well as the 9 consulates and 9 consular agencies. During the past 4 years, the mission added more than 100 U.S. direct-hire positions, making it one of the U.S. Department of State's (Department) fastest growing overseas missions; growth is expected to continue into the next 2 years. The mission's annual budget is \$348 million, excluding centrally funded items such as U.S. direct-hire salaries, and it managed more than \$200 million in foreign assistance in FY 2014. In FY 2013, Mission Mexico handled applications for more than 58,000 U.S. passports, and its American citizens services caseload is the largest in the world. In FY 2014, it handled 1.8 million nonimmigrant visas and issued more than 94,000 immigrant visas. Sixteen percent of the Department's total first- and second-tour (FAST) officers are currently serving in Mexico. Working in Mexico is challenging—staff at six of the nine consulates (Ciudad Juarez, Matamoros, Monterrey, Nogales, Nuevo Laredo, and Tijuana) receive danger pay.

Since the return to power of the Institutional Revolutionary Party in 2012, after 12 years in opposition, Mexico has seen a renewed focus in the bilateral relationship on economic and educational themes. Bilateral presidential meetings in May 2013 led to agreement on an annual cabinet-level economic dialogue, chaired on the U.S. side by the Vice President, with several senior-level working groups. Security cooperation and counternarcotics efforts remain a focus of the mission. A recent bilateral agreement on disaster response was tested in the wake of Hurricane Odile in September 2014. The embassy and consulates organized the evacuation of a large number of American citizens, most of whom were tourists, from the affected area.

LEADERSHIP

The Ambassador, supported by a deputy chief of mission who received the Department's award for the best deputy chief of mission in 2013, provides integrative leadership of Mission Mexico, one of the largest and most geographically dispersed U.S. diplomatic missions. The Ambassador travels frequently to cities and regions outside Mexico City and meets frequently with senior Mexican Government officials, businessmen, nongovernmental officials, educators, and cultural figures. He limits his direct engagement with the press but is active in social media and on the op-ed pages of Mexican newspapers. Washington officials gave him high marks for managing bilateral relations.

To support his work, the Ambassador requires a significant number of briefing memos and other materials. He created an efficient front office secretariat for tasking this material and makes effective use of the products. When the embassy's anonymous quality-of-life survey revealed unhappiness with the volume of briefing materials, he changed some of the requirements, producing a measurable reduction in the workload.

Communications and Coordination

Mission communications and coordination have significantly improved since the last Office of Inspector General (OIG) inspection in 2009.¹ To better connect the embassy with its nine constituent posts, the Ambassador developed an expanded system of digital video conferencing that enables all 10 sites to join in a variety of missionwide meetings at both senior and working levels, including the country team meeting and specific functional meetings, as well as missionwide town halls. Constituent posts also initiate digital video conferencing to meet with one another and embassy staff.

Various functional group meetings in Mexico City chaired by the Ambassador, the deputy chief of mission, or other senior officials keep the front office, other sections, and other agencies informed of developments, programs, and activities and facilitate coordination. The meetings also provide the Ambassador with daily opportunities to offer policy and operational guidance. Some staff members report this leads to micromanagement, but senior and other staff generally agree that the embassy functions in a well-coordinated way.

Travel between the embassy and the constituent posts is vital to mission communications and coordination. The Ambassador's multiple visits to constituent posts and their respective states are complemented by visits from the embassy's minister-counselor for consular affairs (MCCA), who supervises the work of the nine consuls general and their staffs, and occasional visits from the deputy chief of mission. Senior staff from the embassy regional security office frequently travel to the constituent posts. The embassy's consular, reporting, and public diplomacy sections host missionwide meetings at the embassy or constituent posts. Despite this, OIG inspectors found that some embassy-based officials need to be more engaged with constituent posts. The OIG team suggested the front office establish and monitor a minimum standard for visits to or from constituent posts for sections and subsections that support missionwide functions.

¹ *Inspection of Embassy Mexico City, Mexico*, Report No. ISP-1-09-21A, April 2009.

The heads of agencies at the embassy report the Ambassador and the deputy chief of mission provide strong and consistent support for their programs and activities in Mexico. Their colleagues in Washington agree. Mission agency heads also appreciate the Ambassador's and the deputy chief of mission's leadership in insisting that agencies coordinate and collaborate with each other. Law enforcement agencies, for example, view the embassy's regularly scheduled law enforcement working group meeting as a useful vehicle for keeping the front office informed and promoting coordination among the mission's many law enforcement agencies.

Strategic Planning

Washington- and mission-based officials view Mission Mexico's Integrated Country Strategy as an effective strategic plan for addressing a complex bilateral relationship shaped by a common border. All sections and agencies at the embassy participated in preparing the initial draft, and feedback from Washington helped refine it. The Ambassador's five mission priorities provide a succinct framework for specific goals and action plans. The mission monitors and assesses the Integrated Country Strategy annually in a process that includes an off site at the Ambassador's residence, during which the country team and the consuls general from the constituent posts discuss priorities and specific mission activities/goals to pursue those priorities. Inspectors found that Department sections and other agencies were familiar with the Integrated Country Strategy and understood they were to pursue goals and activities consistent with its priorities. Inspectors advised the front office to assess progress toward Integrated Country Strategy goals more often than annually.

Mission Mexico's annual Mission Resource Request makes a case for additional personnel in public diplomacy, reporting, and security to implement the priorities and goals in the Integrated Country Strategy. The Mission Resource Request also notes the need for additional resources for the International Cooperative Administrative Support Services (ICASS) platform to respond to increases in staffing for a variety of agencies at post and to support new or planned mission facilities.

Despite having strategic and resources plans that set clear priorities, goals, and resource needs, the daily taskings and direction from the front office sometimes give the impression that its priorities are more lateral than rank-ordered. Language in 3 *Foreign Affairs Manual* (FAM) 1214 B.(2) specifies that strategic planning should: "Develop and promote attainable, shared short- and long-term goals with stakeholders for your project, program, team, or organization. Provide a clear focus, establish expectations, give direction, and monitor results. Seek consensus and unified effort by anticipating, preventing, and discouraging counter-productive confrontation." Lack of prioritization can stretch staff capacity and diffuse focus. Inspectors counseled the Ambassador and the deputy chief of mission to distinguish between high, medium, and low priorities in their organization of the front office's day-to-day direction of the embassy.

Representation and travel funds are Department resources provided to further foreign policy objectives. The mission's representational and program travel budgets are apportioned to Department sections and the constituent posts on the basis of past years' budgets, rather than plans tied to Integrated Country Strategy priorities. As a result, post leadership cannot direct these resources to those activities that add the most value for the mission.

Recommendation 1: Embassy Mexico City should require Department of State sections and constituent posts to develop travel and representation plans tied to Integrated Country

Strategy priorities and goals and apportion resources accordingly. (Action: Embassy Mexico City)

Export Promotion

The President launched the National Export Initiative in 2010 and called for a whole-of-government approach to increasing U.S. exports and access of U.S. firms to foreign markets. The Department has codified this effort in 18 FAM and in formal instructions to chiefs of mission from the Secretary of State (11 State 103467). The Ambassador has placed promotion of U.S. exports and assistance to U.S. companies in Mexico at the top of Mission Mexico's current Integrated Country Strategy, whose first mission goal is "Strengthen North American Competitiveness and the U.S.-Mexico Economic Relationship." The objectives under that mission goal focus on improved access and opportunities for U.S. firms in Mexico to the mutual benefit of both economies. The embassy's trade-related agencies or sections, including the U.S. Commercial Service, the Department of Agriculture's Foreign Agricultural and Animal and Plant Health Inspection Services, the Food and Drug Administration, and the economic section, coordinate effectively and appropriately on assistance to U.S. firms, as required under 18 FAM 012(e). U.S. economic agencies use the Ambassador's weekly "economic cluster" meeting as the primary mechanism to discuss advocacy assistance to U.S. firms and export promotion; agency heads noted to inspectors the Ambassador's strong support for U.S. business and exports. The embassy team engaged in direct advocacy with the Mexican Government in at least six major cases on behalf of U.S. companies in 2014.

Developing and Mentoring Future Foreign Service Leadership

Mission Mexico's contingent of FAST employees—generalists and specialists—accounts for 16 percent of the Foreign Service's total FAST staff. Most of the mission's FAST officers work in consular sections that vary in size from among the largest in the world to medium in size. These officers are drawn from every Foreign Service cone; some will serve two consular tours before having an assignment in their cone, putting a particular premium on FAST officers having professional development opportunities that expose them to Foreign Service work beyond the consular function.

Mission Mexico has a number of creative approaches to professional development and mentoring of its FAST officers that are not uniform across the mission and frequently represent local initiatives, rather than a structured program. These include the embassy's "A-200" project and Consulate General Monterrey's "Green Race." A structured program should cover key topics over a set period of time, allow a significant role for FAST officers, include naming a senior officer to provide oversight across the mission, designate senior officers at constituent posts to provide oversight and work with FAST officers in implementing the program of activities at each post, and allow opportunities to experience a variety of Foreign Service functions. FAST officers in Mexico represent a sizeable investment and will be a significant percentage of the Department's future mid- and senior-level officers. Language in 10 State 120467 from the Director General to ambassadors/principal officers notes the Department looks "to Chiefs of Mission, deputy chiefs of mission, and principal officers to help shape the future of the Foreign Service by providing the best possible mentoring and professional development opportunities for" FAST officers.

Recommendation 2: Embassy Mexico City, in coordination with the Bureau of Human Resources and the Bureau of Western Hemisphere Affairs, should develop a consistent, structured, missionwide program so all first- and second-tour officers, whether at the embassy or constituent posts, are afforded the same opportunities for professional development and mentoring. (Action: Embassy Mexico City, in coordination with DGHR and WHA)

Mission Mexico is developing a mid-level staff training initiative. Given the large number of FAST officers, enhancing managerial skills in mid-level staff across the mission is essential both to managing the mission and to individual officer development. This is a timely initiative because inspectors found mid-level staff members across the mission eager for more training and mentorship opportunities. Inspectors advised the minister-counselor for consular affairs, who is leading this initiative, to share the mission's experiences and lessons learned with the Bureau of Human Resources and the Foreign Service Institute.

Attention to Security and Emergency Preparedness

Two-thirds of Mission Mexico's constituent posts receive danger pay. Interviews with mission personnel from all agencies and OIG inspectors' observations of mission meetings and processes make it clear the Ambassador and the deputy chief of mission are engaged in issues related to mission security. Both participate in the regular emergency action committee meetings and also chair short-notice meetings of the core emergency action committee when urgent security issues arise, whether related to the embassy or a constituent post. The Ambassador and the deputy chief of mission have an open-door policy for regional security office staff.

Equal Employment Opportunity

All posts have Equal Employment Opportunity counselors for American staff and liaisons for locally employed (LE) staff. Training for counselors and liaisons was generally up to date. The embassy arranged for the Office of Civil Rights staff to conduct training in Mexico City during 2014; however, few constituent post personnel were able to participate in this training. Inspection visits to constituent posts made it clear that similar training was needed. Inspectors counseled the embassy management staff to either request a return visit from the Office of Civil Rights staff to provide training for constituent post personnel or arrange for digital video conferencing training sessions from Washington for the constituent posts.

Mission Tours of Duty

Tours of duty for Department personnel in the embassy are not uniform. Apart from the Ambassador and the deputy chief of mission, all Department personnel in Mexico City are on 2-year assignments. The decision for 2-year assignments was made decades ago when Mexico City had severe air pollution. Untenured generalists and specialists have a standard 2-year tour of duty. Tours of duty for personnel of other agencies at post range from 2 to 5 years. The Director General for Human Resources standard operating procedure A-03 notes that assignments for tenured staff at 5-, 10-, and 15-percent differential posts and some nondifferential posts are generally 3 years, with two rest-and-recuperation travel periods. Mexico City is a 15-percent differential post, yet it has a 2-year assignment.

Mexico City is not a danger post and has significantly improved air quality and a quality of life better than most of its constituent posts. Inspector interviews, observations, and cost data, indicate that 2-year assignments for non-FAST officers (FAST officer assignments globally are limited to 2 years) create significant turnover, generate some additional costs, and affect continuity, particularly in the embassy's more senior positions.

Recommendation 3: The Bureau of Human Resources, in coordination with the Bureau of Western Hemisphere Affairs and Embassy Mexico City, should change the tour of duty for all Department of State section Senior Foreign Service and F0-01 positions in Mexico City from 2 to 3 years, with an option for a 1-year extension. (Action: DGHR, in coordination with WHA and Embassy Mexico City)

Conversely, interviews and OIG inspector observations indicate 3-year tours for border post principal officers place considerable stress on them and, in at least two cases, negatively affected performance. All border posts are rated for danger pay; security concerns often limit where staff can go, what they can do, and when they can be in a particular area. Curfews and area restrictions are the norm. At least one border post, Nuevo Laredo, with a danger pay rating comparable to Juba, South Sudan, has no authorization for rest-and-recuperation travel, despite the danger and significant restrictions on what consulate staff can do inside the city.

Recommendation 4: The Bureau of Western Hemisphere Affairs, in coordination with the Bureau of Human Resources, should identify which of Embassy Mexico City's border posts are not appropriate for 3-year principal officer assignments and adjust tours of duty for principal officers at those posts. (Action: WHA, in coordination with DGHR)

Developing a New Model for Training for a Large Mission

Inspector interviews and reviews of training-related documentation confirm that Mission Mexico has substantial training needs in a number of areas at the embassy and all its constituent posts. Inspectors also found examples where the lack of training affected performance. Training needs range from language to functional and supervisory training. Consular training is a steady need that is largely, but not completely, being met through current Bureau of Consular Affairs training programs. With approximately 2,700 employees, Mission Mexico's needs would overwhelm the training capacity at the Foreign Service Institute and be prohibitively expensive. Distance learning, digital video conferencing, and in-country training are all tools that could be applied to training needs. Language in 13 FAM 011 declares the Department is committed to the development of all its employees to improve service, increase efficiency and economy, and build and maintain a force of skilled employees.

Recommendation 5: Embassy Mexico City, in coordination with the Foreign Service Institute, should assess and prioritize its missionwide training needs and develop and implement a training program to address them. (Action: Embassy Mexico City, in coordination with FSI)

Constituent Posts

On the basis of standards provided in 3 FAM 1214 and the Decision Criteria for Tenure and Promotion in the Foreign Service, the inspection team found leadership shortcomings in three of

the mission's nine consulates general: Tijuana, Matamoros, and Nuevo Laredo. Mission management separately identified problems in Matamoros and during the inspection worked with the consul general to curtail his assignment. These nine constituent posts are critically important to the mission's work and success. Most are located in challenging and dangerous parts of the country; four are similar in staff size to a large embassy. Like the embassy, these posts require skilled leadership to succeed. Inspector counseling, followed by mission management counseling, has started a process of positive change in Tijuana, to which the embassy will need to remain attentive. Inspectors advised the consul general in Nuevo Laredo, the Ambassador, the deputy chief of mission, and the minister-counselor for consular affairs on leadership issues at Nuevo Laredo.

Each constituent post has an officer, commonly the head of the consular section, who serves as the de facto deputy principal officer. This is not a formal designation, and the only thing that is clear about these duties is that the deputy principal officer takes over when the principal officer is away from post. Lack of a formal job description or work requirement leads to ambiguity about other aspects of the job, and staff and other agencies do not understand the line of authority. As a result, inspectors found either a lack of clarity about what the job entailed or misunderstandings that led to tensions. It is a generally accepted management principle that if employees are expected to do a job, they need to know what it is.

Recommendation 6: Embassy Mexico City should direct principal officers and deputy principal officers at its constituent posts to agree on a set of deputy principal officer duties that are appropriate for their posts and share them with their staffs and the minister-counselor for consular affairs. (Action: Embassy Mexico City)

GRANTS MANAGEMENT

The embassy administers Department grants primarily through the international narcotics and law enforcement (INL) section and the public affairs section. INL's FY 2014 records account for 218 travel grants, totaling more than \$30,000. INL's programmatic grants from FY 2011 to FY 2014 total 30 awards, totaling about \$51 million. In FY 2014, the public affairs section allocated \$1.3 million for 250 grants from a total public affairs budget of \$4.750 million. The review found shortcomings in how the two sections manage their grants, particularly the public affairs section. In addition, the Department's Office of Procurement Executive, Federal Assistance Division (A/OPE) found many of the same issues the inspection team found already identified in the embassy's 2011 and 2012 grants operations reviews.

A shortcoming common to both sections involves use of the Department's Grants Database Management System (GDMS), which transmits monthly funding information totals to USASpending.gov, in compliance with providing Government transparency by reporting spending to the public and the 2006 Federal Funding Accountability and Transparency Act. A/OPE requires that grants officers enter all awards into GDMS within 5 days of signing the grant, per Grants Policy Directive 21.

In FYs 2012–2014, Mission Mexico rarely fulfilled the 5-day requirement for record entry, and in 97 percent of the cases had not entered the grants records even after 30 days—the highest delinquency rate in the Bureau of Western Hemisphere Affairs, according to reports from A/OPE.

Inspectors found grant awards that were entered 6 months late; some had not been entered into GDMS at all. Both the public affairs section and INL have contributed to the problem of late records entry in GDMS. Neither section has standard operating procedures for entering grants into GDMS.

Recommendation 7: Embassy Mexico City should enter all awards into the Grants Database Management System within 5 days of the grants officer's signature. (Action: Embassy Mexico City)

Recommendation 8: Embassy Mexico City should create and update standard operating procedures on grants processing and include detailed instructions regarding who will enter and update data in the Grants Database Management System. (Action: Embassy Mexico City)

Both sections also had shortcomings in procedures to close out grants. Of 25 public affairs grants the OIG team reviewed, only 2 were closed out in accordance with Grants Policy Directive 41, which requires the public affairs officer to notify the financial management officer that financial and performance reports are complete and satisfactory, all funds are accounted for, and the grant funds can be deobligated. Failure to deobligate funds means that funds may not be used for other projects. In the case of INL, OIG inspectors reviewed more than 250 small, fixed-obligation awards used for travel grants from FY 2012 to FY 2014. Virtually all the FY 2012–2014 files were missing required information used to determine successful completion of the program. It is the responsibility of grants officers to ensure that these files are complete.

Recommendation 9: Embassy Mexico City should close out grants for which documentation is complete by notifying the financial management officer that funds may be deobligated. (Action: Embassy Mexico City)

Public Affairs Grants

The public affairs section has not implemented any recommendations from the A/OPE 2011 and 2012 reports. Inspectors informed the public affairs officer that the public affairs section is not in compliance with Department regulations on grants.

Noncompliance with regulations or directives includes the following: lack of public notice of funding priorities as per Grants Policy Directives 5, 26, and 27; lack of sole-source justification documentation for noncompetition; few program progress reports; and no monitoring and evaluation plans by grants officer representatives. These assessments are based on the OIG team's review of 27 grants files of various sizes, as well as interviews with all staff involved in grants management, at the embassy as well as the consulates general.

Of the 16 LE staff members and direct hires in Mexico City who work with public diplomacy grants, only 5 have up-to-date grants officer representative training. Grants Policy Directive 16 states that A/OPE grants officer representative certification will be valid for a 3-year period. The section's inattention to required training causes confusion, especially when A/OPE updates the Grants Policy Directives. Moreover, the embassy has not required the public affairs administrative management assistant who manages grants for the embassy and constituent posts to follow changes in grants policy and report them to the appropriate public affairs staff.

Requiring updated training and better communication would help resolve uncertainties over funding procedures and simplify planning.

Recommendation 10: Embassy Mexico City should require all locally employed staff and public affairs officers to maintain their grants officer representative training. (Action: Embassy Mexico City)

Recommendation 11: Embassy Mexico City should monitor and report any changes to grants policy directives to all mission personnel who have grants responsibilities. (Action: Embassy Mexico City)

The section does not monitor grants, as required in the Department's Office of the Procurement Executive Grant Policy Directive 42. The effect is inadequate oversight of how the grantee is performing, which leaves the embassy no means for withholding final payment should the grantee not comply with the terms of the grant.

Recommendation 12: Embassy Mexico City should require grants officer representatives to monitor grants and record their findings, as required by Department of State regulations. (Action: Embassy Mexico City)

The public affairs section does not announce grant opportunities or open them to competition, as required by Grants Policy Directive 5, which stipulates that grants in excess of \$25,000 be subject to "full and open competition." The public affairs section administers grants in the \$100,000 range that should be competed. The OIG team reviewed 10 grants that should have been competed but were not; none contained the required no-competition justification.

Recommendation 13: Embassy Mexico City should open grants in excess of \$25,000 to competition unless specific exceptions are granted and noted in the grants file. (Action: Embassy Mexico City)

Under current mission practice, of the 16 public diplomacy employees who handle grants, only the public affairs officer in Mexico City and the regional English-language officer, who travels up to 70 percent of the time, may sign grants. If either is outside the capital city, grants languish, leaving constituent posts unable to implement programs. More warranted grants officers will speed up the process.

Recommendation 14: Embassy Mexico City should train additional public affairs officers to qualify for grants warrants. (Action: Embassy Mexico City)

In FYs 2013 and 2014, the section awarded 10 grants ranging from \$50,000 to \$205,000 on September 30, the last day of the fiscal year. The repeated awarding of high-value grants at the end of the fiscal year over 2 years indicates a lack of planning. The practice gives the appearance that the section is spending funds at the end of the fiscal year merely to avoid losing them. Instead of planning grants awards more evenly throughout the year, the public affairs section is spending funds at the last minute.

Recommendation 15: Embassy Mexico City should develop and implement a comprehensive grants spending plan that matches financial resources with mission priorities throughout the fiscal year. (Action: Embassy Mexico City)

International Narcotics and Law Enforcement Grants

INL managed its larger grant awards in accordance with grants policy directives in most cases, but its oversight of smaller grants is inadequate. The section has one grants officer with a \$200,000 award limit; during the inspection, INL was in the process of filling a recent vacancy for a grants administrative assistant. Many of INL's grants are awarded in Washington, where grants officers have a higher award limit.

To assess management of large grants, OIG inspectors reviewed 26 of 30 grants files in excess of \$30,000 awarded between FY 2011 and FY 2014; the performance periods extended to 2014 or beyond. INL Mexico's grants officer awarded 9 of the 26, with the other 17 awarded in Washington. The grants files contained the necessary documentation, including required forms, quarterly and financial reports, and records of communication with grantees. INL Mexico is facilitating competition by posting announcements on Grants.gov and the embassy Web site and by hosting panel reviews; all related documentation is in the official files. The OIG inspectors' review of the \$18-million cooperative agreement used for INL programmatic travel indicated that INL is monitoring and documenting the grantee's performance. INL Mexico also includes bilateral letters of agreement or approval documentation from the Mexican Government as part the official file to show that the project supports the Merida Initiative and has host government support.

In addition, INL Mexico performed preaward site visits in which INL accountants reviewed candidates' administrative processes before issuing an award. INL Mexico is in communication through email and site visits with the grantees and the grants officer in Washington. OIG inspectors also noted that four of the files contained independent audit reviews (per Grants Policy Directive 65) that contained no major negative findings.

OIG inspectors identified 15 INL-funded awards in excess of \$100,000 that contained no record in GDMS of assignment of a grants officer representative. Per Grants Policy Directive 16, grants officer representatives should be assigned to all grants in excess of \$100,000 to perform post-award administration, including monitoring and evaluation. Further review indicated INL had correctly assigned a grants officer representative to each of the 15 grants but had not entered the information in GDMS.

Recommendation 16: The Bureau of Narcotics and Law Enforcement Affairs, in coordination with Embassy Mexico City, should include grants officer representative information in the Grants Database Management System for new and amended awards for all grants exceeding \$100,000. (Action: INL, in coordination with Embassy Mexico City)

Smaller grants lacked closeout documentation and reporting, per the Federal Funding Accountability and Transparency Act and Grants Policy Directive 21, which requires accurate and timely recording of all awards. Accurate records also are necessary for effective financial reconciliations between the Department's two main financial systems—the Regional Financial Management System and the Global Financial Management System. INL Mexico informed OIG

inspectors that in October 2013 the Bureau of Comptroller and Global Financial Services Federal Assistance Financial Management division provided a list of obligations recorded in the Global Financial Management System and the Regional Financial Management System, which were not recorded in GDMS, or vice versa. The October 2013 reconciliation report indicated 617 discrepancies between GDMS and the other 2 systems, totaling more than \$5 million dollars, in which the discrepancies were not in GDMS. OIG Inspectors reviewed correspondence between INL Mexico and the Federal Assistance Financial Management division, indicating that these discrepancies were reconciled. Inspectors, however, discovered one grant for \$175,000 from FY 2013 that still had not been entered into GDMS at the time of the inspection.

In October 2014, inspectors found the problem of late entry or nonentry in GDMS had continued in the case of at least 100 smaller, individual travel grants totaling about \$21,000; each of these fixed-obligation grants was under \$2,500. Inspectors worked with INL Mexico to pin down which grants were not in GDMS, and why. Inspectors determined an INL project during summer 2014 to enter grant information into GDMS was never completed because of a staff transfer. INL management was not aware the project was incomplete. More broadly, entry of grants records into GDMS had not been written into INL Mexico's standard operating procedures and therefore was often overlooked. INL Mexico managers stated they were unaware of the GDMS entry requirement until 2014. Inspectors advised INL Mexico to review all hard-copy and electronic files to reconcile GDMS records with INL's internal record-keeping systems. INL's own records should also be updated to delete notices of awards and supplemental documentation for which funds were not obligated. OIG Inspectors suggested going back to FY 2012, given the fact that GDMS reports indicate that data were not entered timely during that year.

Recommendation 17: Embassy Mexico City should complete the entry of all individual travel grants into the Grants Database Management System. (Action: Embassy Mexico City)

Recommendation 18: Embassy Mexico City should reconcile its internal federal assistance award list and funded obligations so that it has the most accurate data on file. (Action: Embassy Mexico City)

POLICY AND PROGRAM IMPLEMENTATION

Foreign Assistance

Mexico received approximately \$238 million in foreign assistance funds in FY 2014. Of the \$195 million appropriated for INL and U.S. Agency for International Development (USAID) programs in FY 2014, \$183 million was specifically to support the Merida Initiative. In addition, Mexico received \$39 million in funding from the U.S. Department of Defense for antinarcotics training, equipment, and strengthening military-to-military relations; an additional \$4 million supported antiterrorism and nonproliferation programs. Most of the remaining funds went to the Global Climate Change Program, combatting transnational organized crime, strengthening military-to-military relations, and border security. Individual bureaus in the Department also awarded roughly \$1 million in other grants and assistance in FY 2014; Washington offices manage and monitor these programs, and OIG did not inspect them in Mexico. Delivery of

foreign assistance in Mexico is administered through contracts, grants, cooperative agreements, interagency agreements, and voluntary contributions to international organizations.

Merida Initiative

Established in 2008, the Merida Initiative is a bilateral partnership to promote citizen security, dismantle criminal organizations, create a 21st-century border structure, and enhance the rule of law. The four pillars of the initiative are sustained primarily through INL and USAID activities. Since 2008, \$2.1 billion has been appropriated to the Merida Initiative. To date, the initiative has provided equipment, technical support, and training worth approximately \$1.3 billion.

The Secretary of State in 2011 committed to delivering \$500 million worth of equipment and training through the Merida Initiative. From that point, INL Mexico operations grew quickly. Mexico's INL section ranks as the third largest, following those in Afghanistan and Colombia. INL Mexico has 170 staff members, including 12 Foreign Service Officers, 58 LE staff members, 74 contractors, and 1 detailee. Most INL personnel are located in Mexico City, but some are stationed in consulates or other states. INL Mexico runs 10 major programs.

In 2012, Mexico elected a President from the Institutional Revolutionary Party. The new administration began to review programs undertaken by the previous administration, which caused a sharp drop in new program approval. This slowdown increased INL's "pipeline" of obligated but unprogrammed funds to expand rapidly to about \$540 million, as of November 2014. As the new government has become more comfortable with INL's programs, it has agreed to some \$468 million for new projects. The INL director and his team have begun reshaping programs to coincide with the priorities of the Mexican administration.

International Narcotics and Law Enforcement Affairs Section

INL's director, a Senior Foreign Service officer, arrived at post in July 2014 after several years managing large INL programs. One deputy director oversees programs, and the other manages operations. INL also has a six-person policy unit responsible for public outreach and program reporting.

Outstanding Travel Advances

INL's own three-person travel staff supports the frequent travel of INL Mexico staff as well as travel by mission law enforcement agencies and other travel using INL assistance funds. In addition, the travel unit supports participants from INL programs in the Central America Regional Security Initiative. In FY 2014, INL Mexico processed travel for 788 U.S. direct hires and 217 individual travel grants. Additionally, from February 2013 to August 2014 the travel unit worked with a commercial firm (under a cooperative agreement) to arrange and fund travel for more than 9,000 Government of Mexico officials to participate in U.S.-based training programs.

Accounting records show 247 outstanding travel advances, of which INL identified 206 as being from Central America Regional Security Initiative countries. During the inspection, INL began the process to close these outstanding vouchers and notify U.S. embassies in the Central America Regional Security Initiative countries of the outstanding advances. INL Mexico does not anticipate handling many individual travel grants in the future, as it has entered into an

\$18 million cooperative agreement with a commercial firm to provide operational and logistical services to process invitational travel.

Program Metrics and Performance

INL Mexico's leadership team has perceived a need to improve the type of metrics used to measure the efficacy of its programs. INL has contracted a company and is working with the Mexican Government to establish better metrics for Merida Initiative programs. According to the INL director, metrics until now have focused on "outputs," such as the number of police officials sent for training. Measuring real changes in police force effectiveness as a result of this training, for example, is much harder to do but is more relevant. Better metrics and assessments to determine whether projects and programs are attaining their objectives is a way to "validate our strategies," per 18 FAM 057.9. Better metrics will help ensure Merida Initiative programs set clear goals with outcome-based results in order to measure and analyze program performance, in accordance with the Government Performance and Results Modernization Act (2010), as well as program evaluation standards and requirements in 18 FAM 310.

End-Use Monitoring

Tracking and accounting for property donated to the Mexican Government under the Merida Initiative is an annual requirement under the Foreign Assistance Act, Section 484. Two LE INL staff members work with the Mexican Government to track donated property. INL's end-use monitoring team conducted on-site inspections of 6.6 percent of 14,837 donated items in 2013; the 2014 figure will be about the same. Mexican Government agencies provide monitoring reports on the remainder. INL Mexico is training additional personnel to conduct on-site inspections to raise its capacity to monitor end use directly.

SamePage and Innovative Technology Platforms

On its own initiative, INL Mexico developed a project management application, called SamePage, to centralize and make easily accessible information about its many programs and projects. This innovative technology tool helps INL manage its large assistance portfolio and carry out administrative tasks, such as tracking program activities, managing spending, and running programmatic reports. The tool is accessible to Mexican officials and INL headquarters.

In addition to SamePage, INL Mexico has developed a financial module to complement the Department's financial systems. The financial module incorporates some 400 individual spreadsheets into an automated format to provide instant and accurate budget figures, facilitating financial reporting that formerly could take days to research, according to INL Mexico.

Virtual Merge

Concerns about the capability of the Department's two main financial systems to track foreign assistance has been cited in three OIG reports in the past 3 years.² The Department selected Mission Mexico to pilot Virtual Merge, a new system to synchronize financial data between the

² *Inspection of the Bureau of International Narcotics and Law Enforcement Affairs*, Report No. ISP-I-14-24, October 2014; *Inspection of the Bureau of International Security and Nonproliferation*, Report No. ISP-I-14-19, July 2014; *Inspection of the Office of the Director of U.S. Foreign Assistance*, Report No. ISP-I-11-57, August 2011.

two systems. INL Mexico has reported to the Department several problems it has faced in implementing the Virtual Merge application. INL Mexico's leadership told inspectors that Virtual Merge is creating additional work and does not accommodate the structural accounting needs of a foreign assistance program with multiyear funding that spans 10 programmatic areas.

For example, INL has contracted with a company to provide 74 staff members. INL pays the contract from 14 different project codes spanning different fiscal years and multiple programmatic areas. Before Virtual Merge, each line item represented one individual accounting stream; accountants could easily refer to that account if an issue or a need for payment should arise. With Virtual Merge, one distinct number represents all the funding streams. INL showed inspectors 38 cases where the lack of precise accounting information produces weekly errors that must be fixed manually. INL Mexico is in the process of hiring an additional accountant and budget analyst to handle the labor demands of Virtual Merge. Inspectors advised INL Mexico to continue to work with the Bureau of the Comptroller and Global Financial Services office of Global Financial Management Systems to ensure that the final version of Virtual Merge can better accommodate foreign assistance funding.

Political and Economic Sections

Embassy Mexico City has separate political and economic sections, each headed by a minister-counselor. Despite heavy workloads resulting from a broad bilateral agenda, numerous senior U.S. Government visitors, and an active Ambassador, OIG inspectors judged the political and economic sections to be adequately staffed. OIG inspectors observed that, working reasonable hours, the staff produces a high volume of quality ambassadorial briefing papers and reporting cables and maintains high morale, as evidenced in interviews and surveys. Officers in both sections, however, report that staff work supporting the Ambassador reduces their ability to do outside contact work and policy advocacy.

Advocacy and Analysis - Political and Economic Reporting

The political and economic officers, supported by a small number of officers at various consulates, produce reporting on political, economic, and security issues around the country. OIG inspectors reviewed approximately 9 months of the embassy's reporting output and 6 months of consulate reporting and found the majority of the embassy's cables to be useful, analytic reports rather than "spot" news reports or routine messages. In general, the cables are of proper length, well sourced, focus on issues relevant to Washington, and provide useful comment. The embassy's unclassified weekly highlights cables (one each on political and economic issues) allow the embassy and consulates to make short contributions that might not otherwise rise to the level of a separate cable. The embassy's political and economic leadership teams intend to increase the volume and quality of reporting coming from consulates. To this end, they conduct digital video conferencing regularly with consulate reporting officers to track current events and organize reporting and visit several consulates annually. The new director of the INL section also supports the INL staff's contributing more to missionwide political, economic, and security reporting. During the inspection, the INL staff began generating more substantive reporting in addition to its normal program reporting. The political and economic sections worked together to organize a 2-day conference in Mexico City for consulate reporting officers and newly arrived INL policy unit officers during the inspection. OIG inspectors attended several conference sessions and observed that the generally inexperienced consulate and INL

reporting officers praised the usefulness of the briefings and training offered and asked that the embassy repeat the conference annually.

Washington readers assessed the volume and quality of embassy reporting as good and cited the embassy's occasional overview cables in support of high-level visitors as useful. A few Washington analysts suggested embassy political reporting would be more valuable if it more clearly cited the sources of its information and more frequently included comments; the Ambassador cited recent releases of information under the Freedom of Information Act as a reason to avoid identifying sources. End users also hoped the mission could expand reporting on events and trends outside the capital city.

The economic section has done a series of analytic reports covering each stage of the new Mexican administration's ground-breaking reforms of market regulation in energy, telecommunications, finance, and transportation—all issues of intense interest to the U.S. Government and American businesses. The section also has directly shaped the economic agenda of the High-Level Economic Dialogue (chaired on the U.S. side by the Vice President) as well as the economic parts of the North American Leaders' Summit, which annually brings together the presidents of the United States and Mexico and the prime minister of Canada. The political section did a series of useful cables on the Peña Nieto administration's policy evolution during its first year in office, while covering well security and violence issues, human rights, internal politics, and Mexico's efforts to better secure its southern border—all focuses of Washington concern. In November 2014, the Department selected a political section reporting officer as a runner-up for the Director General's Award for Impact and Originality in Reporting. The OIG team advised the section to be more systematic in providing a comment in every substantive political cable.

Environment, Science, Technology and Health Unit

Embedded within the economic section is the environment, science, technology, and health (ESTH) unit. The unit chief reports to the economic minister-counselor and supervises one FAST officer and three LE staff members. The two officers are hard-pressed to provide sufficient coverage of the many programs, cooperative projects, and shared concerns of the U.S.-Mexico ESTH agenda. This is due, in part, to the inefficiencies inherent in the FAST officer position being "rotational," that is, the officer works a year in the consular section and then moves to the ESTH unit for a year. The ESTH unit chief each year must train a new FAST officer, who departs soon after becoming fully productive. Furthermore, the ESTH unit has responsibility for an embassy program promoting entrepreneurship, which has little direct link to essential ESTH issues and takes time away from them. The inspectors advised the economic minister-counselor, the ESTH unit chief, and the front office to consider converting the FAST rotational position to a 2-year tour and moving responsibility for the entrepreneurship program to economic officers outside the ESTH unit.

Political and Economic Resources in the Consulates General

All nine consulates general make occasional contributions to the weekly cables by the embassy's political and economic sections and produce less frequent substantive stand-alone cables. Most of the stand-alone cables focus on security and violence, which is only one aspect of developments outside Mexico City of interest to Washington. The OIG team advised the consulates and the embassy to aggregate reporting on security and violence into less frequent,

more analytic cables and broaden the scope of reporting on other topics, including economics, business, border infrastructure, and environmental issues.

Seven of the nine consulates general have at least one political/economic officer position; three of the seven have two political/economic officers. Monterrey's FAST officer position rotates to the political/economic section for 1 year after 1 year in the consular section. The short 1-year FAST tour in Monterrey's political/economic section causes a loss of continuity, requires considerable training efforts by the section chief, and lessens output. The OIG team advised the consulate and the embassy to consider assigning the Monterrey political/economic FAST officer for a regular 2-year political/economic tour, while doing the same for the consular part of the rotational position, which would become a regular 2-year consular assignment.

Among the seven consulates general with political/economic officers, Matamoros, Nuevo Laredo, and Nogales do not maintain an LE staff political/economic position to support the sole political/economic officer. The lack of LE staff support makes it difficult for a new FAST officer to learn the job and provides for no continuity when the officer departs. It is also potentially a security issue in the posts rated for danger pay because a new officer may lack important background information on local contacts. The OIG team advised the three relevant consulates and the embassy to assign a political/economic FSN position to support the FAST reporting officers.

Problems in Leahy Vetting for Foreign Assistance Training

Existing Department guidance on implementation of the Leahy Laws, which prohibit U.S. Government-funded training for security forces involved in human rights violations, have impeded the embassy's efforts to implement the Merida Initiative, one goal of which is to professionalize Mexico's security forces. Under current Department guidelines, it is difficult to clear an individual's or a unit's record. The varied human rights record of Mexican security forces results in a large workload for the political section's five-person Leahy vetting unit. Embassy Mexico City has the second-largest Leahy vetting workload in the world after Colombia.

Department and other agency officers at the embassy and in Washington told inspectors before and during the on-site inspection that developing guidance on a "remediation policy" that would provide clarity on the standards and procedures for determining whether a unit that has been involved in a human rights violation is now eligible for training would be the best way to meet the dual goals of Leahy compliance and security force professionalization/reform. Subsequent to the on-site inspection, the OIG team learned the Department is nearing completion of a high-level interbureau review of a Leahy remediation policy, which may provide an initial resolution of this longstanding issue.

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Interagency Cooperation in Law Enforcement

More than a dozen law enforcement agencies operate at Mission Mexico. The inspection team interviewed representatives of all mission-based law enforcement agencies who reported generally good cooperation with Department sections—such as political, economic, consular, public affairs, and INL—and good coordination under the oversight of the Ambassador and the deputy chief of mission through their chairmanship of the biweekly law enforcement working group that focuses on operational issues. The lead Drug Enforcement Administration agent coordinates preparation of the agenda. The Ambassador and the deputy chief of mission also

³ The Freedom of Information Act provides that any person has the right to request access to Federal agency records or information. The President's emphasis on transparency in government operations is outlined in his Presidential Memorandum, published on July 2, 2013. Pursuant to the Freedom of Information Act, all executive agencies are required to disclose records upon receiving a written request, except for those records protected from disclosure by nine exemptions to the statute, as well as three law enforcement record exclusions per 5 U.S.C. § 552.

oversee the related rule of law working group, which focuses on assistance and meets every 2 weeks, alternating weeks with the law enforcement working group. INL coordinates the agenda of the rule of law working group. The political counselor chairs the monthly southern border strategy working group. For both the law enforcement and the rule of law working groups, additional subgroups with select agencies meet as needed to discuss issues of common interest. The Ambassador and the deputy chief of mission can convene special coordination meetings. Key members of both working groups also meet daily with the Ambassador during his press briefing.

Public Diplomacy

Section Management

The information section briefs key members of the country team, led by the Ambassador, every day on top news stories. The front office urges all sections and agencies to feed important mission messages to the public affairs section for broadcast to the public, using a variety of social and traditional media tools. The front office also cited public affairs programs, such as *Jóvenes en Acción* and the Fulbright program, as among the three most important programs administered in the country. The public affairs officer, however, must give more attention to planning, budgeting, and grants processing.

The public affairs officer, according to survey questionnaires and interviews, has improved the flow of information within the public affairs section and to the constituent posts. At the time of the inspection, the mission lacked a permanent cultural affairs officer and a rehired annuitant filled the position. Without a permanent cultural affairs officer, the public affairs officer has added to her workload by taking on many of the duties, such as the education portfolio, that typically reside with the cultural affairs officer, diminishing her ability to focus on larger section management issues. The OIG team concurs with Embassy Mexico City in urging the Department to find a permanent cultural officer.

Coordination among the public affairs section and other embassy sections and agencies is good. Other sections and agencies actively participate in the international visitor leadership program, nominating countrywide a total of 115 candidates for 40 visitor slots for programs that began in FY 2015. Although embassy sections and other agencies participate in the selection of final International Visitor Leadership Program grants, the constituent posts do not, despite nominating a number of the candidates being considered. Inspectors advised the public affairs section to use the mission's digital video conferencing system to give the constituent posts a voice in the final selection process.

The arrival of a new Ambassador is an opportunity to periodically review the section's strategic focus to accomplish mission goals. Public affairs sections throughout Mexico design programs for underserved communities, which they define as indigenous peoples; at-risk young people; lesbian, gay, bisexual, and transgender communities; people with disabilities; poor communities; and women. Messages from the White House and from the Department encourage engagement of underserved communities. However, given the limited resources in the public diplomacy budget, the OIG team advised the public affairs officer to strike the right balance between identifying the future leaders of Mexico and focusing (as directed by the Department) "as appropriate and possible" on promoting underserved groups.

American Spaces

The Benjamin Franklin Library, inaugurated in 1942, is the flagship American Space for Embassy Mexico City. The Bureau of International Information Programs designated it a model American Space, and the Bureau of Western Hemisphere Affairs considers it one of the most strategically important American Spaces. During FY 2014, the library hosted 53,402 visitors, making it a major platform for the embassy's public diplomacy programs. The library is also a venue for public outreach events by other embassy elements. The regional information resource officer, the regional English-language officer, and the regional educational adviser are all located at the Benjamin Franklin Library.

The library is scheduled to move to the new embassy compound when that facility is completed in 2020. The embassy estimates an initial 50-percent drop in visitor traffic due to additional security requirements, although they intend to regain visitor traffic over time through a public outreach campaign. In the intervening years, Embassy Mexico City will modernize the library. The OIG team concurs with the need for modernization to maintain target audiences' interest.

The Bureau of Diplomatic Security has not yet responded to Embassy Mexico City's July 16, 2014, cable (14 Mexico City 4424) requesting consideration of six principles of public access to American Spaces on embassy compounds (e.g., allowing visitors to American Spaces to bring in their electronic devices). Open access libraries and cultural centers are a legacy from a preterrorist era. Even though they are an important and effective public diplomacy platform, stand-alone, low-security buildings are no longer tenable, and these facilities are being incorporated into new embassy compounds. The challenge is to balance the need for security with the need to create spaces that function as outreach platforms. Agreement on proper risk management by the Bureaus of International Information Programs, Diplomatic Security, and Overseas Buildings Operations is urgent because Mexico City is moving ahead with plans for a new embassy compound.

Recommendation 20: The Bureau of Diplomatic Security should respond to Embassy Mexico City's July 16, 2014, cable on open public access for the Benjamin Franklin Library and conclude negotiations with the Bureau of International Information Programs and the Bureau of Overseas Buildings Operations. (Action: DS, in coordination with IIP and OBO)

Cultural and Educational Exchanges

In May 2013, President Obama and President Peña Nieto announced the U.S.-Mexico Bilateral Forum on Higher Education, Innovation, and Research (hereafter referred to as the Bilateral Forum). The Bilateral Forum complements President Obama's "100,000 Strong in the Americas" initiative to increase student mobility between the United States and countries of the Western Hemisphere. The Bilateral Forum is a public-private partnership that seeks broader access to education abroad for Mexican students and especially, but not exclusively, for underserved demographic groups in science, technology, engineering, and mathematics. On the U.S. side, it is an unfunded initiative that incorporates the existing Fulbright program.

The 2014 Open Doors report indicates that Mexico sent 14,779 students to the United States in the 2013–2014 academic year and 3,730 U.S. students took courses for academic credit in Mexico in 2012–2013. Under "Proyecto 100,000," the Government of Mexico aims to send

100,000 Mexican students to the United States and to attract 50,000 U.S. students to Mexico by 2018.

Under the Bilateral Forum, the two governments have convened six working groups to increase educational exchanges, leading to a joint action plan. The Government of Mexico and donations from the private sector entirely fund the Bilateral Forum annual budget. The Bilateral Forum selected the Fulbright Commission of Mexico to implement these programs.

The commission, established in 1992, has five Mexican and five U.S. members drawn from both government and the private sector. The U.S. Government contributed \$2.2 million in FY 2014, and the Government of Mexico contributed \$3.7 million. In FY 2014, 92 students, scholars, and researchers will go to each country. The commission does not raise funds for the Fulbright program. The executive director stated that "we already have more money than we can use." The OIG team advised that fundraising is a useful tool, especially in preparing for the future should Government funding decrease from current levels.

Budget

The current budget approval process has many steps and requires much attention from the country public affairs officer, who needs to focus on strategic goals. Public affairs officers in constituent posts are asked to submit a notional budget at the beginning of each fiscal year and then submit additional concept papers throughout the year to request funds for a specific project. The current public affairs officer is beginning to make changes to this process, including streamlining the concept paper. She holds twice-monthly digital video conferences and also has begun holding individual telephone conferences on budget issues. It is important that she make budget decisions early in the fiscal year to give her counterparts in constituent posts more responsibility to implement the budget and then to be held accountable.

Recommendation 21: Embassy Mexico City should streamline the public diplomacy budget process by making budget decisions regarding the constituent posts early in the fiscal year. (Action: Embassy Mexico City)

Fundraising

The public affairs section raises funds in the private sector in Mexico City, Monterrey, Guadalajara, and Ciudad Juarez. Fundraising from the private sector is a legitimate activity for an embassy public affairs section to undertake, as defined in 2 FAM 960, but the consulates general may not be in compliance with FAM regulations for fundraising: companies that are solicited for funds have not been vetted for conflict of interest or criminal connections, as required in the FAM; the consulates do not collect data on hours worked by FAST officer volunteers or LE staff members; and Guadalajara reports that the consulate general raised \$155,000 but did not follow 2 FAM 962.9 (4) and (5) guidelines for requesting Department authorization.

The OIG team reviewed Consulate General Monterrey's fundraising efforts for the "Green Race," an activity that the Consulate began 6 years ago to raise public awareness of environmental preservation. In August 2014, 6,000 people attended the associated festival and 4,000 people ran in the race. The event raised \$60,416 and resulted in the planting of 17,500 trees,

In 2013, Consulate General Guadalajara implemented its own version of the Green Race that has similar and additional concerns: donor companies are not vetted; the consulate does not record the hours worked during normal working hours or any overtime claimed by FAST volunteers; and consulate staff also meet with potential sponsors along with nongovernmental organization representatives. The OIG team advised the country public affairs officer to visit the consulates general to oversee the process. The consulates have not established a time horizon and process to pass ownership of the project to local organizations so that it becomes sustainable with or without consulate participation.

Recommendation 22: Embassy Mexico City should develop and implement a strategy for shifting responsibility for fundraising and organization, that is, sponsoring the Green Race for local nongovernmental organizations. (Action: Embassy Mexico City)

Media Engagement

The public affairs section has teamed up with the Mexican President's office of international media to establish a joint communications strategy to coordinate on a regular basis, ensuring consistent messaging on the trade and economic relationship and other aspects of bilateral relations. As a result, the two governments are able to diffuse issues that might otherwise cause friction if aired first in the media without prior consultation.

Social Media

In its efforts to unify the public messaging, Mission Mexico relies on social media as a messaging tool to reach their target audience of younger, middle class, and well-educated users. The public affairs section tracks shares, retweets, and comments on what they broadcast as indicators of engagement. As a measure of effectiveness, the section reports 8 Facebook posts with more than 500,000 views in summer 2014, primarily because of viewer message-sharing.

The Ambassador held seven meetings in 2014 with agency and section heads to emphasize the importance of working with the public affairs section on getting out the message on social media. The information office uses Facebook primarily to broadcast messages and to get feedback on embassy activities. The site's "likes" have increased from 350,000 in January 2014 to more than 700,000 by the end of 2014, making it the top-rated Facebook site within the Bureau of Western Hemisphere Affairs. The Twitter audience more than doubled in 2014.

The public affairs section's monthly social media report is a valuable tool in analyzing trends in social media and public view of the mission. The social media team follows and reports on anything that might affect the image of the United States, including tweets by key political and social influencers.

Consular Affairs

Mission Mexico's consular operation is the Department's largest, comprising the consular sections in the embassy, nine consulates general, and nine consular agencies. The workload for Mexico's American citizens services unit far exceeds that of any other country. The unit issued more than 58,000 passports and 7,000 consular reports of birth and registered more than 6,900 arrests of U.S. citizens in FY 2013. Its immigrant visa workload is similarly the largest in the world,

with more than 94,000 immigrant visas issued in FY 2014. Mexico's nonimmigrant visa workload—with 1.8 million applications processed in FY 2014—is second only to China.

In addition to sheer volume, consular work in Mexico is complex. The shared border region between the United States and Mexico facilitates travel, and although it works to the benefit of both countries, it also underscores the role consular officers play every day ensuring the welfare and well-being of U.S. citizens and protecting our border from narcotics traffickers, money launderers, and gangs. Consular work differs greatly at different posts in Mexico. Visa and American citizens services work at consulates and consular agencies in the border areas is very different from that at interior posts, making efforts to standardize operations challenging.

Crisis Management

The inspection team arrived in Mexico City 1 week after the mission concluded its crisis response to Hurricane Odile, a Category-3 hurricane that made landfall in the state of Baja California Sur on September 14 during a long Mexican holiday weekend. The hurricane devastated resort areas and affected thousands of American and other tourists. The embassy's response included evacuating an estimated 10,000 U.S. citizens to safety over a 4-day period. The inspection provided an opportunity for the OIG team to observe the effectiveness of the mission's crisis response.

Staff members from each of the mission's nine consulates and nearly all sections and agencies in the embassy joined in the effort. Teams from all over Mexico traveled to the cities of Los Cabos and La Paz in the affected area to help evacuate Americans; others traveled to airports in Tijuana, Mazatlán, Guadalajara, Monterrey, and Mexico City to assist arriving evacuees in need of medical attention or help with onward travel.

Subsequently, the embassy front office called for a lessons-learned review of the mission's response to help it prepare for future natural disasters. The exercise began in different sections of the embassy and, as a result, has yet to produce a fully integrated set of cross-functional recommendations that take into account the roles that nonconsular embassy sections and other agencies, as well as the constituent posts, need to play in responding to a sizeable natural disaster. For instance, embassy staff of some agencies that played key roles in mounting the response—including the Transportation Security Administration attaché and the U.S. Customs and Border Protection representative—had not previously been involved in the embassy's crisis planning or crisis management exercises. Those officials were not familiar with the roles they might play in a crisis response; likewise, staff at the consular agencies were not fully integrated into crisis planning, exercises, and drills. Many employees of these agencies have extensive experience responding to crises, have extensive contacts among host government authorities, and are experts on Mexican Government crisis plans and resources. Yet staff of some consular agencies reported they were sometimes left out of crisis exercises and planning. Furthermore, staff of the embassy's management section was similarly not alert to the likelihood that their participation—such as approving travel authorizations on short notice—might be critical in a crisis.

In a cable produced by the consular section, the embassy recognized the need to adopt a missionwide approach to crisis preparedness, conduct robust crisis response exercises that

involve the entire mission, and call on agencies that in the past were not included in such activities.

OIG Inspectors noted the mission had taken an important first step in starting the lessons-learned process but advised the front office to keep that process going until it produced an integrated result that all concerned agreed was a good blueprint for a future contingency. Inspectors also encouraged the MCCA to use Mexico's lessons-learned experience to engage the Department's Operations Center Crisis Management Staff in developing a global missionwide checklist for response to natural disasters that would expand on the Crisis Preparedness Scorecard used by embassy consular sections globally.

Consular Agencies

Mexico's nine consular agencies play a major role in fulfilling the mission's American citizens services function, providing routine passport, citizenship, and notarial services as well as other vital special consular services. Several of the agencies are among the busiest in the world, surpassing the volume of American citizens services provided in many U.S. embassies. In FY 2013, the agency in San Miguel de Allende accepted 2,452 passport applications and 198 applications for consular reports of birth. During the same period, agencies in Cancun and Puerto Vallarta carried out 531 and 478 special consular services (such as missing persons, judicial services, serious physical injuries, and arrests), respectively. The agencies are located in major tourist destinations and centers where large groups of U.S. citizens reside, often at significant distances from consulates and the embassy. Consular agents and their LE colleagues can respond to emergencies in minutes, a time frame that would be difficult or impossible for the consular sections to replicate.

OIG inspectors noted that although some consular agencies used appointment systems to manage routine services, others did not. The Bureau of Consular Affairs recommends the use of appointment systems to manage workload. The OIG team advised consular managers to review the use of appointment systems at consular agencies.

The manner in which after-hours telephone calls are managed sometimes created for consular agencies extra work that would more appropriately be handled by the agency's supervisory consular section staff. The OIG team counseled the embassy on the need to establish clear guidelines governing how to manage after-hours telephone calls.

The embassy has rented a new facility to house the consular agency in Playa del Carmen. Work on the necessary modifications had not begun at the time of the inspection. Additionally, the OIG team noted thematic physical security shortcomings at multiple consular agencies, the specifics of which are provided in the classified annex to this report.

Hurricane Odile severely damaged the consular agency facility at Los Cabos. At the time of the inspection, the facility remained closed pending repairs and agency staff members were responding only to requests for emergency services. Facilities maintenance staff at Consulate General Tijuana was evaluating when or if the facility at Los Cabos could reopen. Consulate General Tijuana was working with the embassy to explore options, including relocating the facility.

American Citizens Services

Mission Mexico provides more services for U.S. citizens than any other mission, and workloads are growing. Mexico's MCCA has identified the need to increase support for American citizens services as a priority and is examining staffing and resources at the embassy, constituent posts, and consular agencies to identify requirements. Two particular areas of concern are the mission's ability to visit incarcerated U.S. citizens and the need to document and provide consular services to several hundred thousand U.S. citizen children.

The U.S. citizen prisoner population in Mexico in FYs 2013 and 2014 numbered approximately 1,000 persons held in 143 prisons throughout the country. Some prisons are located hours away from the nearest consular post, and others require special travel arrangements because of security conditions. For several years, Mission Mexico has been unable to comply with 7 FAM 433.2-1, which requires consular visits to prisoners monthly before they are sentenced. Because of the mismatch between American citizens services resources and Mission Mexico's large prison population, the embassy requested—and the Bureau of Consular Affairs approved—waivers of these provisions for most posts, which authorized consular visits on a less frequent basis. However, the recently arrived MCCA believes—and OIG inspectors concur—that prison conditions in Mexico and reports of abuse and mistreatment of prisoners call for adherence to the frequency of visits that the FAM mandates.

The Bureau of Consular Affairs' automated system for managing American citizens services cases is very limited. To better track and manage cases—such as those of arrested U.S. citizens and abducted children—Mission Mexico has developed a number of Excel spreadsheets to enable managers to track and take action on certain American citizens services issues. These spreadsheets provide managers increased visibility on countrywide workloads and trends and enable them to better coordinate representations made on behalf of U.S. citizens. One spreadsheet compiles reported cases of abuse and mistreatment of U.S. detainees; this permits consular managers to determine where abuse is occurring and to raise such cases not only with local authorities but with the Federal Government. Another spreadsheet tracks case status of U.S. prisoners by consular district so that consular personnel can schedule visits to prisoners in a way that maximizes use of U.S. Government resources. A third spreadsheet tracks the status of child abduction cases to allow for more effective interventions with Mexican federal authorities.

The U.S. Department of Homeland Security reports that it removed or returned more than 1.8 million Mexican nationals from the United States between FYs 2010 and 2013. Many of these individuals brought their U.S.-born children with them to resettle in Mexico. The Government of Mexico estimates that approximately 600,000 children born in the United States to migrant parents now reside in Mexico. This is a uniquely vulnerable population that the MCCA has identified as a key constituency. Most of their families live in economically and socially precarious situations, and the children do not have the proper documentation to attend schools or access social services. Consular sections are partnering with Mexican Governmental and private organizations to identify, reach out to, and document these children with U.S. passports. This population will require consular services throughout their lifetimes unless they return to the United States.

Many children lack documentation as either U.S. or Mexican citizens, creating challenges for both the U.S. and Mexican Governments. In addition to its in-country efforts, Mission Mexico has proposed that the domestic passport agencies of the Bureau of Consular Affairs contribute to

this effort with targeted Spanish-language outreach to Mexican migrant communities in the United States in order to encourage passport applications for U.S.-born children before they leave and thereby to ease their reentry into Mexican society. The Department's Passport Services Community Outreach Guide 2014 identifies subjects such as these as members of the Primary Target Audience for passport outreach. Joint outreach between domestic passport agencies and the Mexican embassy and consulates in the United States to encourage registration of such children as Mexican citizens would provide even greater benefits.

Recommendation 23: The Bureau of Consular Affairs should implement a plan for domestic passport agencies to conduct targeted Spanish-language outreach to Mexican migrant communities in the United States to encourage passport applications for U.S.-born children. (Action: CA)

Visa Services

Embassy Mexico's enormous visa operation is particularly challenging because nonimmigrant visa demand is not distributed evenly across the country. Although 8 of the mission's 10 consular sections have sufficient staff and facilities to meet demand for nonimmigrant visa appointments, 2 sections—Mexico City and Guadalajara—were struggling to keep up with demand because of an insufficient number of interview windows. This limits the number of interviews they can perform each day even if they augmented staff. The Department has plans for new facilities in Mexico City that should provide adequate numbers of interview windows there in the next 5 years or so. However, the Department does not have a plan for dealing with the inadequate facilities in Guadalajara, despite OIG recommendations that it do so urgently in 2009 (see the Management Section of this report for more information on this subject).

In the interim, consular managers have used a variety of strategies to boost productivity in Mexico City and Guadalajara within their limited facilities. These include transferring interview waiver casework from Mexico City and Guadalajara to other consulates that have greater capacity and augmenting the staff by bringing officers and LE staff members from other consulates to Mexico City and Guadalajara on temporary duty. At the time of the inspection, consular managers experimented with a 2-week visa surge in Guadalajara. Consular staff—augmented by temporary duty staff from other posts—interviewed visa applicants in two shifts per day. This took better advantage of the limited number of interview windows and reduced the number of visa applicants awaiting appointments.

Such efforts help meet demand for visas but are expensive and difficult to sustain. Despite these actions to reduce the strain on visa operations in Mexico City and Guadalajara, many of the entry-level consular officers who perform visa interviews in those cities described a relentless pace of work. They expressed concern that they had no time for training or the professional development activities necessary to compete successfully for tenure, promotion, and future assignments.

At the time of the inspection, the MCCA and consular managers were working to restore balance in the visa units. The OIG team encouraged the MCCA and consular managers to continue their efforts to better match personnel and workload at posts throughout the mission. Striking the right balance between meeting demand for visas and supporting professional development will continue to be a challenge in the short term. Longer-term solutions will likely

include eventually transferring some staff positions from other posts to Mexico City and Guadalajara or establishing new positions.

Problems with consular systems occurred before and during the inspection, which created significant delays in processing of nonimmigrant visas. The worldwide failure of the Bureau of Consular Affairs' Consular Consolidated Database in July 2014 created extensive delays at the busiest time of the year. During the inspectors' visit to Mexico City, a failure of the remote data system caused staff to reschedule appointments for approximately 1,200 visa applicants over a 2-day period. These applicants had to leave the section and return later—a considerable personal inconvenience for them. Other Mexican posts experienced similar problems, although to a lesser extent. These systems failures, which are beyond consular managers' control, continue to be a global problem.

Immigrant visa workload at Consulate General Ciudad Juarez has been trending down, with approximately 94,000 immigrant visas issued in FY 2014, as opposed to 149,014 in FY 2008. The reasons for this drop appear to include a low rate of response from Mexican nationals and a surge of 250,000 approved petitions forwarded from the U.S. Department of Homeland Security to the National Visa Center (NVC), which caused processing delays. As of early October 2014, approximately 268,000 visa cases remained at NVC waiting for Mexican nationals to provide required documents.

Consulate General Ciudad Juarez, the Bureau of Consular Affairs, and NVC are considering a pilot project whereby some of these cases would be transferred to the Ciudad Juarez consular section, where consular officers and LE staff members would work directly with applicants to address deficient documents. This proposed change in processing, which the Bureau of Consular Affairs is reviewing, could clear a substantial backlog of immigrant visa cases. The OIG team supports further exploration of ways that Consulate General Ciudad Juarez could accept minimally qualified immigrant visa cases from NVC for adjudication.

In a survey of adjudication reviews in Tijuana's consular section, inspectors found that consular managers were not consistently reviewing nonimmigrant visa adjudications in the numbers and categories required by 9 FAM 41.113 PN 17 and 9 FAM 41.121 N 2.3-7. Systematic, regular review of visa adjudications is a significant management and instructional tool that ensures uniform and correct application of applicable law and regulations.

Recommendation 24: Embassy Mexico City should require Consulate General Tijuana to perform nonimmigrant adjudication reviews in accordance with Department of State regulations. (Action: Embassy Mexico City)

Consular Fraud

Consular fraud detection and prevention in Mexico are shared by two separate entities—the fraud prevention units in each of Mexico's 10 consular sections and the assistant regional security officer for investigations (ARSO-I) and their staffs in all consular sections except Merida's. Fraud prevention units, led by consular officers, investigate fraud in passport and visa casework, conduct trend analysis and reporting, engage in fraud prevention outreach, provide fraud training, and liaise with nonconsular contacts. The ARSO-Is are diplomatic security special agents charged with investigating consular fraud—both visa and citizenship—when it rises to

the level of criminal activity as well as developing law enforcement contacts and providing training.

The focus of fraud work differed significantly across the mission. For example, the focus in Ciudad Juarez, which processes all Mexico's immigrant visas, was on immigrant visa fraud, although in Monterrey, which in FY 2013 processed more than 71,000 H-2 visas for temporary workers, the focus was on that category of visa fraud. This difference in focus is appropriate given the different casework at each post.

Inspectors observed differences among fraud prevention units at posts in terms of procedures, standards for accepting cases, and guidance that caused inconsistencies in referrals for fraud investigation. The OIG team advised consular managers about the need to better harmonize policies and practices. The regional fraud prevention manager, who has responsibility for oversight of fraud prevention units missionwide, had begun developing a plan for better coordination and harmonization among fraud prevention units before the inspection team left the mission.

Similarly, inspectors found inconsistencies in some procedures and practices in ARSO-I operations in posts across the mission. The OIG team advised the deputy regional security officer for investigations,, who has missionwide responsibility for all ARSO-Is, on the need for standardization. The deputy regional security officer for investigations was developing standard procedures for use by ARSO-Is missionwide.

At the time of the inspection, the embassy was preparing a request to the Department to add a second ARSO-I in Mexico City and Ciudad Juarez. Mission management had earlier decided against requesting an ARSO-I for Consulate General Merida. The OIG team believes an ARSO-I position in Merida is warranted and worthy of reconsideration.

During the inspection, Mexico's fraud prevention manager was organizing an annual conference aimed at improving cooperation between the wide range of governmental and private entities that play roles in the process that sends tens of thousands of temporary agricultural workers to the United States from Mexico each year. The conference in Dallas, Texas, in December 2014 would bring together representatives of the Bureau of Consular Affairs, the U.S. Department of Labor, the U.S. Department of Homeland Security, Mexican immigration, labor officials, and labor recruiters who select and prepare Mexican applicants for the process. The objectives of the conference are to provide information about temporary workers' rights under U.S. law, help recruiters better prepare workers for the application process, familiarize all entities with the process, and address the challenges created by U.S. employers and Mexico-based recruiters who do not adhere to legal standards and procedures. The OIG team applauds this initiative, which is particularly impressive because of its scale and scope.

Consular Staffing

Consular sections throughout the mission have been chronically understaffed at the mid-management level. The Bureau of Consular Affairs is adding 11 consular positions, some of them deputy unit chief positions, to Mission Mexico. Until these positions are filled, the embassy is putting its most experienced entry-level officers in these positions and backfilling their line officer positions with temporary duty officers from other posts. Although additional managers

will alleviate many supervisory shortfalls, it is likely that Mexico City and Guadalajara will still need additional deputies so that consular management controls can be carried out and entry-level officers receive adequate guidance and feedback.

Consular manager positions are often staffed by officers one or even two grades below the positions they fill. Although the OIG inspectors saw several instances in which such officers were turning in superior performances, more often than not, lack of experience resulted in inefficiencies and lower morale. In other instances, at-grade managers lacked appropriate training, experience, skills, and, in some cases, had history of low performance. The OIG team advised senior consular officers to mentor and coach these officers to develop their skills and to document performance issues through counseling and evaluation. In addition, however, it is also incumbent on the Bureau of Consular Affairs to assign mid-level supervisors with appropriate levels of past performance and professional skills to posts with large numbers of FAST officers, such as those in Mexico.

Workloads at some consular sections are growing, while declining at others. The mission has established a number of practices to resolve mismatches between consular staffing and workloads, such as using officer and LE staff temporary duty assignments, distributing visa applications that do not require interviews to posts with excess capacity, and shifting officers among units. Determining proper staffing levels is complicated by the fact that workloads can be cyclical (for example, border crossing card renewals spike every 10 years). In addition, facility or ICASS limitations prohibit staff growth. The MCCA's office is examining American citizens services and consular agency staffing requirements. OIG inspectors advised consular managers on the need to reposition consular staff to meet visa workload and/or to push that workload more aggressively to posts with excess capacity.

In addition to their core consular responsibilities providing visa, American citizens, and fraud prevention services, entry-level officers at all posts have been assigned consular and nonconsular projects to advance mission priorities and to develop their own skills. The OIG team advised consular supervisors and post leadership that it would be beneficial to develop a clear policy regarding these portfolios so that assignment procedures are transparent and that officers have sufficient time during the work day to complete their projects along with core responsibilities. (These issues are further discussed in both the Leadership and Visa Services sections of this report.)

Consular Coordination

Since the OIG's last inspection in 2009, the MCCA office has implemented a number of initiatives to coordinate, standardize, and harmonize consular operations throughout Mexico. These include designating the embassy's nonimmigrant visa, American citizens services, and fraud prevention unit chiefs as countrywide coordinators for those functions and using digital video conferencing to discuss cooperation across functional units. The MCCA has continued and expanded these efforts. New initiatives include a metrics program to drive performance, a working group to coordinate training at posts throughout the mission, a program to reduce duplication, and a mid-level officer leadership development program.

Consular personnel at smaller posts and those with limited or no excess capacity reported that they are beginning to feel overwhelmed by the MCCA's agenda and the growing number of

these projects. They are not sure how much time and manpower to devote to them, given other demands on their time. Inspectors advised the MCCA to review and prioritize these initiatives to better balance consular workloads, projects, and professional development programs.

Consular personnel at or near the U.S.-Mexican border also noted to consular inspectors that unusual features of their workload placed limits on the degree to which operations should be harmonized and harmonized countrywide. The two most frequently cited examples were (1) the often time-consuming need to resolve law enforcement-related visa ineligibilities—mostly narcotics trafficking and gang associations—or applicants living near the border, and (2) the difficulty in determining whether U.S. citizen parents who divide their time between the United States and Mexico possess sufficient presence in the United States to transmit citizenship to their children born in Mexico. The inspectors advised the consular managers to consult with constituent posts to ensure their concerns are taken into consideration in developing countrywide procedures.

Innovative Practice: Outreach to Vulnerable U.S. Citizens (LP)

Issue/Challenge:

The Mexican *Secretaría de Gobernación* estimates that nearly 600,000 U.S. citizen children live in Mexico. Providing routine and special services to this population is challenging, given limited consular resources, the precarious economic and social situations of their families, and their location far from U.S. Government offices.

Background:

The U.S. Department of Homeland Security reports that more than 1.8 million Mexicans were removed or returned from the United States from FYs 2010 to 2013. Unknown numbers of Mexicans also returned voluntarily. Many returned Mexicans were accompanied by U.S. citizen children who often had not been previously documented as either U.S. or Mexican citizens, which impedes their access to Mexican social services and schools. Their parents are often poor, do not have access to the Internet to learn about procedures, and are often fearful or unable to come to a consular office.

Innovative Practice:

Mission Mexico's "Get Documented" outreach program partners with Mexican federal, state, and local authorities to reach out to this vulnerable population. For example, American Citizens Services personnel have trained Mexican state organizations to assist parents in obtaining U.S. birth certificates and preparing passport applications; these organizations provide transportation for applicants to U.S. consular facilities.

Benefit:

Early documentation as U.S. citizens facilitates adjudication of passport applications and makes fraud easier to detect. It also allows these children to enroll in school in Mexico and access other social services. When they grow older, they can more easily obtain Mexican identification cards and find employment.

Contact:

Karin Lang, American Citizens Services Chief and Regional American Services Coordinator, Embassy Mexico City, langkm@state.gov.

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	530	151	1,266	1,947	\$255,866,628
Program	164	7	54	225	\$6,521,300
ICASS (Traditional + Overseas Buildings Operations + Diplomatic Security)	33	62	563	658	\$36,808,500
Overseas Buildings Operations	5		4	9	\$23,093,573
International Narcotics and Law Enforcement	32	12	59	103	\$148,131,000
Marine Security	21		6	27	\$392,714
DS H&L Visa Fraud	10	1	9	20	\$1,548,546
International Security and Nonproliferation	1		2	3	\$1,291,000
Diplomatic Security	26	14	92	132	\$4,271,639
Consular Affairs	225	55	420	700	\$27,986,394
Office of Antiterrorism Assistance	0		1	1	\$340,900
Public Diplomacy	13		56	69	\$5,481,062
U.S. Department of Agriculture	15	0	33	48	\$8,872,205
Animal and Plant Health Inspection Service	7		116	123	\$6,450,409
APHIS Preclearance	0		109	0	\$711,867
Foreign Agriculture Service	4		7	11	\$794,210
Office of Capacity Building and Development	0			0	\$3,500
Agricultural Trade Office	3		8	11	\$745,295
Agriculture Research Service	1			1	\$166,924
U.S. Department of Defense	57	1	10	68	\$3,823,430
Defense Intelligence Agency	22	1	5	28	\$1,248,982
Defense Security Cooperation Agency	6		5	11	\$887,000
Navy - JIATF West				0	\$125,000
Army - HQDA DCSPER Students at Foreign Civilian				0	NP
Army - Southcom, Tactical Analysis Teams	4			4	\$78,653.00
U.S. Northern Command	14			14	\$1,361,000
Navy - Office of Naval Intelligence	1			1	\$5,648.00
JIATF - North	1			1	\$117,146.59
Army FAO Student Program	2			2	NP
Olmsted Scholar	4			4	NP
Army English Language Institute	2			2	NP
Navy English Language Institute	1			1	NP
U.S. Department of Justice	169	15	53	237	\$9,228,465
Drug Enforcement Administration	105	6	31	142	\$1,400,000
U.S. Marshals Service	11		2	13	\$704,850.00

~~SENSITIVE BUT UNCLASSIFIED~~

Criminal Division	3	5	1	9	\$365,930
Overseas Prosecutorial Development, Assistance, and Training	5	1	4	10	\$3,327,412
Federal Bureau of Investigation – Legislative Attorney	32		4	36	\$1,016,365
Office of International Criminal Investigative Training Assistance Program	2			2	\$725,100
Bureau Alcohol Tobacco and Firearms	11	3	11	25	\$1,688,808
U.S. Department of Homeland Security	78	3	38	119	\$4,292,581
U.S. Secret Service	3		2	5	\$104,920
Transportation Security Administration	1		1	2	\$181,200
Citizenship and Immigration Services Refugee, Asylum & International Operations	10	1	16	27	\$1,621,358
Citizenship and Immigration Services Fraud Detection and National Security (Monterey)	0			0	\$48,733
Immigration and Customs Enforcement International Affairs Office	47	2	15	64	\$1,375,000
Customs and Border Protection International Affairs Office	14		3	17	\$768,899.00
Office of the Secretary & Executive Management	1		1	2	\$114,324.00
Customs and Border Protection Air and Marine	2			2	\$78,146.89
Foreign Commercial Service	10	1	35	46	\$2,983,471
U.S. Foreign Commercial Service	9	1	35	45	\$2,700,083
Commerce Patent and Trade Office	1			1	\$283,388
U.S. Agency for International Development	18	0	24	42	\$56,852,163
Operating Expenses, Missions	18		7	25	\$2,100,000
Development Assistance			17	17	\$54,752,163
U.S. Department of the Treasury	6	1	2	9	\$691,125
Internal Revenue Service	2		1	3	\$135,824.16
Office of International Affairs	1			1	\$117,862.00
Office of Foreign Assets Control	2	1	1	4	\$241,427.00
Financial Crimes Enforcement	1			1	\$196,012
Open Source Center			1	1	\$5,260
Health and Human Services - Social Security Administration	1		40	41	\$2,147,029
Department of Veterans Affairs	0		2	2	\$84,345
Peace Corps	2		3	5	\$1,932,247
American Battle Monuments Commission	1		2	3	\$320,058
Food and Drug Administration	4		3	7	\$528,200
CDC/CGH Global Immunization Division (Goldstain)	1			1	\$38,750
CDC/(Division of Global Migration and Quarantine) Villarino	1			1	\$63,422
Total	893	172	1,639	2,704	\$347,729,379

*Staffing totals reflect authorized positions not actual personnel.

Notes: NP, not at post; APHIS, Animal and Plant Health Inspection Service; JIATF, Joint Interagency Task Force; CDC, Centers for Disease Control and Prevention; CGH, Center for Global Health.

Source: Embassy Mexico City, Mexico.

Management Operations

Mission Mexico's management section reports that Department and other agency staffing growth is straining its administrative support platform. From 2009 to 2014, the embassy added 146 U.S. direct-hire and 223 LE staff positions. During the same period, Mission Mexico added only 2 U.S. direct-hire and 75 LE staff members to its ICASS platform. These increases coincided with lengthy staffing gaps in units and the Department's 2:1 hiring freeze that was in effect from March 2013 to March 2014. This prevented the embassy from filling 62 vacancies and adding positions to support staffing growth. Mission Mexico supported an average of more than 5,523 visitors annually and was in the midst of several major construction projects, all of which were disruptive to operations. Mission Mexico estimates that it will need 4 U.S. direct-hire and 51 LE staff members to manage current workloads and improve customer service. Mission Mexico also cited poor office facilities, inadequate space, and insufficient travel and training budgets as barriers to providing better customer support.

Communication and Coordination

The minister-counselor for management affairs views communication with constituent posts as crucial to management operations. She traveled to all nine consulates at least annually in her first 2 years at the embassy. She also conducts weekly digital video conferences and telephone conferences with the nine consulate management officers to coordinate action, share information, and discuss missionwide issues. The consulate management officers uniformly praised the support the minister-counselor for management affairs provides to their constituent posts.

Customer Satisfaction

Despite some anecdotal customer complaints in OIG and Mission Mexico surveys, Mission Mexico received good customer satisfaction scores, on average. In 2014, the combined missionwide ICASS scores exceeded 4 on a 1–5 scale in 20 of 30 services. Basic package; residential building operations and maintenance; shipping and customs; cashiering; and furniture, furnishings, and appliance pool scores were slightly below 4. Accounts and records, budget and financial plans, community liaison office, leasing services, and health services were below the regional and worldwide averages. In several categories, the ICASS scores had a wide degree of variability among the survey participants at the embassy and nine constituent posts, including American human resources services, health services, residential building operations and maintenance, and community liaison office.

Rightsizing

In the 2011 Rightsizing Review of Mission Mexico, the embassy predicted missionwide staffing growth of 181 U.S. direct-hire and 247 LE staff members. The Office of Management Policy, Rightsizing, and Innovation predicted through FY 2014 a staffing growth of 168 U.S. direct-hire and 171 LE staff members. The actual FY 2015 staffing growth since the 2011 rightsizing study was 124 U.S. direct-hire and 107 LE staff members, a difference of 53 U.S. direct-hire and 142 LE staff members. Budget and facilities limitations have restricted growth in recent years, but outside events, such as immigration reform, may cause future rapid staff increases. The growth would be directed to the newer facilities that have additional capacity.

Real Property

Missionwide Building Program to Replace Inadequate Diplomatic Facilities

Mission Mexico's diplomatic facilities consists of the Government-owned embassy office building, five leased consulate office buildings, four Government-owned consulate office buildings, and nine leased consular agency offices. The Bureau of Overseas Buildings Operations (OBO) plans to replace all facilities that it considers unsuitable for diplomatic operations because of unresolvable infrastructure, operational, and security deficiencies, including the embassy and six consulate office buildings located in Guadalajara, Hermosillo, Matamoros, Merida, Nogales, and Nuevo Laredo. Overcrowding, in particular, is an issue in these facilities. For example, in 1964, OBO designed the embassy office building to accommodate 350 staff members, but it now houses 850 staff members, with more than 150 located in leased space. Inadequate facilities also present a number of security issues that are discussed in the classified annex to this report.

To date, OBO has allocated \$1.66 billion to fund construction projects in Mexico, including a new embassy compound in 2020, new consulate compounds in Matamoros and Nuevo Laredo in 2018, and a warehouse and Marine security guard quarters in 2015 and 2016, respectively, in Tijuana. OBO completed new consulate compounds in Ciudad Juarez in 2008, Tijuana in 2011, and Monterrey in 2014.

OBO has begun the site acquisition process to build new consulate compounds in Guadalajara, Hermosillo, Merida, and Nogales. On the basis of Department priorities, it will take an estimated 8 to 9 years to complete new consulate compounds in these locations.

Operating Leases Versus Capital Leases

OBO's use of operating leases rather than capital leases⁴ makes it more difficult for facilities staff to address maintenance and repair issues and to make improvements for leased office facilities in Guadalajara, Matamoros, Merida, Nogales, and Nuevo Laredo. For example, despite OBO having leased the Guadalajara consulate office building for 35 consecutive years, the building is ineligible for OBO funding for maintenance and repair, improvements, and capital construction projects. It also is not subject to OBO routine reporting requirements, assessment, and preventive maintenance schedules. Under an operating lease, the landlord is responsible for funding these costs. A capital lease would give OBO authority to fund and correct building support deficiencies on a prioritized basis.

Recommendation 25: The Bureau of Overseas Buildings Operations, in coordination with the Bureau of Western Hemisphere Affairs and Embassy Mexico City, should conduct a cost-benefit analysis to determine whether converting existing consulate office building operating leases to capital leases is a better mechanism for providing constituent posts with facilities maintenance support and services. (Action: OBO, in coordination with WHA and Embassy Mexico City)

⁴ Capital leases. 15 FAM 162.1 d. – "Other costs funded by OBO include maintenance and repair; capital construction; abatement of safety, health, and environmental hazards; security upgrades; and major rehabilitation projects for [U.S. Government-owned/capital lease] nonresidential and residential property under the jurisdiction of the Department, with the following exceptions (see 15 FAM 600 and 15 FAM 900)."

Guadalajara Building Deficiencies Reported in 2009 OIG Inspection Report Remain Unresolved
Consulate General Guadalajara leased facilities are in poor condition and noncompliant with 15 FAM 613 a. The three-story building has no elevators and thus is not compliant with the Americans with Disabilities Act. The landlord also has not replaced the aging infrastructure support systems. For example, on one occasion, several corroded pipes broke and flooded the basement and consular areas with raw sewage. The consular waiting room is a parking lot that OBO and the consulate covered with a metal roof. The waiting room has poor acoustics, inadequate ventilation, and no air conditioning. In addition to a number of significant security issues (see the classified annex to this report for details), the noise coming from pedestrians on the adjacent sidewalks, vehicles on the street, and the metal roof during the rainy season makes it difficult for consular section staff to hear applicants and conduct visa and other interviews. Per FAM 15 FAM 613 a., all posts must adequately and properly maintain all facilities abroad.

In the previous 2009 OIG inspection report, the OIG team reported the same building issues. At that time, OBO's proposed solution was to lease and fit out an alternative building. In August 2013, OBO abandoned the lease and fit-out solution in favor of a new consulate compound, citing cost and security as deciding factors. The cost of a lease and fit-out will range from \$100 million to \$175 million. Conversely, a new consulate compound will range from \$175 million to \$190 million and would produce a superior and sustainable long-term solution that meets all Department requirements.

The disadvantage is that OBO listed Consulate General Guadalajara as an out-year project that would not start until after FY 2019; the contractor most likely would not complete the construction until FY 2023. Consulate General Guadalajara will need to occupy its current facility for an additional 8 to 9 years, unless OBO finds other solutions to provide short-term relief. Short-term solutions could include relocating some consulate general staff to other leased space, converting the operating lease to a capital lease, and negotiation with the landlord to make additional building improvements. OBO and Consulate General Guadalajara are reviewing sites to build a new consulate compound building in the hope that Guadalajara could advance as a backup project on the OBO Top-80 List in the next 6 years.

Recommendation 26: The Bureau of Overseas Building Operations, in coordination with the Bureau of Western Hemisphere Affairs and Embassy Mexico City, should develop and implement a corrective action plan that includes short- and long-term fixes, including a feasibility study on relocating some staff to alternate lease space and advancing construction of the new consulate compound in Guadalajara. (Action: OBO, in coordination with WHA and Embassy Mexico City)

Monterrey - New Consulate Compound

Completed in June 2014, the \$185-million new consulate compound is located on a 10-acre site in the Santa Catarina section of Monterrey. The compound includes an office building with a 47-window consular section, Marine security guard quarters, a 158-space visitor parking garage, a 127-space employee parking garage, compound access control facilities, and support buildings. Office space is generally adequate for current staff levels. The facility meets most Department standards. The OIG team discusses security deficiencies in the classified annex to this report.

Monterrey - Consul General's Office Layout

The consul general's office space design is not optimal. OBO's design assumes that a U.S. direct-hire office management specialist with unrestricted security access will provide support to the consul general. With current Department budget constraints, this assumption is unlikely. At Mexico's constituent posts, LE staff office management specialists, who have restricted access to classified areas, provide support to the principal officers. In older facilities that have the principal officers located in unclassified office space, separation is not an issue. It is an issue for principal officers located in classified office space. In Monterrey, the consul general's LE staff office management specialist is located in unclassified office space across the atrium. They carry out their conversations using the telephone and email. Direct communication and interaction is limited. The only options, which are most often not available, are to hire a cleared eligible family member or a cleared American living in Mexico to provide office management support. OBO also used this standard to design newly built consulate general compounds in Ciudad Juarez and Tijuana.

Recommendation 27: The Bureau of Overseas Buildings Operations, in coordination with the Bureau of Western Hemisphere Affairs and Embassy Mexico City, should determine whether the consul general's office should be relocated to unclassified space; whether a second office should be created in unclassified space for the consul general; or another solution should be developed and implemented that addresses the consul general's work requirements and office management specialist staffing constraints at the consulate compound in Monterrey and at the six new consulate compound projects planned for Mission Mexico. (Action: OBO, in coordination with WHA and Embassy Mexico City)

Monterrey - New Consulate Building Space Requirements

Other overlooked critical and noncritical consulate general space requirements include no office for the LE staff human resources supervisor to conduct sensitive personnel issues and no growth space for another regional security officer, a human resources officer, and LE management staff. Space for facilities maintenance staff is insufficient. One facilities staff member sits in a space designated as workroom space. No lounge facilities exist for the large contingent of more than 100 contractors that provide security, landscaping, and custodial services. The Class B cashier's office does not have a telecommunication outlet to run a network printer. The workspace for the public diplomacy audiovisual specialist is poorly designed. The large outdoor consular assembly area is also uncovered. Applicants and visitors have no shade or protection from the summer heat or rainy weather. The consulate estimates that it will cost an estimated \$80,000 put up a temporary canopy until OBO can build a permanent structure. The reasons for these space requirement omissions was not clear to the OIG team at the time of the inspection.

Recommendation 28: The Bureau of Overseas Buildings Operations, in coordination with the Bureau of Western Hemisphere Affairs and Embassy Mexico City, should conduct a survey to identify building design flaws found in new consulate compound facilities in Mexico and modify its new consulate compound design based on the results of the survey. (Action: OBO, in coordination with WHA and Embassy Mexico City)

Monterrey - New Consulate Compound Flooding

The \$30 million 10-acre site for the new consulate compound is located at the base of the Sierra Madre mountain range, on a 70-foot downward sloping tract of land. During seasonal rainstorms, the area's topography can create downpours that overwhelm the local drainage

system and can cause flooding in the new consulate compound. The consulate staff believes that the city's drainage system is either not designed to handle large quantities of water flow or debris has blocked the drainage system.

The September 13, 2014, rainstorm led to flooding in the main compound access control area, multiple technical and security conduits, and some manholes. The October 3, 2014, rainstorm caused flooding in the consular compound access control, secondary compound access control, and the visitor's parking lot. Both storms led to flooding of the first floor office building. More significantly, the storms led to flooding of the outdoor electrical yard containing the automatic voltage regulator, the 28,000-volt transformer, and other electric equipment. The standing water in the electrical yard was a life safety issue and could have caused a total electrical system shutdown. The OIG team learned on November 9, 2014, of a third flood that occurred because of air-conditioning issues.

OBO and the facilities unit have taken steps to correct most of the leaks and flooding issues by caulking all conduits, adding additional and higher capacity sump pumps, creating a 12-inch wall barrier to protect the main compound controlled access area, relocating electrical sockets, and adding additional drainage. The building is under warranty until June 2015. The contractor accepted partial responsibility for the flooding and agreed to make changes to adjacent retention ponds to control water overflow but disagrees that it should have predicted the amount of runoff from the mountains. OBO plans to hire a local engineer to evaluate and design adjustments to handle the runoff. OBO Design and Engineering staff have scheduled a November 2014 site visit to study the cause of the flooding.

New Consulate Compound Site Acquisitions Possible Flooding

Because two floods occurred recently at the new consulate office building in Monterrey, the OIG team and mission management are concerned about potential flooding at other new consulate compounds. In Hermosillo, the preferred site is located near a dry riverbed and is well below road level. Matamoros and Nuevo Laredo flood routinely during heavy rains, leaving streets unpassable. Monterrey and Merida are in hurricane zones and are subject to tropical storms. Site developers in Guadalajara designed an additional drainage system to supplement the local drainage system. Innovatively, these developers planned an underground cistern to collect storm water to irrigate planned parks within the site. The OIG team reviewed the OBO Nuevo Laredo New Consulate Compound Project Development Survey, dated October 17, 2013, and learned that OBO considers potential flooding in the site selection and site technical review and construction processes. In the case of the Nuevo Laredo project, the survey relied on data extrapolated from the U.S. side of the border. The new consulate compound is 11.8 inches above the 100-year floodplain. A proposed new site in Hermosillo is below street level and in the drain path to an adjacent riverbed. Improper planning for heavy rains, storms, and hurricanes could cause costly damage to U.S. Government property and present safety and health hazards to Department personnel.

Recommendation 29: The Bureau of Overseas Buildings Operations should review and determine whether its site acquisition and technical review procedures properly evaluate and assess potential flooding at all new consulate compounds in Mexico and provide the results to Embassy Mexico City. (Action: OBO)

Housing

Leased housing meets most OBO cost and space standards. The annual lease cost for 614 leased residential properties is \$20.6 million. In addition to the leased residential units, the mission has 95 Government-owned units. OBO and Mission Mexico are in the process of acquiring 40–48 apartments in Mexico City and 15 apartments in Monterrey. OBO is in the process of disposing of 20 Government-owned properties in Mexico City. Mission Mexico considers current executive-level housing to be inadequate for officer representational requirements; however, it has been unable to find suitable alternatives at the current pricing benchmark. The OIG team advised the general services office to confirm rental benchmarks. Embassy Mexico City plans to undertake a new pricing survey at an early date. The need for a new deputy chief of mission residence is urgent; the embassy has been searching for a replacement for 2 years. The embassy is increasingly unable to locate suitable housing in reasonable proximity to the workplace within existing rental benchmarks for all housing categories.

Financial Management Operations

The OIG team advised the financial management unit on proper use of the suspense deposit abroad account and on clearing unprocessed transactions.

Funds Management

Unliquidated Obligations

As of November 2014, Embassy Mexico City has \$846.8 million in unliquidated obligations, of which 81 percent are INL unliquidated obligations. These are discussed in the INL section of this report. Excluding obligations for the new embassy compound and residential purchases, non-INL unliquidated obligations totaled \$1.8 million—or less than 0.50 percent of total unliquidated funding. According to the Bureau of the Comptroller and Global Financial Services, the embassy, including INL, is monitoring unliquidated obligations and is fully compliant with the requirement to provide quarterly written justifications of validity for all unliquidated obligations.

Unprocessed Transactions

As of November 2014, Embassy Mexico City has 214 unprocessed transactions. Unprocessed transactions are transactions that fail to process in the financial system because fiscal data are incorrect or funds in an allotment are insufficient. The embassy is working to clear out the transactions, as required by 4 FAM 251.7, and in October 2014, cleared 505 unprocessed transactions.

Suspense Deposit Abroad Account

Mission Mexico was using the Suspense Deposit Abroad account for unauthorized purposes, including the employee association's shipment and customs broker fees, and recycling program rebates. The embassy discontinued use of the account for unauthorized purposes during the inspection, but recycling program balances remain. The financial management center is awaiting guidance from the Office of the Legal Adviser and the Office of Management Policy, Rightsizing, and Innovation on how to handle the funds and any future rebates.

Voucher Processing

Electronic Invoicing Systems

In FY 2014, Mission Mexico began piloting the Integrated Logistics Management System's eInvoicing module. The Department is moving toward implementing the full suite of the Integrated Logistics Management Systems products in order to provide a standardized procurement platform that will increase visibility across the procure-to-pay lifecycle, improve management controls, and increase the accuracy of payment data. The eInvoicing module will reduce invoice processing time by eliminating the need to manually approve paper copies of an invoice and by automating the approval routing process. With eInvoicing, users upload an invoice into the system, approving officers authorize it electronically, and the invoice is routed automatically to a voucher examiner. Employees will no longer need to manually authorize, package, and route invoices to the designated billing office in Mexico City for processing and voucher examiner assignment. Missionwide implementation of eInvoicing is expected by the end of December 2014.

Separation of Duties – Designated Billing Officers

Each constituent post handles the receipt of invoices differently. In some consulates, the procurement agent is the designated billing officer and receives the invoice; in other consulates, the cashier is the designated billing officer and receives the invoices. To maintain separation of duties, as required by 4 FAM 042, employees with procurement responsibilities must not be responsible for maintaining or adjusting related accounting records and invoices should be received by the designated billing office, as stated in 4 FAM 422. Separation of duties is an integral part of management controls.

Recommendation 30: Embassy Mexico City should designate at each constituent post an employee outside the procurement unit as the designated billing officer. (Action: Embassy Mexico City)

Vouchering Section Is Understaffed

Mission Mexico has the largest voucher workload in the Department—approximately 69,681 strip codes annually. In FY 2014, each voucher examiner processed 3,493 strip codes—1,102 above the worldwide average of 2,391 per voucher examiner. Although the section outsourced 5,573 vouchers to the post support unit, it still was unable to meet voucher processing timeliness standards in June and July 2014. In the past, the section had to assign vouchers to staff members in other financial management units, including payroll and travel, in order to keep up with the workload. The mission did not request additional voucher examiner positions in the FY 2015 or FY 2016 Mission Resource Request because of insufficient ICASS funding. The mission noted in its FY 2016 Mission Resource Request that it is impossible to maintain current levels of support without an increase in management resources. The FY 2014 ICASS satisfaction survey scores for vouchering are below the worldwide average.

Recommendation 31: Embassy Mexico City should request additional voucher examiner positions in the FY 2017 Mission Resource Request. (Action: Embassy Mexico City)

Representational Vouchers

The Department of State Standardized Regulations do not permit advances for representational expenses. Although the vouchering unit met monthly timeliness metrics for employee vouchers

processed in FY 2014, employees sometimes have long waits for representational reimbursement. Management is examining different options to prioritize employee vouchers and reduce the amount of time employees are out of pocket on representational expenses.

Open Travel Advances

As of November 2014, Embassy Mexico City has 117 open travel advances, not including INL. INL is responsible for monitoring and collecting its own travel advances. To address the debts owed, Mission Mexico has a travel advance collection standard operating procedure in place for notifying and collecting travel advances from employees. In October 2014, the embassy closed out 54 travel advances and actively continued to notify and request payment from indebted employees.

Cashiering

Unannounced Cash Counts Are Not Random

Mission Mexico's constituent posts are consistently conducting unannounced cash counts at the end of the month, making them predictable and diminishing the value of the process. In September 2014, the financial management center implemented a cash count policy requiring that supervisors ensure that cash counts are performed during different times of the month. The policy further states that any supervisor who has not completed a cash count by the [REDACTED] of the month will be contacted by the financial management officer, and the tardiness will be escalated to the director of the financial management center, if necessary. The Department's Cashier User Guide states it is the supervisor's responsibility to ensure that unannounced cash counts are performed randomly to ensure that proper care and control over the funds and records are maintained at all times. Unannounced cash counts ensure the cashier complies with U.S. Department of the Treasury and Department regulations and that post has established effective internal controls to prevent the theft or misuse of U.S. Government funds.

Recommendation 32: Embassy Mexico City should enforce the random cash count policy.
(Action: Embassy Mexico City)

Accommodation Exchange

Despite the financial management center's instruction to provide only personal accommodation exchange services on an exceptional basis, Consulate General Monterrey was providing this service without restriction. During the course of the inspection, the financial management center sent out a management policy mandating that the personal accommodation exchange service be provided only on an exceptional basis.

Regional Management Support to Constituent Posts

The embassy's regional support to the consulates varies. The consulates believe that consulate visits were insufficient in areas such as human resources and facilities maintenance. Consistent regional support to the constituent posts is needed to provide guidance and training as well as to strengthen ICASS support services, processes, and internal controls. The OIG team advised embassy management on scheduling and committing to quarterly visits to each of the consulates.

Human Resources

Four U.S. direct-hire human resources officers (3 in Mexico City) and 44 human resources LE staff members provide personnel services to 1,026 U.S. direct-hire and 1,421 LE staff members. The human resources officers based in Mexico City provide support to consulates in Guadalajara, Hermosillo, Monterrey, and Merida. Consulate staff stated that more frequent visits would be beneficial to their operations. A regional officer, based in Ciudad Juarez, provides human resources support to the five border posts. This officer is expected to visit each consulate biannually; however, she has been unable to meet this goal. During 2014, she visited the consulates only once, which is insufficient.

Consulate management officers estimate that they spend 20–30 percent of their time on personnel-related issues. Most management officers in the consulates do not have human resources experience and have not received human resources training, yet they serve as de facto human resources officers without a clear understanding of their roles and responsibilities. A formal agreement outlining the roles and responsibilities of the management officers, regional human resources officers, and the LE staff is lacking.

Recommendation 33: Embassy Mexico City, in coordination with the Bureau of Western Hemisphere Affairs, should create a memorandum of agreement for human resources services defining the roles and responsibilities of the human resources staff. (Action: Embassy Mexico City, in coordination with WHA)

Position Descriptions Are Inaccurate

The OIG team found inaccurate position descriptions missionwide. For example, Mission Mexico last updated some information technology and facilities maintenance staff position descriptions in 2003. Some consular staff position descriptions were also outdated throughout the mission. In some instances, significant changes in information technology, new facilities support systems, and employees' major duties create a mismatch between the stated work responsibilities found in a position description and the employee's actual duties. Per 3 *Foreign Affairs Handbook* (FAH)-2 H-441, American supervisors are responsible for ensuring that position descriptions accurately describe staff positions under their direction. Per 3 FAH-2 H-443, the human resources officer is responsible for requesting amendments to position descriptions, if existing descriptions are inaccurate, and for conducting an annual review of all positions.

Recommendation 34: Embassy Mexico City should issue a management announcement to mission staff outlining supervisors' responsibility for ensuring that employee position descriptions are accurate. (Action: Embassy Mexico City)

Recommendation 35: Embassy Mexico City should conduct a review of locally employed staff position descriptions for accuracy and appropriate classification of grade and position title. (Action: Embassy Mexico City)

Performance Management Does Not Meet Standards

Mission Mexico's adherence to performance management standards found in 3-FAH 2 H-441.4 b, 443.1, and the Department's LE staff policy guidebook needs to improve. At the time of inspection, supervisors submitted 118 LE staff performance evaluations after the due date, 73 LE

staff members within-grade increases were not processed on time because performance evaluations were not submitted on time, 9 eligible family member performance evaluations were late, and 143 LE staff members work and development plans were not submitted within 30 days of the rating period. The unit's notifications and reminders have failed to motivate supervisors. A late report can delay the processing of a within-grade increase, resulting in lower morale.

Recommendation 36: Embassy Mexico City should complete local employees' performance reviews by the prescribed due date. (Action: Embassy Mexico City)

Locally Employed Staff Position Classification

Vacancies and increased demand for services has led to periodic backlog of LE position classifications. Mission Mexico has nine LE staff human resources assistants who spend approximately 30 percent of their time on position classifications. The human resources officers also assist with position classifications. Since 2010, the human resources office has classified 911 positions, including position reclassifications.

The human resources office could outsource its position classification services to one of the regional centers for faster processing. Outsourcing could help prevent grade creep and minimize the conflict of interest inherent in classifying LE staff positions locally. Since 2009, four geographical regional bureaus have outsourced their LE staff position classification work to the Frankfurt Regional Service Center, which now performs position classification services for 69 embassies. In addition to cost savings, regional position classification results in greater staff expertise, more uniform and consistent outcomes, reduced staffing levels, and fewer burdens on human resources staff. The Bangkok Regional Classification Center also performs classification work for 10 Bureau of Asian and Pacific Affairs embassies.

The Florida Regional Service Center, based in Fort Lauderdale, provides limited position classification services to some 19 small-to-medium Bureau of Western Hemisphere Affairs embassies as the first step toward regionalization. However, the Florida Regional Service Center does not have the staff or capacity to take over the embassy's position classification duties. The Bureau of Western Hemisphere Affairs estimates that it will need additional staff to provide regional position classification services for its 29 embassies, which may make using an alternative site a better option for Mexico City.

Recommendation 37: Embassy Mexico City, in coordination with the Bureau of Western Hemisphere Affairs, should conduct a cost-benefit analysis to determine whether outsourcing its staff position classification responsibilities to Fort Lauderdale or other regional center would result in cost savings and increased efficiency and implement the most cost-effective option. (Action: Embassy Mexico City, in coordination with WHA)

Locally Employed Staff Committee

Mission Mexico management has an open dialogue with the LE staff committees at the embassy and at each constituent post. At some constituent posts, the management officer meets with staff on an ad hoc basis; others hold regularly scheduled meetings. The OIG team advised management officers at the constituent posts to meet with the LE staff at least quarterly, in accordance with 3 FAM 7293. In Mexico City, senior leadership meets with the LE staff

committee on a regular basis. The LE staff committees all state that their main concerns are their salaries, which have been frozen since 2010, and health insurance.

Unique Circumstances Separate Maintenance Allowance

In August 2010, the Under Secretary for Management approved a unique circumstances separate maintenance allowance for consulates in Ciudad Juarez, Matamoros, Monterrey, Nogales, Nuevo Laredo, and Tijuana because of the continued threat of violence in some areas of Mexico. This allows family members to live on the U.S. side of the border while the employee lives and works in Mexico. Regulations (10 State 88067) require employees receiving the allowance to reside at the post of assignment at least 5 nights weekly. An exception is granted for 3-day weekends, official travel, and leave. Only a small number of Department staff members apply for the allowance, and most of them opt not to have their families reside on the U.S. side of the border. From 2010 to 2014, the Department spent \$2.07 million on this special allowance. Despite allegations to the contrary, the OIG inspectors found no evidence that the 22 Department employees receiving this allowance were abusing the provisions; however, the OIG inspectors reviewed the mission controls for ensuring that U.S. direct hires, regardless of agency, meet the 5-nights-per-week eligibility requirement and advised mission management to monitor those who receive the stipend, as required by regulation.

General Services Operations

The travel unit is compliant with the Fly America Act. In 2013, the travel unit issued no business class tickets. The travel unit issued rest-and-recuperation travel in accordance with 14 FAM 531.5.

Procurement and Contract Review

In FY 2014, the procurement and contracting unit processed 5,203 procurement actions. All contracts included Federal Acquisition Regulation clause 52.222-50, "Combating Trafficking in Persons." A review of selected procurement actions showed that the staff follows competition and documentation regulations. The inspector reviewed five of the seven contracts totaling \$20.4 million and found the files complete with required documentation. The largest contract—health and life insurance—is being recompeted.

Mission Mexico is piloting eFiling (electronic filing) and Ariba Contracts, two new additions to the existing Integrated Logistics Management System modules. Procurement staffs missionwide are adjusting to the new processes and procedures. Additional training is essential to maximizing the potential and making efficient use of the new procurement applications. The need for a missionwide training strategy is discussed in the Leadership section of this report.

No Backup Contracting Officer

At some constituent posts, the only designated contracting official is the management officer. When this individual is away from the consulate, procurement actions are unprocessed. Mission Mexico has not pursued the option of appointing an LE staff member as backup contracting officer. Per 14 FAM 214 b., an LE staff member may be appointed as contracting officer for acquisitions under \$25,000. Designating a backup contracting officer will avoid gaps when the sole contracting officer is away.

Recommendation 38: Embassy Mexico City should designate locally employed staff members as backup contracting officers. (Action: Embassy Mexico City)

International Narcotics and Law Enforcement Section Contracts

OIG inspectors conducted a limited-scope review of INL contracting operations and found no issues. The inspectors reviewed all active FY 2014 contracts exceeding \$150,000. INL offices in Washington, DC, and Florida compete and manage contracts worth more than \$250,000. The unit processed 312 procurement transactions in FY 2014 totaling \$6.2 million and is 96-percent compliant in entering information into the Federal Procurement Data System, which ensures timely and accurate reporting. The unit also awarded competitively 73 percent of its procurement actions. Contract file documentation showed that the contracting unit exercised due diligence and engaged companies that were not providing the intended services.

Personal Property Management

Mission Mexico's property management units manage \$1.3 million in expendable and \$40.8 million in nonexpendable inventories. The FY 2014 certificate of inventory reconciliation reported shortages of \$15,207 in expendable and \$485,262 in nonexpendable inventories. The reported shortages for Embassy Mexico City and Consulate General Tijuana exceed the Department's 1-percent threshold. Embassy Mexico City and Consulate General Tijuana convened a property survey board to discuss the losses.

Warehouse Staffing

The conversion of mission Mexico from an unfurnished post⁵ to a furnished post left the warehouse understaffed. The conversion entailed increased workload but took place without any staffing increase. The 16 LE staff members are responsible for moving and storing furniture and appliances for 140 residences. Because of the staffing shortages, the warehouse unit has had to contract out 33 percent of its workload. The contractor charges \$2,500 per move. The need to address the effect mission creep has had on the ICASS platform is discussed in the Management Operations section of this report.

Motor Pool

ICASS motor pool drivers enforce seat belt use, do regular vehicle maintenance checks, and do not exceed 10 hours per shift. Staggered work schedules help compensate for understaffing brought about by the previous hiring freeze. The motor pool unit denied more than 400 customer requests for motor pool service from May 2013 to April 2014 because of insufficient staffing. At the time of the inspection, the embassy was short four drivers. Embassy Mexico City requires use of taxis for trips to and from the airport for travelers, thereby freeing up driver time.

Principal Officer Drivers Exceed 10-Hour Duty Shifts

The Ambassador's drivers and the program-funded drivers for the consuls general in Monterrey and Nogales regularly exceed the Department-prescribed 10-hour duty shift limit. The Ambassador's drivers are scheduled a regular 12-hour shift, 4 days a week, and work overtime almost daily. The drivers for the consuls general work a 10-hour shift schedule but work an

⁵ At an unfurnished post, employees are responsible for meeting all their furniture requirements and needs, whereas at a furnished post, the embassy meets all such requirements.

average of 2 hours of overtime daily. The Department's Motor Vehicle Safety Management Program for Overseas Posts revision 2 (12/2010) paragraph 7 b. states operators of official vehicles and personally owned vehicles used for official business shall not normally be required to perform more than 10 hours on duty and shall only operate a vehicle after a minimum 8-hour rest period. Duty time is defined as total shift duration, not total driving time.

Recommendation 39: Embassy Mexico City should implement Department of State safety standards that motor vehicle operators not perform more than 10 hours on duty and only operate a vehicle after a minimum 8-hour rest period. (Action: Embassy Mexico City)

Outdated Home-to-School Shuttle Motor Vehicle Policy

Mission Mexico has not updated or reviewed the home-to-school shuttle policy for Consulates General Nogales and Nuevo Laredo to reflect the return of families. Per 14 FAM 432.5, post should review their motor vehicle policy annually and republish it to incorporate updates. Mission Mexico's current policy does not include home-to-school shuttle transportation for Nogales and Nuevo Laredo. Without an updated motor vehicle policy, mission employees are not informed of new procedures that affect motor pool services.

Recommendation 40: Embassy Mexico City should review and update the mission's motor vehicle policy to include the home-to-school shuttle policy at Consulates General Nogales and Nuevo Laredo. (Action: Embassy Mexico City)

The border constituent posts, including Ciudad Juarez, Tijuana, Matamoros, Nogales, and Nuevo Laredo, provide U.S. dependents home-to-school transportation across the border to U.S. schools; however, this service has no established guidelines. For example, at one constituent post, the driver must take students to multiple schools that are distant from one another. Parents have complained about the time it takes to transport children to and from school. No geographic limits have been established on which schools and school districts that children can attend. Lack of guidelines leads to transportation over long distances and results in additional cost to the Department.

Recommendation 41: Embassy Mexico City should establish a written policy on the approved boundaries of home-to-school shuttle transportation for all the border posts and include the new policy in the Mission's Motor Vehicle Policy. (Action: Embassy Mexico City)

Facilities Management

Mission Mexico has seven facilities managers to maintain its inventory of 74 Government-owned properties. Four specialists are located in Mexico City, including the senior manager who has overall responsibility for all posts. OBO assigned individual facilities managers to consulates with new compounds—Ciudad Juarez, Tijuana, and Monterrey. Embassy Mexico City covers leased consulate facilities regionally, though LE staff members serve as de facto facilities managers. Facilities management in Mission Mexico runs the gamut from maintaining modern, purpose-built, sophisticated compounds to coping with old, overcrowded facilities with outdated and overtaxed systems. In FY 2014, the Department allotted a total of \$17.2 million to fund the mission's ICASS, lease, maintenance, and repair costs.

Undefined Organizational Structure and Misalignment in Mexico City

At the time of the inspection, the facilities management section was in a state of leadership flux. Section leaders were not consistently exercising managerial functions and supervisory techniques outlined in 3 FAH-2 H-120. A second-tour specialist who had been at post for 1 year was the major point of management and operational continuity. The senior and other two assistant positions were either vacant or recently filled. The OIG team found organizational misalignment among structure, operations, position descriptions, and employee understanding of supervision and control. Two different organizational charts contributed to confusion regarding the chain of command. Position descriptions were out of date and/or inaccurate, and gray areas existed between residential and nonresidential areas of responsibility. Exercise of supervision, particularly within the LE staff chain, was negatively affecting morale.

Recommendation 42: Embassy Mexico City should define and disseminate its facilities management organization, functions, and supervisory relationships and responsibilities to all members of the section. (Action: Embassy Mexico City)

Work Order Backlog and Closeout Procedures

A review of records, programs, and ICASS and OIG survey results indicated that Mission Mexico administered maintenance programs in accordance with regulations. All Mission Mexico posts converted to the Department's new automated Global Maintenance Management System in 2014, and the transition appeared to have been smooth in terms of data transfer and operator familiarity. Work order clerks manage the flow of requests and record job completion, labor, and closeouts. However, tracking materials used to fulfill work orders is inadequate. OIG inspectors advised facilities staff to streamline the workflow by requiring the maintenance unit to input the time and materials data into the work order. Inspectors estimated that Embassy Mexico City had a backlog of approximately 600 work orders.

Recommendation 43: Embassy Mexico City should implement a plan to close out work orders in a timely manner after completion. (Action: Embassy Mexico City)

Safety, Health, and Environmental Management

The Department's Office of Safety, Health, and Environmental Management conducted visits of all Mission Mexico posts during 2011 and continues to track compliance with its recommendations. Seven of the 10 posts have completed action on 100 percent of Priority 1 recommendations; the remaining three have achieved compliance rates of 90 percent or better. The Department's Office of Fire Safety conducted visits in 2014. Although compliance with life safety and fire inspections is adequate, the OIG team found some program deficiencies.

Inadequate Safety, Health, and Environmental Management Meetings

The Department seeks to involve top management in its safety program. Per 15 FAM 931 a., the principal officer at each post is responsible for the overall safety and health of employees. It also mandates that posts with more than 25 employees establish a safety, health, and environmental management standing committee chaired by the deputy principal officer. Language in 15 FAM 933.2 a. requires the committee to meet at least semiannually. Embassy Mexico City and

consulates in Ciudad Juarez, Tijuana, and Hermosillo are not consistently meeting this requirement.

Recommendation 44: Embassy Mexico City should require that safety, health, and environmental management standing committee meetings take place at the embassy and each constituent post at least semiannually. (Action: Embassy Mexico City)

Noncompliance with Department Swimming Pool Safety Standards

Swimming pool safety is a special emphasis program addressed in 15 FAM 957.4 and intended to reduce, if not eliminate, the number of drowning incidents in pools at facilities or residences controlled by the Department. Mission Mexico has taken steps to comply with Department standards. Consulate Tijuana, however, has postponed some measures pending the possible relocation of the principal officer's residence. With no current prospect of relocating, it is important that the consulate take all reasonable steps to comply with the safety requirements now.

Recommendation 45: Embassy Mexico City should implement Department of State swimming pool safety standards at facilities and residences under its control. (Action: Embassy Mexico City)

Inadequate Facilities Maintenance Workshops

The embassy's residential maintenance unit's facility is inadequate in terms of area, ventilation, and configuration. The unit is located at a Government-owned housing compound. The embassy has sought to lease an alternative, more appropriate site, thus far unsuccessfully. The assistant post occupational safety and health officer has visited the facility, but no record remains of reports or requirements for corrective action, though the inadequacy of the area clearly increases the risk to workers. According to 15 FAM 962 c., the safety officer must inspect workplaces with a high potential for mishaps twice a year.

Recommendation 46: Embassy Mexico City should inspect increased-risk work operations and areas at least once a year and file a report requirement corrective action when deficiencies are found. (Action: Embassy Mexico City)

Motor Vehicular Fatality

Consulate Guadalajara experienced a fatal vehicle mishap in March 2014. The vehicle involved was registered and licensed to the U.S. Government, but the agency had contracted maintenance to a private entity. The mishap investigation board found deficiencies in both the maintenance of the vehicle and operator training. The board was not able to determine the extent to which those deficiencies contributed to the fatality; however, the accident underscored the responsibility to maintain, license, register, and operate motor vehicles properly and in accordance with Department guidance. The mishap investigation board made several recommendations regarding the need for a comprehensive vehicle safety program, including driver training, medical clearances, daily vehicle checks, and proper maintenance.

Removal of Diplomatic License Plates and Transfer of Title and Registration

The vehicle fatality and loss of U.S. Government control of the vehicle raised an additional issue related to the issuance of diplomatic license plates for motor vehicles at overseas missions, which could be contrary to local law and expose the U.S. Government to liability or claims. The Department issued cable guidance in 2011 (State 37852) and 2012 (State 74358) that addressed turning “over mission vehicles to host government entities or other non-U.S. Government organizations without removing the diplomatic license plates and/or transferring the title/registration,” but has not reissued the cable or incorporated the guidance into the appropriate FAM or FAH.

Recommendation 47: The Bureau of Administration should reissue cable guidance regarding issuance of diplomatic license plates for motor vehicles at overseas missions pending incorporation of the guidance into the appropriate *Foreign Affairs Manual* or *Handbook*. (Action: A)

Information Management

Mission Mexico operates one of the largest information management programs in the world, with 21 specialists. A newly assigned information management officer inherited a situation in which inadequate management oversight created a disconnect between senior management in Mexico City and the mission’s nine consulates. Support for the consulates has historically been a challenge that requires funding and formal planning by management.⁶ A combination of a reactive support approach and limited management oversight has created information security vulnerabilities that are identified in the classified annex to this report. Consulate operations are managed autonomously and receive insufficient oversight and guidance from the embassy. The information management officer acknowledges the urgent need to refocus management oversight from the mission. He has begun implementing changes and had an immediate positive effect on the program by addressing a longstanding management shortfall in the switchboard office.

The information management section is responsible for all the mission’s systems and communication needs. The mission’s response to the hurricane crisis highlighted emergency communications needs that require management’s attention. The OIG team advised management on several areas, including project management, organizational structure, and best practices. The classified annex to this report addresses information security issues and other challenges the mission faces.

Ineffective Information Management Leadership and Oversight

Mission Mexico’s information management program needs improved direction and oversight. At the time of the inspection, no regular meetings between the information management sections at the embassy and the consulates were scheduled. Policy decisions from the embassy on such issues as approved software, regional personnel support, and emergency response duties are inconsistently communicated to the consulates, resulting in confusion and nonstandardized

⁶ *Inspection of Mexico City, Mexico*, Report No. ISP-I-09-21A, April, 2009. pp. 86, 88.

operations. Front office leadership is using digital video conferencing meetings to coordinate activities with constituent posts. This practice should be adopted within information management to comply with 3 FAH-2 H-124.5 d.(6), which states the need to “keep communications open.” The OIG team advised management to hold regular digital video conferencing meetings to help address this issue.

Recommendation 48: Embassy Mexico City should establish and hold regular information management section meetings that include the consulates to facilitate open communication and build team relationships. (Action: Embassy Mexico City)

The majority of information management issues arise from a historical failure to provide adequate support to the constituent posts. Absent leadership from Mexico City, constituent posts created their own informal networks to address missionwide issues normally handled by senior information technology managers. The OIG team noted serious management issues in Monterrey and Tijuana that highlight the need for effective management oversight at the consulates. Inspectors counseled information technology management on the need to hold Mexico City accountable for providing adequate support to the constituent sites. The current rating assignments for U.S. direct-hire information technology specialists at the consulates do not include sufficient management involvement and limit oversight from Mexico City. Information management roles and responsibilities are described in 5 FAM 121. The mission should establish a process that holds senior management in Mexico City responsible for the oversight and accountability of all information management programs at the consulates.

Recommendation 49: Mexico City should revise reporting assignments and establish appropriate work goals and objectives to provide information management oversight and accountability to the consulates. (Action: Embassy Mexico City)

Regional Support Is Inadequate

Mission Mexico’s nine consulates are each staffed by a single information management specialist, with the exception of Ciudad Juarez, which has two, and Nogales, which has none. The OIG team found that the mission does not have a formal support plan for the consulates and provides only reactive support. Consulate support requirements continue to be a challenge for the mission, as identified in the previous Mexico City inspection report.⁷ Consulates Monterrey and Tijuana have had critical support issues that potentially could have been mitigated had management established a formal support plan for the sites. Although the mission has a full-time rover position whose primary responsibility is to provide staffing coverage to the consulates, multiple specialists assigned to the consulates did not know that a rover position existed and had never received support from the individual. Consulate operations rely heavily on support coverage; the current support program does not meet mission needs.

Recommendation 50: Embassy Mexico City should establish a formal plan for providing regional information management support to the consulates. (Action: Embassy Mexico City)

⁷ *Inspection of Embassy Mexico City, Mexico*, Report No. ISP-I-09-21A, April 2009, p. 86.

Emergency Communications

The information management section is responsible for providing emergency communications support despite not being formally included in the mission's emergency action committee. Per 12 FAH-1 H-231 a., the emergency action committee is a group of subject-matter experts from the mission. Information management program staff members are the mission's subject-matter experts on emergency communications. This requires their inclusion on the emergency action committee. The recent hurricane crisis in Baja California Sur identified the need for emergency communications as a key lesson learned during the mission's several after-action meetings. Including the information management section in the mission's emergency action committee would improve emergency response times and emergency communications effectiveness.

Recommendation 51: Embassy Mexico City should include the information management section in emergency action committee meetings. (Action: Embassy Mexico City)

During the hurricane crisis, the mission's emergency communications response was not organized. Emergency communications equipment was rounded up from various sections in the mission and quickly given to the task force traveling to Baja. The embassy's consular and security offices have their own emergency communications equipment that the information management section does not manage or test. The need to identify what emergency communications equipment was available and its location slowed the mission's response time. According to 5 FAM 121.1 b. (7)(c), the information management officer is responsible for confirming the accuracy of relevant inventories. In the event of an emergency, management's ability to make sound decisions is tied to the accountability and availability of emergency communications equipment.

Recommendation 52: Embassy Mexico City should establish a dedicated inventory of emergency communications equipment and regularly test the equipment's functionality. (Action: Embassy Mexico City)

Some communications equipment given to the task force responding to the hurricane emergency was not operational and had little utility. Task force members received little or no instruction on the use of the emergency communications gear they were given. Standard operating procedures included with each device would have helped the task force set up quickly, per Department regulation 5 FAM 121.2 c. (7)(h). Furthermore, the hurricane response team did not include an information management specialist for emergency communications support. The expertise provided by a specialist from the information management section would have ensured effective use of the communications equipment. The OIG team advised management on the importance of including a knowledgeable employee from the information management section on future emergency response task force teams.

Recommendation 53: Embassy Mexico City should establish standard operating procedures for all dedicated emergency communications equipment. (Action: Embassy Mexico City)

Telephone Network

Mission Mexico operates a centralized 24/7 telephone switchboard program. The program is innovative, providing full-coverage support to the embassy and consulates while reducing staffing levels. Several consulate operator positions have successfully transitioned to other

positions; the role of some former switchboard employees has not yet been determined. The OIG team consulted with management on best-practice approaches for reassigning the remaining consulate operators. The switchboard acts as an emergency contact resource but is partially ineffective because it does not always have emergency contact information for American employees and key LE staff members. Also, the mission does not have an efficient method for updating the employee contact rosters. Updates arrive via paper, email, or telephone calls and are often received as late as a month after an American employee arrives at post. Basic human resources practices and emergency planning stress the importance of being able to locate personnel during an emergency. Mission leadership is responsible for personnel safety, according to Department regulations in 2 FAH-2 H-111 b., and the ability to locate personnel accurately is a life safety issue.

Recommendation 54: Embassy Mexico City should establish an employee locator system for contact information of all mission employees. (Action: Embassy Mexico City)

Contingency Plans Not Tested Regularly

The mission's contingency plans for recovering lost data and restoring unclassified network services after a catastrophic event, such as an earthquake, hurricane, or fire, are not being tested in accordance with 12 FAM 622.3-2. Regular testing of the contingency plans provide information management employees with a clear understanding of their roles in the restoration of important data and information technology services, according to the plan's priorities. Effective contingency planning includes testing the plan to identify weaknesses and improve efficiencies according to available resources.

Recommendation 55: Embassy Mexico City should prepare and test all mission information technology contingency plans in accordance with Department of State regulations. (Action: Embassy Mexico City)

Information Systems Center

A nontraditional organizational structure of the information systems center has created multiple inefficiencies. Previous management had reorganized the unit to address conflicts in the employee reporting structures and to resolve an internal personnel conflict. The reorganization was carried out without consulting section supervisors and created inequities in the support workload. The section also has a training unit that has been slow to establish a functional training platform. During the inspection, management initiated working group meetings to reestablish basic support structures. The current support structure creates confusion and an imbalance in support services. A description of the position management program is found in 3 FAM 2618.

Recommendation 56: Embassy Mexico City should conduct a staffing analysis of the information systems center and establish an effective reporting and support structure. (Action: Embassy Mexico City)

Information Systems Security Officer

Embassy Mexico City's full-time information systems security officer has not been performing regional information security duties routinely, in accordance with 12 FAM 642.3. Previous management did not endorse the functionality of the mission's regional information systems security program, reducing the information systems security officer's role. As a result, this individual has been primarily dedicated to management duties in the information systems center. The mission's size and multiple consulate networks warrant a dedicated information systems security officer program. A formal plan that includes regional oversight coordination centralized from Mexico City would allow the mission to reprioritize the information systems security program.

Recommendation 57: Embassy Mexico City should establish a formal plan for centralizing the mission's information systems security officer program in Mexico City and providing oversight to the consulates. (Action: Embassy Mexico City)

[Redacted] (b) (5)

[Redacted] (b) (5)

Recommendation 58: [Redacted] (b) (5)

[Redacted] (b) (5)

[Redacted] (b) (5)

Recommendation 59: [Redacted] (b) (5)

Alternate Command Centers Lack Required Equipment

A majority of the mission's alternate command centers, which provide a secondary location for staff to operate during a crisis, were not equipped according to Department requirements in 12 FAH-1 H-261. Mission Mexico posts all have identified alternate command centers, but most were lacking in one or more areas, including adequate computer systems, telecommunications

connectivity, power supplies, emergency action plans, water, nonperishable food, or sufficient space for an emergency action committee to function. The alternate command centers are a vital element for supporting emergency operations if the primary command center is unreachable or inoperative.

Recommendation 60: Embassy Mexico City should adequately equip all the mission’s alternate command centers in accordance with Department of State requirements. (Action: Embassy Mexico City)

Records Management Procedures Not Compliant with Regulations

Mission employees are not using the record email function of the State Messaging and Archive Retrieval Toolset software system. Record email is designed to archive email in a searchable format for historical records, for policy and decision makers, and for operational continuity. Failure to use record email properly results in the loss of historical insight into decisions and policies along with information that provides smooth and efficient transitions from an incumbent employee to a successor. Department regulation 5 FAM 443.1 requires all government employees to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency. Following proper records management procedures ensures that these important and historical data are available in the future.

Recommendation 61: Embassy Mexico City should implement a system for mission employee compliance with the requirement to use the State Messaging and Archive Retrieval Toolset software system to archive email and other correspondence. (Action: Embassy Mexico City)

MISSION SUPPORT SERVICES

Per the Department’s Mexico City Post Profile, U.S. direct-hire employees receive a 5- to 15-percent post hardship differential. The border posts and Consulate General Monterrey also receive a 10- to 20-percent danger pay allowance. Some posts receive a 5-percent cost-of-living adjustment. Mexico’s interior posts receive one to two rest-and-recuperation trip breaks on the basis of the tour of duty. The rest-and-recuperation destination point is Houston, Texas.

Table 2: Allowances for Embassy Mexico City and Constituent Posts

Post	Post Differential	Danger Pay	Cost-of-Living Adjustment	Tour of Duty	Rest-and-Recuperation Trip Breaks
Mexico City	15%	N/A	5%	2 years	1
Hermosillo	15%	N/A	5%	2 years	1
Guadalajara	10%	N/A	5%	3 years	2
Merida	15%	N/A	5%	3 years	2
Monterrey	5%	20%	N/A	2 years	2
Ciudad Juarez	10%	15%	5%	2 years	N/A
Matamoros	10%	15%	N/A	2 years	N/A
Nogales	5%	10%	5%	2 years	N/A
Nuevo Laredo	10%	20%	N/A	2 years	N/A
Tijuana	5%	15%	N/A	3 years	N/A

Source: Department’s Mexico City Post Profile.

Health Unit

The regional medical officer and the Foreign Service medical provider (a nurse practitioner) oversee an operation that covers approximately 2,000 U.S. direct-hire employees and their eligible family members within the embassy and the 9 consulates general. The only full-time health care employees (whether U.S. direct-hire or LE staff) are in the health unit in Mexico City. Some consulates have medical professionals working part time, but the majority of consulates have none. Both ICASS and OIG surveys placed health services provided by the embassy within the average range of other missions. Respondents at consulates were less satisfied, reflecting the lack of full-time, onsite health care professionals. Service to the consulates should improve when seven of the nine receive high-tech examination equipment that will allow a doctor at the embassy to examine consulate patients via remote sensors and data-streaming cameras.

Inspectors found the embassy health unit to be clean and organized. The regional medical officer, the nurse practitioner, and a full-time LE doctor see patients by appointment and set aside time for walk-ins. A psychiatric regional medical officer also keeps an office in the health unit but is frequently travelling; he covers the embassy and nine consulates, plus U.S. facilities in Cuba, Central America, and the Caribbean. Three full-time and three part-time registered nurses and two administrative assistants assisted the four medical providers at the time of the inspection. A licensed laboratory technician runs an in-house laboratory.

Physical and Management Controls

The inspection team reviewed the storage and management of documents, equipment, medicines, and controlled substances to ensure compliance with the FAM and other regulations. All employee medical records are properly secured.

The inspection team found that the health unit was storing and dispensing expired controlled substances, against FAM instructions. Controlled substances, including narcotics, are properly kept in a double-locked cabinet inside the medicine storeroom. The FAM-required written log of the controlled substances is kept above the cabinet. A comparison of the written log with the contents of the lockable cabinet indicated that the log was accurate and up to date; however, the log also revealed that two bottles of a controlled sleep aid in the cabinet contained medicine that had expired 7 months before the inspection and that the health unit had dispensed a total of 10 tablets of the expired medicine (in small lots to different patients) up to 6 months after it had expired. According to 16 FAM 741 c., "The Foreign Service medical provider is responsible for ensuring that perishable items are disposed of by the date of expiration." When inspectors first discovered the expired medicines, the health unit staff agreed that the situation did not comply with regulations and that they would dispose of the medicines. A followup inspection 1 month later showed that health unit staff had not yet disposed of the expired medicines.

Recommendation 62: Embassy Mexico City should dispose of all expired medicines by the date of expiration. (Action: Embassy Mexico City)

Community Liaison Office

Two full-time community liaison coordinators, assisted by two half-time assistant coordinators and one LE staff employee, run a full range of community-building activities for embassy staff members and families. ICASS and OIG surveys showed employee satisfaction with the performance of the community liaison office. The community liaison office properly manages the substantial funds it raises for community events (it had approximately \$27,000 on hand at the time of the inspection). Community liaison office coordinator positions exist in the consulates, but not all were filled at the time of the inspection.

Schools

[Redacted] (b) (5), [Redacted] (b) (6) percent of U.S. direct-hire dependent children attend three schools in Mexico City: the [Redacted] (b) (5), [Redacted] (b) (6).

Representatives of the embassy sit on two school boards: [Redacted] (b) (5), [Redacted] (b) (6), where [Redacted] (b) (5), [Redacted] (b) (6).

[Redacted] (b) (5), [Redacted] (b) (6). The embassy categorizes its relationship with the schools as excellent. The regional education officer visited the three schools October 6–10, 2013, and found no major issues with the education provided. At the nine constituent posts, U.S. dependents attend a variety of schools approved by the Office of Overseas Schools. [Redacted] (b) (5), [Redacted] (b) (6).

[Redacted] (b) (5), [Redacted] (b) (6)

Employee Association

In April 2014, the Office of Commissary and Recreation Affairs audited the Embassy Mexico City employee association and made 31 formal recommendations to address financial and managerial deficiencies, including negative profit margins, inaccurate financial statements, and lack of an accounting policy. The audit found the association's commissary and cafeteria were operating at a loss and recommended the association's board of directors either find a profitable solution to restrictive and cost-prohibitive Mexican import laws or consider closing the retail store. To increase profitability, the board modified the commissary's business structure so that alcoholic beverages make up at least 75 percent of items for sale. Other items for sale will consist of some food items, embassy memorabilia, and local handicraft items.

When the OIG inspection team arrived at post, the association had not submitted any of the required status of recommendations reports to the Department's Office of Commissary and Recreation Affairs. During the inspection, the association submitted one status of recommendations report. As of September 2014, the association had addressed 16 of the 31 audit recommendations. The Office of Commissary and Recreation Affairs, however, expressed concern over the board's decision to not comply with the recommendation to implement a fully integrated accounting and point-of-sale system in order to reduce internal control weaknesses. The board is hesitant to spend additional funds on new systems and is instead hiring a business consultant to determine whether the two existing systems can be integrated. Without a fully integrated system, the embassy's principal officer may not be able to certify that systems of internal controls are in place to protect the assets of the association and the interests of the U.S. Government, as required by 6 FAM 554.

Recommendation 63: Embassy Mexico City should verify that the Embassy Mexico City employee association is submitting status of recommendations reports to the Office of Commissary and Recreation Affairs. (Action: Embassy Mexico City)

MANAGEMENT CONTROLS

The annual chief of mission management controls statement of assurance, dated August 8, 2014, disclosed significant deficiencies identified in 2013 that remain unresolved and one discovered in 2014: The Guadalajara consulate building fails to meet security requirements. OBO notified the mission in 14 State 19604 of its intent to advance the site search process for Guadalajara in FY 2014. The fire alarm system at the consulate in Nogales does not extend to all parts of the building. Procurement of a new fire alarm system is in process.

The annual chief of mission management controls statement of assurance, signed on July 19, 2013, stated that the embassy completed all required internal management control reviews. The evaluation of the systems of management controls provided reasonable assurance that the embassy achieved the referenced management control objectives.

Unauthorized Commitments

In 2013 and 2014, Mission Mexico made 11 unauthorized commitments, totaling approximately \$12,593. An unauthorized commitment occurs when a contractual agreement is made that is not binding on the U.S. Government solely because the U.S. Government representative who made the agreement lacked the requisite authority to do so. Per 14 FAM 215, only warranted contracting officers acting within the limits of their warrants generally may make acquisition agreements. An unauthorized commitment may result in personal liability and disciplinary action for the individual who made the commitment and is a potential violation of the Anti-Deficiency Act.

Recommendation 64: Embassy Mexico City should reissue guidance on the procurement process and the avoidance of unauthorized commitments. (Action: Embassy Mexico City)

Official Residence Expense Staff Salary Payments

Mission Mexico is paying embassy and consulate official residence staff salaries directly via electronic funds transfers. Per 3 FAM 3257 a., official residence staff members are employees of the principal officer, not of the U.S. Government, and should be paid by the principal officer and reimbursed as an allowable official residence expense. OIG's Management Assistance Report—Direct Payment of ORE Staff Salaries⁸ found that paying official residence expenses salaries directly creates an employee/employer relationship between the U.S. Government and official residence expenses staff, which could create a liability for the Department.

⁸ *Management Assistance Report – Direct Payment of ORE Staff Salaries*, Report No. ISP-I-14-08, April 2014.

Recommendation 65: Embassy Mexico City should require principal officers to pay and seek reimbursement for official residence expenses staff salary expenses. (Action: Embassy Mexico City)

Payroll Overpayments

As of September 2014, the embassy had 342 pending payroll overpayments. Mission Mexico and Charleston Global Financial Services are notifying and requesting repayment from employees who have been overpaid. To prevent future overpayments, the embassy is disseminating annual management notices reminding employees that reporting travel to the United States is mandatory.

RECOMMENDATIONS

Recommendation 1: Embassy Mexico City should require Department of State sections and constituent posts to develop travel and representation plans tied to Integrated Country Strategy priorities and goals and apportion resources accordingly. (Action: Embassy Mexico City)

Recommendation 2: Embassy Mexico City, in coordination with the Bureau of Human Resources and the Bureau of Western Hemisphere Affairs, should develop a consistent, structured, missionwide program so all first- and second-tour officers, whether at the embassy or constituent posts, are afforded the same opportunities for professional development and mentoring. (Action: Embassy Mexico City, in coordination with DGHR and WHA)

Recommendation 3: The Bureau of Human Resources, in coordination with the Bureau of Western Hemisphere Affairs and Embassy Mexico City, should change the tour of duty for all Department of State section Senior Foreign Service and F0-01 positions in Mexico City from 2 to 3 years, with an option for a 1-year extension. (Action: DGHR, in coordination with WHA and Embassy Mexico City)

Recommendation 4: The Bureau of Western Hemisphere Affairs, in coordination with the Bureau of Human Resources, should identify which of Embassy Mexico City's border posts are not appropriate for 3-year principal officer assignments and adjust tours of duty for principal officers at those posts. (Action: WHA, in coordination with DGHR)

Recommendation 5: Embassy Mexico City, in coordination with the Foreign Service Institute, should assess and prioritize its missionwide training needs and develop and implement a training program to address them. (Action: Embassy Mexico City, in coordination with FSI)

Recommendation 6: Embassy Mexico City should direct principal officers and deputy principal officers at its constituent posts to agree on a set of deputy principal officer duties that are appropriate for their posts and share them with their staffs and the minister-counselor for consular affairs. (Action: Embassy Mexico City)

Recommendation 7: Embassy Mexico City should enter all awards into the Grants Database Management System within 5 days of the grants officer's signature. (Action: Embassy Mexico City)

Recommendation 8: Embassy Mexico City should create and update standard operating procedures on grants processing and include detailed instructions regarding who will enter and update data in the Grants Database Management System. (Action: Embassy Mexico City)

Recommendation 9: Embassy Mexico City should close out grants for which documentation is complete by notifying the financial management officer that funds may be deobligated. (Action: Embassy Mexico City)

Recommendation 10: Embassy Mexico City should require all locally employed staff and public affairs officers to maintain their grants officer representative training. (Action: Embassy Mexico City)

Recommendation 11: Embassy Mexico City should monitor and report any changes to grants policy directives to all mission personnel who have grants responsibilities. (Action: Embassy Mexico City)

Recommendation 12: Embassy Mexico City should require grants officer representatives to monitor grants and record their findings, as required by Department of State regulations. (Action: Embassy Mexico City)

Recommendation 13: Embassy Mexico City should open grants in excess of \$25,000 to competition unless specific exceptions are granted and noted in the grants file. (Action: Embassy Mexico City)

Recommendation 14: Embassy Mexico City should train additional public affairs officers to qualify for grants warrants. (Action: Embassy Mexico City)

Recommendation 15: Embassy Mexico City should develop and implement a comprehensive grants spending plan that matches financial resources with mission priorities throughout the fiscal year. (Action: Embassy Mexico City)

Recommendation 16: The Bureau of Narcotics and Law Enforcement Affairs, in coordination with Embassy Mexico City, should include grants officer representative information in the Grants Database Management System for new and amended awards for all grants exceeding \$100,000. (Action: INL, in coordination with Embassy Mexico City)

Recommendation 17: Embassy Mexico City should complete the entry of all individual travel grants into the Grants Database Management System. (Action: Embassy Mexico City)

Recommendation 18: Embassy Mexico City should reconcile its internal federal assistance award list and funded obligations so that it has the most accurate data on file. (Action: Embassy Mexico City)

Recommendation 19: [Redacted] (b) (5)
[Redacted]
[Redacted]
[Redacted]
[Redacted]

Recommendation 20: The Bureau of Diplomatic Security should respond to Embassy Mexico City's July 16, 2014, cable on open public access for the Benjamin Franklin Library and conclude negotiations with the Bureau of International Information Programs and the Bureau of Overseas Buildings Operations. (Action: DS, in coordination with IIP and OBO)

Recommendation 21: Embassy Mexico City should streamline the public diplomacy budget process by making budget decisions regarding the constituent posts early in the fiscal year. (Action: Embassy Mexico City)

Recommendation 22: Embassy Mexico City should develop and implement a strategy for shifting responsibility for fundraising and organization, that is, sponsoring the Green Race for local nongovernmental organizations. (Action: Embassy Mexico City)

Recommendation 23: The Bureau of Consular Affairs should implement a plan for domestic passport agencies to conduct targeted Spanish-language outreach to Mexican migrant communities in the United States to encourage passport applications for U.S.-born children. (Action: CA)

Recommendation 24: Embassy Mexico City should require Consulate General Tijuana to perform nonimmigrant adjudication reviews in accordance with Department of State regulations. (Action: Embassy Mexico City)

Recommendation 25: The Bureau of Overseas Buildings Operations, in coordination with the Bureau of Western Hemisphere Affairs and Embassy Mexico City, should conduct a cost-benefit analysis to determine whether converting existing consulate office building operating leases to capital leases is a better mechanism for providing constituent posts with facilities maintenance support and services. (Action: OBO, in coordination with WHA and Embassy Mexico City)

Recommendation 26: The Bureau of Overseas Building Operations, in coordination with the Bureau of Western Hemisphere Affairs and Embassy Mexico City, should develop and implement a corrective action plan that includes short- and long-term fixes, including a feasibility study on relocating some staff to alternate lease space and advancing construction of the new consulate compound in Guadalajara. (Action: OBO, in coordination with WHA and Embassy Mexico City)

Recommendation 27: The Bureau of Overseas Buildings Operations, in coordination with the Bureau of Western Hemisphere Affairs and Embassy Mexico City, should determine whether the consul general's office should be relocated to unclassified space; whether a second office should be created in unclassified space for the consul general; or another solution should be developed and implemented that addresses the consul general's work requirements and office management specialist staffing constraints at the consulate compound in Monterrey and at the six new consulate compound projects planned for Mission Mexico. (Action: OBO, in coordination with WHA and Embassy Mexico City)

Recommendation 28: The Bureau of Overseas Buildings Operations, in coordination with the Bureau of Western Hemisphere Affairs and Embassy Mexico City, should conduct a survey to identify building design flaws found in new consulate compound facilities in Mexico and modify its new consulate compound design based on the results of the survey. (Action: OBO, in coordination with WHA and Embassy Mexico City)

Recommendation 29: The Bureau of Overseas Buildings Operations should review and determine whether its site acquisition and technical review procedures properly evaluate and assess potential flooding at all new consulate compounds in Mexico and provide the results to Embassy Mexico City. (Action: OBO)

Recommendation 30: Embassy Mexico City should designate at each constituent post an employee outside the procurement unit as the designated billing officer. (Action: Embassy Mexico City)

Recommendation 31: Embassy Mexico City should request additional voucher examiner positions in the FY 2017 Mission Resource Request. (Action: Embassy Mexico City)

Recommendation 32: Embassy Mexico City should enforce the random cash count policy. (Action: Embassy Mexico City)

Recommendation 33: Embassy Mexico City, in coordination with the Bureau of Western Hemisphere Affairs, should create a memorandum of agreement for human resources services defining the roles and responsibilities of the human resources staff. (Action: Embassy Mexico City, in coordination with WHA)

Recommendation 34: Embassy Mexico City should issue a management announcement to mission staff outlining supervisors' responsibility for ensuring that employee position descriptions are accurate. (Action: Embassy Mexico City)

Recommendation 35: Embassy Mexico City should conduct a review of locally employed staff position descriptions for accuracy and appropriate classification of grade and position title. (Action: Embassy Mexico City)

Recommendation 36: Embassy Mexico City should complete local employees' performance reviews by the prescribed due date. (Action: Embassy Mexico City)

Recommendation 37: Embassy Mexico City, in coordination with the Bureau of Western Hemisphere Affairs, should conduct a cost-benefit analysis to determine whether outsourcing its staff position classification responsibilities to Fort Lauderdale or other regional center would result in cost savings and increased efficiency and implement the most cost-effective option. (Action: Embassy Mexico City, in coordination with WHA)

Recommendation 38: Embassy Mexico City should designate locally employed staff members as backup contracting officers. (Action: Embassy Mexico City)

Recommendation 39: Embassy Mexico City should implement Department of State safety standards that motor vehicle operators not perform more than 10 hours on duty and only operate a vehicle after a minimum 8-hour rest period. (Action: Embassy Mexico City)

Recommendation 40: Embassy Mexico City should review and update the mission's motor vehicle policy to include the home-to-school shuttle policy at Consulates General Nogales and Nuevo Laredo. (Action: Embassy Mexico City)

Recommendation 41: Embassy Mexico City should establish a written policy on the approved boundaries of home-to-school shuttle transportation for all the border posts and include the new policy in the Mission's Motor Vehicle Policy. (Action: Embassy Mexico City)

Recommendation 42: Embassy Mexico City should define and disseminate its facilities management organization, functions, and supervisory relationships and responsibilities to all members of the section. (Action: Embassy Mexico City)

Recommendation 43: Embassy Mexico City should implement a plan to close out work orders in a timely manner after completion. (Action: Embassy Mexico City)

Recommendation 44: Embassy Mexico City should require that safety, health, and environmental management standing committee meetings take place at the embassy and each constituent post at least semiannually. (Action: Embassy Mexico City)

Recommendation 45: Embassy Mexico City should implement Department of State swimming pool safety standards at facilities and residences under its control. (Action: Embassy Mexico City)

Recommendation 46: Embassy Mexico City should inspect increased-risk work operations and areas at least once a year and file a report requirement corrective action when deficiencies are found. (Action: Embassy Mexico City)

Recommendation 47: The Bureau of Administration should reissue cable guidance regarding issuance of diplomatic license plates for motor vehicles at overseas missions pending incorporation of the guidance into the appropriate *Foreign Affairs Manual* or *Handbook*. (Action: A)

Recommendation 48: Embassy Mexico City should establish and hold regular information management section meetings that include the consulates to facilitate open communication and build team relationships. (Action: Embassy Mexico City)

Recommendation 49: Mexico City should revise reporting assignments and establish appropriate work goals and objectives to provide information management oversight and accountability to the consulates. (Action: Embassy Mexico City)

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Recommendation 59: [Redacted] (b) (5)

[Redacted]

[Redacted]

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Recommendation 63: Embassy Mexico City should verify that the Embassy Mexico City employee association is submitting status of recommendations reports to the Office of Commissary and Recreation Affairs. (Action: Embassy Mexico City)

Recommendation 64: Embassy Mexico City should reissue guidance on the procurement process and the avoidance of unauthorized commitments. (Action: Embassy Mexico City)

Recommendation 65: Embassy Mexico City should require principal officers to pay and seek reimbursement for official residence expenses staff salary expenses. (Action: Embassy Mexico City)

PRINCIPAL OFFICIALS

Title	Name	Arrival Date
Chiefs of Mission:		
Ambassador	Wayne, Earl Anthony	09/11
Deputy Chief of Mission	Dogu, Laura Farnsworth	02/12
Constituent Post(s):		
Ciudad Juarez – Consul General	Brownlee, Ian G	08/12
Guadalajara – Consul General	Abeyta, Susan	09/12
Hermosillo – Consul General	Ogle, Karen	08/14
Matamoros – Consul General	Mittnacht, Thomas D.	08/12
Merida – Consul General	Tsiros, Sonya M.	08/12
Monterrey – Consul General	Pomper, Joseph M.	10/12
Nogales – Consul	Teal, Christopher	08/14
Nuevo Laredo – Consul General	Zimov, David M	07/12
Tijuana – Consul General	Erickson, Andrew S.E.	09/12
Chiefs of Sections:		
Management	Phillips, Marjorie R.	07/12
Consular	Jacobson, Donald E.	07/14
Political	Smitham, Thomas D.	09/13
Economic	Miley, Stephanie	06/14
Public Affairs	Syptak-Ramnath, Stephanie	07/14
Regional Security	Davis, John	07/14
International Narcotics and Law Enforcement	Kraft, Steven	07/14
OPAD	Papp, Robert	08/14
Other Agencies:		
U.S. Department of Agriculture/FAS	Berman, Daniel K.	08/11
U.S. Department of Agriculture/APHIS	Gutierrez, Nicholas	04/07
U.S. Department of Defense	Harris, Lorenzo	07/14
Air Force	Col. Curtis, Jared	09/13
Marine Corps	Maj. Ortiz, Christian	07/14
ODC	Col. McNaughton, Brian	07/13
Army Southcom IAC	McCausland, Christopher	07/11
Navy	Capt. Johnson, Scott Hiram	08/12
U.S. Department of Homeland Security	Ramirez, Edgar	01/13
Customs and Border Protection	Gonzalez, Carlos	06/14
U.S. Citizenship and Immigration Services	Fatica, Erin	05/14
U.S. Coast Guard	Capt. Cunningham, Michael	07/13
U.S. Secret Service	Spence, Stephen	04/11
Transportation Security Administration	Springer, Phillip	09/14
U.S. Department of Justice/CRM/OIA	Ciaffa, Robert	8/13
Alcohol, Tobacco, and Firearms	Heinzerling, Keith	01/14
Drug Enforcement Agency	Craine, Paul	02/13
Federal Bureau of Investigation	Drickersen, Eric	12/13
International Criminal Investigative Training Assistance Program	Miller, Richard	04/14
Overseas Prosecutorial Development, Assistance, and Training	De La Torre, Stacy	07/13
U.S. Marshals Service	Chavarria, Jose	07/14

Title	Name	Arrival Date
U.S. Department of the Treasury Attaché	Carr, Kevin	08/14
Internal Revenue Service	Rondon, William	05/12
Office of Foreign Assets Control	Quintanar, Florencia	09/13
Financial Crimes Enforcement Network	Bartlett, Chip	10/14
Farm Credit Services	Lutter, Dorothy	07/12
American Battle Monuments Commission/Cemetery	De Jesus, Hector	07/03
Health and Human Services		03/14
Social Security Administration	Barnett, Robert	
Centers for Disease Control and Prevention	Villarino, Margarita	03/13
Federal Drug Administration	Ross, Bruce	06/13
Peace Corps	Evans, Daniel	03/10
USAID	Jones, Sean	03/14

Source: Embassy Mexico City, Mexico.

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 Handbooks, 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 inspection team documented 1,121 interviews and meetings and collected 2,253 reference documents and reviewed 395 personal questionnaires, 366 work and quality of life questionnaires, and 821 LE staff questionnaires.

ABBREVIATIONS

A/OPE	Office of Procurement Executive, Federal Assistance Division
ARSO-I	Assistant regional security officer for investigations
BBG	Broadcasting Board of Governors
Department	U.S. Department of State
ESTH	Environment, science, technology, and health
FAH	<i>Foreign Affairs Handbook</i>
FAM	<i>Foreign Affairs Manual</i>
FAST	First-and-second tour
GDMS	Grants Database Management System
ICASS	International Cooperative Administrative Support Services
INL	International Narcotics and Law Enforcement
LE	Locally employed
MCCA	Minister-counselor for consular affairs
NVC	National Visa Center
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
USAID	U.S. Agency for International Development

INSPECTION TEAM MEMBERS

Ambassador Kenneth C. Brill (team leader)
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Darren Felsburg
Michael Hurley
Ralph Kwong
Barry Langevin
Mark Mayfield (Ciudad Juarez and Tijuana only)
John Moran
Robert Mustain
Lisa Piascik
Ashea Riley
Charles Rowcliffe
Richard Sypher
Alexandra Vega
Soraya Vega
Timothy Wildy
Timothy Williams



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