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United States Department of State
and the Broadcasting Board of Governors
Office of Inspector General

Report of Inspection

Limited-Scope Inspection of Embassy Nassau, The Bahamas

Report Number ISP-I-08-22, March 2008

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PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION

This inspection was conducted in accordance with the Quality Standards for Inspections, as issued by the President's Council on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General, U.S. Department of State.

PURPOSE

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

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and being accurately and effectively represented; and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instance of fraud, waste, or abuse exist: and whether adequate steps for detection, correction, and prevention have been taken.

METHODOLOGY:

In conducting this inspection, the inspectors: reviewed pertinent records in the Department and elsewhere; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on site interviews with personnel at the overseas missions, in the Department, and elsewhere; and reviewed the substance of the report and its findings and recommendations with office, individuals, organizations, and activities affected by this review.



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PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, Section 209 of the Foreign Service Act of 1980, the Arms Control and Disarmament Amendments Act of 1987, and the Department of State and Related Agencies Appropriations Act, FY 1996. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its oversight responsibility with respect to the Department of State and the Broadcasting Board of Governors to identify and prevent fraud, waste, abuse, and mismanagement.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG, and have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "Bill Todd", written in a cursive style.

William E. Todd
Acting Inspector General

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KEY JUDGMENTS

- Embassy Nassau benefits from widely praised policy leadership, good inter agency relations, and excellent resource management, though several problems in personnel management need attention. It pursues its policy goals in a friendly environment that features excellent cooperation from the host government.
- The mission realistically devotes most of its operational effort to three of its strategic goals: counternarcotics and crime, assistance to American citizens and travelers, and nurturing the excellent bilateral relationship. In counternarcotics and crime, the mission has maintained the highly successful tradition of its predecessors. The latter sectors show less visible results, but the Office of Inspector General (OIG) team finds both of them to be the beneficiaries of dedicated and energetic professionalism.
- The embassy's heavily law enforcement-oriented mission gives it an unusual imbalance of 37 direct-hire Department of State (Department) employees and 106 full-time representatives of seven other agencies. The post also proudly houses a long-established and very successful anti-narcotics command center with anti-migrant and search-and-rescue add-ons. The agencies consider themselves well supported.
- The embassy's support infrastructure needs strengthening in information management and in its ability to respond to growing commercial and investment interest in the Bahamas. A new locally employed (LE) staff position is needed, and two vacant ones should be filled.

The inspection took place in Washington, DC, between September 10 and October 3, 2007, at the Florida Regional Service Center on October 4 and 5, and in Nassau, Bahamas, between October 26 and November 6, 2007. Ambassador Robert E. Barbour, (team leader), Dr. Louis A. McCall (deputy team leader), and Boyd Doty conducted the inspection. It was part of a pilot project to determine whether a limited-scope inspection performed by a small team visiting small posts for a short time could adequately evaluate their performance in policy implementation and resource management. The inspection did not include a full review of security or information technology programs. This limited-scope report sets forth the team's observations, informed impressions, findings, and recommendations.

CONTEXT

The Bahamian archipelago's 700 islands, only 30 of which are inhabited, stretch about 500 miles, north to south, off the Florida coast toward Cuba and Haiti. A



member of the British Commonwealth, the Bahamas is a thriving democracy with an educated population, free media, and efficient institutions. Per capita, gross domestic product is a high \$17,000.

With sea, sand, and sun as its most important raw materials, the Bahamas gets most of its gross domestic product from tourism, mainly American. Financial services come next, followed by fishing. Schooling is mandatory through the age of 16, and adult literacy is 95 percent.

Popular attitudes toward the United States are strongly positive – made more so by visa-free travel – and the government is openly pro-American. These and a 23-year old trilateral anti-drug program make the Bahamas one of the closest operational partners of the United States in the Western Hemisphere. It is an enviable policy environment.

EXECUTIVE DIRECTION AND POLICY IMPLEMENTATION

EXECUTIVE DIRECTION

Under an interim chargé d'affaires for six months prior to the inspection, Embassy Nassau by all accounts has strong and centralized policy leadership. It supported the programs of the mission's component agencies, strove successfully to assert Chief of Mission authority and dampened interagency frictions, earning agency chiefs' declared respect in the process. Therefore, the inspection finds a smoothly working mission that lays claim to a long list of policy accomplishments.

Unfortunately, there was no acting deputy chief of mission (DCM) during this period. The chargé believed that heavy management and consular workloads precluded naming either of these sections' chief to the job. But not only could some of the chargé's extra work have been delegated to such a person, it would have provided the occupant of such a job with good executive training and a broader perspective. Now, having exercised senior authority alone for such an extensive period of time, and with a new ambassador arriving at the end of the inspection, the chargé will need to be constantly aware that his former senior responsibilities have transferred.

The chargé starts every day with a brief stand-up meeting with Department section chiefs. This forum for information exchange and coordination is supplemented by weekly law enforcement and country team meetings. Minutes of the latter, along with those of management meetings, are distributed within the embassy. With the arrival of a new and energetic management officer, the chargé endorsed the reconstitution of the housing board and instituted an enhanced awards program, among other things. He also took a commendable personal interest in the performance evaluation process, both for Americans and LE staff.

The insistence on collegiality elsewhere in the embassy is not visible in the front office, where working relationships are not the best. The most common complaint received by the OIG team was that workloads had shriveled and information had dried up. There was no internal communication. Protocol work, performed by an

employee technically in the economic section but in reality part of the executive office, was downgraded. Both efficiency and morale suffered. This was addressed by counseling and by an informal recommendation made for the experienced protocol assistant to be moved and officially made a part of the new ambassador's executive staff.

There are three office management specialists (OMS) in the front office. Two serve one person each – the Ambassador and the DCM – and one the chief of the political/economic section. With the arrival of an active new ambassador, the first two will probably be very busy. The third may also participate in this support, but if not, will continue to be occupied with the almost menial tasks that the OIG team observed. Both the position and the occupant's talents were being wasted. Inasmuch as eligible family members (EFM) are filling similar positions elsewhere in the embassy and in Nassau stay longer than in most other places, the OIG team informally recommended that the political/economic OMS position be designated as EFM on departure of its present incumbent.

POLICY IMPLEMENTATION

The Mission Strategic Plan

Embassy Nassau's Mission Strategic Plan (MSP) is a living document, even if in the words of Washington reviewers "it is too long and too detailed." The embassy circulates the previous year's plan to section chiefs and agency heads two months before the due date of the new MSP, and drafting responsibilities are assigned. It next holds an off-site meeting to review the draft goal papers and to provide the basis for a second draft. Following the receipt of comments and new editing, the draft and its resource tables are submitted to Washington. Subsequently, the mission reviews the plan quarterly and has another off-site at mid-year to evaluate progress and make necessary changes. This same meeting then sets in motion the preparation of the next MSP. The OIG team found that other agencies were fully involved in the process and pleased that their interests were accommodated in it.

Law Enforcement

Embassy Nassau is a law enforcement post and is proud of it. For over 20 years, its trilateral, multiagency Operation Bahamas and The Turks and Caicos (OPBAT), led by the Drug Enforcement Administration (DEA) has been the model of a successful joint and combined anti-drug machine. (The Turks and Caicos is an independent British Protectorate.)

In addition to DEA's 23 officers, the Department, the U.S. Coast Guard (USCG), U.S. Army, Southern Command, and the U.S. Customs and Border Protection agency (CBP) all participate in OPBAT. The Royal Bahamian Police and its respected Drug Enforcement Unit are also associated with OPBAT operations, as is the Caicos Police Force. The USCG directs OPBAT operations, which involve both USCG and DEA platforms, but USCB also has separate responsibilities for anti-migrant and search and rescue missions.

In the first eight months of 2007, OPBAT executed 82 anti-drug missions, seizing almost two tons of cocaine, 180 tons of marijuana, and five vessels. A shared operation in Florida yielded another 570 kilos of cocaine. In addition, during the same period, the USCG carried out 18 anti-migrant missions and 80 search and rescue cases. In these, 1,300 illegal migrants were interdicted and 168 people in distress assisted. Estimates vary, but claims persist that OPBAT has caused the flow of drugs into the United States through the Bahamian corridor to decline from 70 percent or higher at the beginning of its existence to 10 percent today.

The USCG is also represented by a liaison officer, as is the U.S. Navy (see below). Though separate from OPBAT and having their own service support roles, they work closely with the Bahamian forces, providing both training and material assistance. If the embassy succeeds in receiving its \$1.2 million in FY 2008 peace and security funds for counterdrug and anti-terrorist programs, these two offices will use part of them for their programs. This \$1.2 million would be about \$500,000 less than in FY 2006, the price, say some, of OPBAT's success and the ascendancy of higher priorities.

OPBAT has a three-person tactical analysis team for background information relevant to anti-drug operations. It also assists the assistant legal attaché (see below), but could be of substantially greater use to the embassy. This was discussed with post management.

The Narcotics Affairs Section

The one-officer narcotics affairs section (NAS) has been particularly hard hit by the reduced funding made available for embassy programs in support of the Bahamian defense and police forces. In FY 2006 it was allocated \$1 million, but in FY 2007 only \$500,000, 80 percent of which is required to maintain the office. These training funds are used sparingly in coordination with DEA and the U.S. Navy Liaison Office (NLO) and for strategically developed purposes, mainly with the police. The office has also been instrumental in achieving a greater coordination of the mission's various assistance programs through developing a comprehensive database showing participants' names and the training they received.

Customs and Border Protection

Established in the Bahamas 30 years ago, the Department of Homeland Security's CBP preclearance operation has 35 officers at the Nassau International Airport and 13 in Freeport. Their purpose is to screen U.S.-bound airline passengers and cargo. In the period July 2006-2007, it processed 1.27 million passengers at Nassau and 239,000 at Freeport. The program works well but imperfectly due to poor airport security, which is in the hands of a separate police authority. The Department of Homeland Security also operates a non-CPB Container Security Initiative in Freeport, where the Department of Energy administers "Megaports," a unique detection facility whose findings can be monitored at sites in the United States.

Federal Bureau of Investigation

The one-agent assistant legal attaché office newly established in 2005 reports to the legal attaché at Bridgetown, Barbados, and is one of the criminal investigative bodies in Embassy Nassau's large family of law-enforcement agencies. Drug trafficking, counterterrorism, and cyber crimes occupy most of his attention, to say nothing of money laundering. According to the Federal Bureau of Investigation, the Bahamas is host to some 400 offshore banks and 100,000 international banking corporations holding upwards of \$200 billion and is not very cooperative in this field. Along with the regional security officer (RSO) who is the principal advisor to the Chief of Mission on security and law enforcement matters, the post's assistant legal attaché has a deconflicting role in working to gain the acceptance and full cooperation of all embassy elements engaged in law enforcement. Generally, he has been successful in this endeavor.

Naval Affairs Officer

The Navy's four-person NLO is a virtual and soon-to-be-real Military Liaison Group. It has a large husbanding role for Navy ships and aircraft and provides administrative support to the undersea testing facility on Andros Island, even though the facility is not part of the U.S. mission. But the NLO's main purpose is training, for which in FY 2007 it received some \$500,000 in International Military Education and Training and Foreign Military Finance funds. These were in addition to another million dollars made available in Theatre Commander Activities money for humanitarian programs. A U.S.-Bahamian Emergency Operations Center and four go-fast boats are also being financed in part or in whole by assistance money channeled through the NLO. Though mostly aimed at the Royal Bahamian Defense Force, funds provided by the NLO are also available for Bahamian police training. The NLO uses the country team to announce program availabilities and solicit ideas. As do other agencies, it also draws on the NAS's yeoman coordinating work as well as semiannual U.S.-Bahamian Joint Task Force meetings. These serve as forums to review progress, identify future needs, and discourage duplication.

Department of State

Anti-terrorist training funded by the Bureau of Diplomatic Security and organized by the RSO is another part of Embassy Nassau's complex law enforcement picture. Training takes place in the United States, the Bahamas, elsewhere in the Caribbean, or at the International Law Enforcement Academy in El Salvador. These programs are not frequent, but their cumulative effect adds significantly to the Bahamian police's overall capabilities. These programs are coordinated with other U.S. agencies and the NAS.

In addition to his duties as senior security officer for and advisor to the embassy, other law enforcement responsibilities fall on the RSO's shoulders. Among other sources, these come from fugitives who think wrongly that the Bahamas is an easy haven and from inexperienced American law enforcement officers who assert the same jurisdictional authorities that they do back home. Along with the assistant legal attaché, the RSO spends much time and effort ensuring the essential good will of the Bahamian police is not wrecked by visiting over-eager colleagues.

Coordination

For obvious reasons, law enforcement coordination is vital, and it is present. It derives from the regular consultation with the NAS and the weekly law enforcement meetings. Mostly, however, it results from a commendable one-team spirit. Inter-agency cooperation is therefore very good. Also, the NAS's database for previous aid recipients and the training they received is specifically very welcome. Coordination is also fostered by the chargé d'affaires, whose leadership and support, including when necessary by policy-level interventions with the Bahamian government, was uniformly praised to the OIG team.

POLITICAL/ECONOMIC/COMMERCIAL

Embassy Nassau has a combined political/economic/commercial/public diplomacy (PD) section of three officers headed by an FO-03 encumbering a position that was upgraded to FO-02 shortly after his arrival. The three officers and the LE commercial assistant all draft informal messages and formal reports. One of the two subordinate officers is a rotational entry-level officer who moved into the section following a year of consular work.

The Bahamas has the highest per capita income in the Caribbean Community. The United States is the Bahamas' main trading partner with a balance of trade strongly in our favor. Two-way trade in 2006 totaled nearly \$2.3 billion. Eighty percent of imports into the Bahamas come from the United States. Apart from the banking industry, much of U.S. investment in the Bahamas is in hotels and tourism. The latter represents 60 percent of the Bahamas economy; approximately 87 percent of it is from the United States. The United States and the Bahamas are linked by language, culture, education, consuming patterns, and easy access. The heavily traveled U.S.-Bahamian air routes make aviation relations, which are managed by this section, vitally important. The Federal Aviation Administration manages the air space over the Bahamas and visits frequently. Nassau and Freeport also have a high profile as cruise destinations for U.S.-owned lines operating out of Florida. Freeport is one of the largest ocean cargo transshipment ports in the world, a big reason for its inclusion in Megaports and the strategic container initiative.

The Bush Administration launched the "Third Border" initiative with the countries of the Caribbean (the Bahamas is technically an Atlantic Ocean nation) on April 21, 2001. Its focus is on engagement through targeted programs designed to enhance cooperation in the diplomatic, security, economic, environmental, health, and

educational fields. The initiative recognizes the Caribbean and the nations in it form a third border of strategic importance to the United States. The initiative has been reaffirmed periodically, i.e., in January 2004 and most recently at the June 2007 U.S. – Caribbean Community summit in Washington, DC. The political/economic/commercial/public diplomacy section plays an important role in supporting the initiatives of this broad agenda as they relate to the Bahamas. On the embassy's recommendation, the Bahamas was removed from the U.S. Special Trade Representative's intellectual property rights watch list, but the section continues its work in that area. It is also active in business facilitation; it organized a major business development conference in May 2007 and led a 10-person Bahamian delegation to the United States the following August. However, it is not adequately staffed to help U.S. industry take advantage of the many important commercial and investment opportunities coming available.

Recommendation 1: The Bureau of Western Hemisphere Affairs should give favorable consideration to Embassy Nassau's request for an additional LE staff position to support economic and commercial activities. (Action: WHA, in coordination with Embassy Nassau)

PUBLIC DIPLOMACY

Embassy Nassau does not have a PD presence in that there is no assigned public affairs officer, and the post has been without one since 1992. It requested a public affairs officer in its FY 2008 MSP, terming the need for a public affairs officer "indispensable" to meeting the Department's PD goals and including a PD goal paper. This request was not repeated in the 2009 Plan, nor was there a specific goal paper. Nevertheless, the chief of the combined political/economic/commercial/public diplomacy section recognizes that PD is integral to the achievement of other MSP goals. He is ably supported in the function by two outstanding LE staff.

The senior PD LE staff person has 27 years of experience in public affairs that goes back to the former U.S. Information Service. She functions as the de facto press and cultural affairs officers and traveled frequently with the previous Ambassador in support of his PD agenda. She is complemented by another LE staff person hired nearly four years ago, a former broadcast journalist with the government-run Broadcasting Corporation of The Bahamas. With the support of her American supervisor, she is using her skills to set up a small studio operation, using video

equipment and editing software recently purchased, to produce embassy PD products for distribution to the media. She also took over maintenance of the embassy Internet Web page from the company to which it had previously been outsourced. A strong factor in the success of the PD function has been the quarterly media reception hosted by the Ambassador or chargé. Placement of embassy-produced items for editorial pages has been very successful. Mission officers have also regularly participated in talk shows on radio and television.

The staff works with all agencies. The OIG team observed a very successful media day for CBP that was set up during the inspection as the first of a series of media outreach initiatives for mission agencies and activities. The OIG team informally recommended that the position description of the second LE staff person in the section, who encumbers a Foreign Service national grade 7 position, be updated and resubmitted for computer-aided job evaluation. This should take account of the expanded duties of the position and ensure the proper grade for the work being performed.

The American PD profile can also be raised without adding resources. The OIG team suggested that Embassy Nassau ask the Department to redesignate one of the two subordinate officers in the combined section as political/public diplomacy. This could be done without adding an officer. It would also ensure the incoming officer receives PD training and that the embassy would not be excluded from regional or global PD conferences, as happened in the past year.

The section does a number of things that are not required and not usually performed without an American PD officer, but the section is unable to perform other tasks. For example, it voluntarily submits weekly media analyses to Washington. However, it does not have an information resources center and does not have a distribution list to supply information to clients. In fact, the section does not do research and does not distribute information in the way an information resources center would. The post has digital videoconference capability, but it is infrequently used. Given the scarcity of program funds for speakers, the OIG team informally recommended the embassy make better use of digital videoconferences. For example, the newly expanded consular waiting room could be used as program space.

CONSULAR

The consular district for the Bahamas and the Turks and Caicos Islands involves two foreign governments and covers a stretch of islands and sea approximately the size and shape of California. Technically in the Atlantic Ocean, these islands are loosely referred to as part of the Caribbean. The Bahamas approach as close as 50 miles of the U.S. coastline, while the Turks and Caicos Islands lie over 550 miles from Miami. The two-way flow of people is enormous with over five million U.S. citizens traveling annually to The Bahamas and the Turks and Caicos Islands combined. In addition, about 35,000 U.S. citizens reside in the Bahamas. Citizens of the Bahamas do not require visas when going to the United States for short tourist or commercial visits, if departing through the CBP preclearance facilities in Nassau or Freeport. Citizens of the Turks and Caicos Islands enjoy the same privilege, provided they arrive in the United States directly from those islands.¹

The consular section is headed by an FO-02 officer who manages four other officers, a consular associate, and 11 LE staff when at full complement. Two LE staff positions were vacant at the time of the inspection. The consular working area is well laid out and includes a waiting area inaugurated in February 2007. That renovation doubled the size of the waiting room and created a programmable space. The very capable consular chief restructured the section so that it is very functional. Service quality is high, as is the morale of the staff. There is an appointment system that works well, but, nevertheless, a regular queue of waiting visa applicants must intrude on the space of a nearby business. In inclement weather, they seek refuge under the portico of another neighboring business, making the U.S. embassy less than a good neighbor. A recommendation addressing this issue appears later in this report.

Although Bahamians generally do not require visas to visit the United States, the consular section had nearly 28,000 nonimmigrant visa cases in 2006. Of these, nearly 8,000 were of third-country nationals. The large numbers of Jamaican and Haitian applicants in Nassau require much closer scrutiny and have a much higher refusal rate than do Bahamians who either require visas or choose to apply for one. The frequency of minor drug use convictions gives this consular section one of the highest rates of ineligibility waiver requests in the world. That is a more labor-intensive process and has the potential for adverse publicity, but the consular section handles this well.

¹Volume 8 Code of Federal Regulations 212(1). Travelers are required to have a valid passport or travel document and present a current police certificate indicating no criminal record.

Embassy Nassau requested a consular agent for the Turks and Caicos Islands in both the FY 2009 MSP and its FY 2008 machine-readable visa budget request. The FY 2009 MSP also requested a consular agent for Freeport. Given the small size of the official community and the monthly consular officer service days that are programmed for Freeport (using CBP office space), the OIG team does not support the embassy's request for a consular agency there. The OIG team does, however, support the establishment of a part-time consular agency for the Turks and Caicos Islands, an independent 40-island protectorate of the United Kingdom. Although there are only 30,000 residents on the eight inhabited islands, it is one of the fastest growing destinations for American tourists. Approximately 400,000 of them go there each year, mostly by cruise ships, and make up the vast majority of visitors to the islands. In 2005 there were fewer than 60,000. There is also a building boom in the islands, and U.S. retirees have relocated there.

Starting in 2007, under the Western Hemisphere Travel Initiative, U.S. citizens visiting the Turks and Caicos have been required to have passports to reenter the United States. The workload for the emergency replacement of lost and stolen passports was thereby greatly increased. There are also two U.S. citizen prisoners in the islands who receive regular consular visitation. The government of the Turks and Caicos Islands has informally offered government office space for a U.S. consular agency.

Recommendation 2: Embassy Nassau should formally request the establishment of a part-time consular agent in the Turks and Caicos Islands, and the Department should give favorable consideration to that request. (Action: Embassy Nassau, in coordination with CA and WHA)

The currently configured access to the consular waiting room causes lines of applicants to wait in front of the embassy on a public sidewalk exposed to sun and rain or alongside the garbage receptacles of the adjacent fast food restaurant. Access to the embassy is through the embassy's compound access control (CAC) security guard booth. Once cleared, consular section clientele walk unescorted across an open area to the main door of the chancery and then pass through a rear door that opens into the waiting room.

Access could be improved in a way that would enhance security, eliminate the unsightly lines of applicants, and improve the process for consular section clients. This would involve changing the entrance to the consular waiting room by having consular clientele bypass the main CAC and proceed down the street in front of the chancery outside the compound perimeter until they reach the rear guard house. That facility could be enlarged, outfitted with the required equipment, and staffed to function as a separate consular CAC. Consular clientele could be screened there and then permitted to proceed directly into the waiting room through an existing security door. Should the waiting room be full, these visitors would form a line along the outside wall under an existing retractable canvas canopy. A gate in the waiting space would eliminate the need for consular visitors to use the main entrance to the compound.

In addition, the spacious consular waiting room would become a viable alternative PD program space when consular services are not being conducted. Consular and public affairs events could then be staged there with guests easily cleared through the consular CAC. Currently, the only other large program space is on the second level of the chancery in a general purpose room. Access to it requires entrance through the main CAC, cleared escorts to shuttle guests past the Marine security guard, and going up one floor. Using a new consular CAC would be simpler, would not require cleared escorts, and would reduce the amount of physical screening required.

Recommendation 3: Embassy Nassau should request, and the Bureau of Overseas Buildings Operations (OBO) and Diplomatic Security (DS) should conduct, upon the next visit of its area officer, a feasibility study to determine whether and at what cost and benefit the side-rear guard booth could be modified to make it a compound access control for the consular section. (Action: Embassy Nassau, in coordination with OBO and DS)

RESOURCE MANAGEMENT

Embassy Nassau has benefited greatly in the past year from the presence of a highly motivated and experienced management officer who is a tireless problem solver. He is endeavoring to transform his staff into an effective, service-oriented team. Nassau is larger than generally perceived, but receives substantial regional assistance.

REGIONALIZATION

Prime among Nassau's assistance providers are the Florida Regional Center (FRC) and the Charleston Global Financial Services Center. Post had six visits from the FRC-based regional financial management officer (RFMO) and four from the regional human resources officer in the past year. The management officer has integrated the FRC's virtual financial management officer (FMO) and virtual human resources officer so completely into post operations that they are the rating officers for their respective departments. He tasks them by e-mail or phone as though they were "just down the hall." The FRC, with heavy participation of the management team, has conducted Leadership and the Seven Habits of Highly Effective People training. Similar training is planned for FY 2008. Embassy Nassau has also had the benefit of a visit in mid-2006 by a Florida Regional Assistance Team focused on management and general services operations.

Staffing

Nassau has 143 direct-hire and EFM U.S. government personnel and 51 LE staff. This includes personnel and offices in Freeport and on other islands, including OPBAT's USCG and DEA forward operating locations. It does not include the U.S. Navy's undersea research facility on Andros Island, even though this facility is frequently cited in connection with embassy operations.

The post profiles for staffing are:

	American Direct Hires		Locally Employed Staff		Total
	State	Other Agency	State LE	Other Agency LE	
Nassau	37	106*	51	0	194

* DEA, DHS, DOD, DOJ

Resources

According to the post profiles, the FY 2008 budget targets for Department operations are:

	ICASS	Program	PD	Rep ¹	OBO	DS	Total
Nassau	\$2,439,800	\$1,964,200	\$700	\$33,600	\$285,700	\$563,262	\$5,287,262

¹Total of Department and public diplomacy representation funds

HUMAN RESOURCES

As noted above, the embassy gets good regional support from the FRC. Due to the brief time available during this inspection, the OIG team relied extensively on the detailed trip reports from these visits.

Post has increased the training budget for FY 2008. The Leadership Education and Development Course was offered twice in the past 12 months for Americans and LE staff. Seven Habits of Highly Effective People training was also presented. The OIG team encouraged the post to continue working closely with the FRC to fine-tune efforts to maximize training time in all disciplines, possibly by scheduling more frequent FRC visits. The management officer ensures his supervisors have individual training plans for LE staff.

Post management has included a 15 percent increase in the awards budget. Two semiannual ceremonies in 2007 resulted in awards to 15 Americans and 57 LE staff.

The local staff received an average overall salary increase of three percent effective April 1, 2007 (four percent for lower grades and two percent for upper ones), based on January 2006 survey data that supported an overall increase of 4.3 percent. A full salary and benefits survey by the Office of Overseas Employment in the

In this center of international financial transactions, the embassy has been unable to arrange electronic payment processing and electronic funds transfer (EFT) for vendors and payrolls. The OIG team informally supports the efforts of post management to urge the Charleston Global Financial Services Center to coordinate with the Department of Treasury to allow Nassau to utilize EFT. Based on RFMO trip reports and discussions with the management officer, the OIG team concluded there did not appear to be any other major unaddressed financial problems.

GENERAL SERVICES

One of the largest general services challenges facing post is dealing with the 102 all-agency leased housing units. The supervisory general services officer receives and tracks work orders and ensures they are coordinated with the respective landlords, who have maintenance responsibility. Unfortunately, while some of them are responsive and responsible, others require hands-on attention. Sometimes the embassy is forced to perform urgent repairs and deduct the costs from the rental payments. In chronically unsatisfactory cases, leases are dropped. Some houses may have attractive, landlord-provided furniture and amenities, while others may be more austere and in need of attention. It is sometimes difficult for the employees housed in these properties to understand how difficult and time consuming it can be to get problems fixed. Based on Embassy Nassau's excellent performance in real property management, it was selected by OBO to participate in its residential Rental Benchmarking Initiative. In this program, OBO will set aside the present \$25,000 per year rent maximum and allow post to manage its leases without requiring a waiver, so long as the lease stays beneath its benchmark by occupant type, within size standards by occupant type, and under the congressionally mandated \$50,000 mark. This major benefit offers significant leasing freedom.

An OIG inspector attended a housing board meeting and was impressed with its business-like atmosphere, appropriate attention to the concerns of all members, strict adherence to its established rules regarding requests for mid-tour transfers, and the collegiality of the process.

Although a detailed review of the various areas of general services was precluded by the time available, it was clear to the OIG team that the supervisory general services officer and his assistant general services officer, along with the locally hired facilities maintenance specialist were doing a creditable job with the limited personnel and financial resources they had available.

An OIG inspector briefly visited the small, lock-and-leave warehouse, which is basically three air-conditioned compartments in a commercial storage facility. It was well-organized and rather full. Post is planning a December auction of excess property, which should free up considerable space.

The inspector also toured the Ambassador's residence, the DCM's residence and a mid-level officer's short-term lease housing. All were in good condition, with attractive furnishings and excellent grounds. Closer inspection of the Ambassador's residence, which was being prepared for the newly arriving occupant, revealed areas in need of touch up and repair as well as others that should be taken up with the OBO area officer and with OBO Interiors and Furnishings Division representative. These visits have been requested. The embassy was advised to submit a list of the most urgent actions with their costs.

EMERGENCY PLANNING

Embassy Nassau's disaster relief officer updated and revamped the post 2007 Hurricane Plan to be an information-filled, 32-page handbook telling what to do before, during, and after a hurricane. It is full of checklists, sources of further information, and even a residence-by-residence housing matrix indicating the potential for flooding. The OIG team applauds the excellent hurricane plan, but unfortunately the communication of key information when a tropical storm struck in late October did not go smoothly. For example, a number of LE staff did not hear the embassy was going to be closed for the next two days. For fast-moving events and critical information, the OIG team informally recommended Embassy Nassau employ multiple tracks such as making announcements over the annunciator system while simultaneously sending a broadcast e-mail with the information.

The Emergency Action Plan is current and not due for resubmission until 2009. The Emergency Action Committee meets as needed and is carrying out its duties.

INFORMATION MANAGEMENT AND SECURITY

The information management and security functions are handled by three U.S. direct-hire information technology specialists. Together they have a good division of labor and adequate segregation of duties for information security. With some effort, they have kept up with the Department's patch management program

and have responded to help desk requests in a timely manner. They are assisted by two computer management LE staff and two mailroom clerks. Approximately three years ago, a third LE computer management assistant encumbering an International Cooperative Administrative Support Services (ICASS) position was released to save money. Since then, the mission has continued to grow and with it the burden on and frustrations of the information management staff.

In the past year, the consular section has had two automation upgrades. The financial management staff has had major systems upgrades, and other activities have been added to the information management staff workload. For example, the post provided support to the mission staff in Freeport early in 2007 and inaugurated its first Intranet Web site in October. Also in 2007, the mission began an extensive program of remote data communication with the introduction of secure identification keys, also known as Fobs. These allow secure access to the Department's Sensitive-But-Unclassified network (OpenNet) from any Internet-connected computer meeting OpenNet Everywhere (ONE) minimum systems specifications. There is also a pilot program supported by a remote server at the FRC that can be used by personal data assistants and communicators for mission-critical purposes. Further, the expected mandatory implementation of the public key infrastructure system, in conjunction with smart identification badges, with e-mail will add to demands on the staff. As a result, the information management staff cannot do special projects such as setting up and staffing an in-house training room or a trouble ticket database. The OIG team was unable to get statistics on trouble tickets or help desk requests because although the embassy has purchased trouble ticket tracking database software, its harried information management staff have not had the time to install and set up the system.

Recommendation 4: Embassy Nassau should fill the vacant locally employed computer management assistant position number N 55-930. (Action: Embassy Nassau)

Embassy Nassau does not have a telephone operator. The previous telephone operator was terminated in early 2006 to save ICASS money, and an automated system was installed. This has not worked well and is not well suited for a mission of Nassau's size and multiagency complexity. This is the source of many complaints, by American and LE staff. By its own experience, the OIG team found these general frustrations to be justified as outside callers attempted to circumvent the automated system and reach a human who could better assist them. These calls interfere with

chancery compound wall, within the chancery compound. Entry to the warehouse would then be from within the secure environs of the compound, thereby obviating the need for the present external access. Post has submitted a request to OBO for \$50,000 to accomplish this. The OIG team informally supports this proposal.

The RSO, in addition to his normal embassy workload, is kept busy counseling and helping stateside law enforcement agencies seeking or wanting to arrest and extradite fugitives. In addition to this damage-limiting burden, the RSO helps to make security arrangements for the large number of so-called VIP visitors.

He is also preparing to rebid the local guard program contract, which involves between 80 and 90 guards. The assistant RSO is actively involved in the residential security program, reviewing alarm and grill installation, as well as inspecting and approving, or not, new short-term housing leases.

The RSO office provides residential security coverage for about 110 residences in Nassau and 20 in Freeport on Grand Bahama Island.

Post receives good support from the security engineering office out of Ft. Lauderdale, with quarterly visits scheduled and additional visits upon request.

Embassy Nassau has a five-person Marine security guard contingent commanded by a newly promoted Gunnery Sergeant. The Marines have each received a number of awards, and one came in second in the worldwide Marine Security Guard of the Year contest. Relations between the detachment and the embassy community in general are very good.

QUALITY OF LIFE

The OIG team found morale to be good. However, while visiting “Paradise” can be delightful, living there can present challenges. Nassau is quite expensive; it merits a 42 percent cost of living allowance. The small island has a limited numbers of roads, and getting to the center of Nassau where the embassy is located can often confront one with traffic challenges and poor road conditions. Nassau is a high crime threat post, which means the RSO is constantly working to focus the attention of the embassy community on its own safety. With the exception of three U.S. government-owned properties (for the Ambassador, DCM, and consul general); the remaining housing is short-term lease and is generally quite adequate. However, this configuration leads to a wide variety in the quality of landlord-provided furniture and furnishings, and in the responsiveness and timeliness of landlord attention to tenant problems.

Post has a part-time (20 hours per week) contract registered nurse, who operates out of a professional medical clinic near most embassy housing. She came on board in September 2007. The Ft. Lauderdale-based regional medical office (either the regional medical officer or the nurse practitioner) visits usually every four to five months and is supplemented by an annual visit from the regional psychiatrist (unless otherwise needed). The local Doctors Hospital is well regarded for use by the embassy. The embassy experienced five medical evacuations in the past year, for which Ft. Lauderdale provided excellent support. One issue that has arisen is the need to emphasize to all individuals under Chief of Mission authority that coordination with embassy management is required for an authorized medical evacuation. Individuals cannot medevac themselves to the United States.

The embassy is lucky to have an experienced and highly motivated community liaison office (CLO) coordinator, who has served since June 2006. In March 2007 she conducted a two-week survey of quality of life and morale issues at the embassy. The survey, with a 25 percent response rate, demonstrated that over 80 percent of respondents rated quality of life as either good or excellent, and 74 percent rated morale as either good or excellent. These results were borne out in the OIG questionnaires and individual interviews. The CLO coordinator was able to use the survey to discover which CLO functions were regarded as most beneficial (event planning and so forth) as well as to help focus her efforts on the CLO activities ranked

INFORMAL RECOMMENDATIONS

Informal recommendations cover matters not requiring action by organizations outside of the inspected unit and/or the parent regional bureau and are not subject to the OIG compliance process. However, any subsequent OIG inspection or on-site compliance review will assess the mission's progress in implementing the informal recommendations.

POLITICAL/ECONOMIC/COMMERCIAL/PUBLIC DIPLOMACY

The political/economic/commercial/public diplomacy OMS is part of a three-person support staff in the executive suite and is used for quasi-menial work that should be devolved to LE staff. EFMs fill OMS positions elsewhere in the embassy and in Nassau stay longer than at most other places.

Informal Recommendation 1: Embassy Nassau should request that the political/economic office management specialist position be converted to an eligible family member position on departure of the present incumbent.

The public diplomacy outreach of Embassy Nassau is expanding with the introduction of an Internet Web site and a video studio suite to produce and distribute public affairs products.

Informal Recommendation 2: Embassy Nassau should update the position description of the media assistant and schedule a review to resubmit the media assistant's position for computer-aided job evaluation.

The protocol assistant is physically located in the political/economic/commercial/public diplomacy office space on the ground floor, and she is rated by the chief of the political/economic/commercial section, for whom she also performs some tasks as assigned.

Informal Recommendation 3: Embassy Nassau should transfer the locally employed protocol assistant to the executive section and make the Ambassador's office management specialist the rating officer.

The digital videoconferencing capability of the embassy is underutilized. Given the shortage of funds for a speaker program, revitalization of the use of digital videoconferences, in relation to MSP objectives, is a low cost option to expanding outreach.

Informal Recommendation 4: Embassy Nassau should make greater use of its digital videoconference capability.

HUMAN RESOURCES

Post is pursuing the option of combining the roles of the fund manager and the administrator for the LE staff pension plan into one. That would eliminate one set of fees and is awaiting a Legal Adviser decision on that issue.

Informal Recommendation 5: Embassy Nassau should press to get a timely decision from the Legal Advisor on the combination of pension fund roles.

FINANCIAL MANAGEMENT

The management officer treats the RFMO as a virtual FMO with direct management responsibility. He has requested more frequent visits from the RFMO (and the regional human resources officer) to support training and oversight efforts.

Informal Recommendation 6: Embassy Nassau should seek more frequent visits from the regional financial management officer to support training and oversight efforts.

Embassy Nassau has been working to catch up to the rest of the world in payment processing and be able to pay vendors and payroll via EFT.

Informal Recommendation 7: Embassy Nassau should urge the Charleston Global Financial Services Center to coordinate with the Department of Treasury to allow Nassau to use electronic funds transfers.

GENERAL SERVICES AND FACILITIES MANAGEMENT

The communication of key information on the afternoon before tropical storm Noel arrived did not go smoothly, and it was clear a number of LE staff did not hear the embassy was going to be closed.

Informal Recommendation 8: Embassy Nassau should employ multiple communication tracks, including making announcements over the annunciator system, while simultaneously sending a broadcast e-mail with the information to better and more completely inform all of the embassy community during fast moving events requiring time critical information.

SECURITY PROGRAM MANAGEMENT

Post has proposed to extend the chancery compound wall to include the government-owned general services office warehouse that currently abuts the chancery compound wall, so that it is within the chancery compound. Access to the warehouse would then be from within the secure environs of the compound, rather than exposing employees accessing the warehouse externally as is currently the practice.

Informal Recommendation 9: Embassy Nassau should press for funding the extension of the chancery wall to include the general services office warehouse.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Ambassador	Ned L. Siegel	11/07*
Chargé d'affaires	David Brent Hardt	08/05
Chiefs of Sections:		
Consular	Virginia Ramadan	09/06
Political/Economic/Commercial/ Public Diplomacy	Daniel O'Connor	08/06
Management	David Elmo	08/06
General Services	Frank Shields	07/07
Information Management	Ronnie Fontenot	07/04
Community Liaison	Jeanne Dennis	02/05
Narcotics Affairs	David Foran	08/05
Regional Security	Albert DeJong	08/06
Other Agencies:		
Department of Homeland Security		
U.S. Customs and Border Protection	Enrique Tamayo	04/07
U.S. Coast Guard Liaison	Lt. Cmdr. Michael Freddie	06/06
Department of Justice		
Drug Enforcement Agency		
(OPBAT Chief)	Kevin Stanfill	03/03
Federal Bureau of Investigation	Richard Etzler	02/07

Department of Defense

Defense Liaison

Lt. Cmdr. Delong Bonner, USN 01/06

U.S. Marine Security Guard

Detachment Commander

Gunnery Sgt. Harry Taylor 07/06

* Ambassador Siegel arrived at the end of the inspection. This report relates to the period when DCM Hardt was chargé d'affaires, a.i.

ABBREVIATIONS

CAC	Compound access control
CBP	U.S. Customs and Border Protection
CLO	Community Liaison Office
DCM	Deputy chief of mission
DEA	Drug Enforcement Administration
Department	Department of State
EFM	Eligible family member
EFT	Electronic funds transfer
FMO	Financial management officer
FRC	Florida Regional Center
LE	Locally employed
ICASS	International Cooperative Administrative Support Services
MSP	Mission Strategic Plan
NAS	Narcotics affairs section
NLO	U.S. Navy Liaison Office
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
OMS	Office management specialist
OPBAT	Operation Bahamas and the Turks and Caicos
PD	Public diplomacy
RFMO	Regional financial management officer
RSO	Regional security officer
USCG	U.S. Coast Guard

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