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

Report of Inspection

Embassy Montevideo, Uruguay

Report Number ISP-I-09-06A, October 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 for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

PURPOSE

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

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

METHODOLOGY

In conducting this inspection, the inspectors: reviewed pertinent records; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.



United States Department of State
and the Broadcasting Board of Governors

Office of Inspector General

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, 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, position, 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 "H. W. Geisel".

Harold W. Geisel
Acting Inspector General

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KEY JUDGMENTS

- The Ambassador and the country team have engaged intensively and effectively to improve bilateral relations with Uruguay's left-of-center coalition government, demonstrating that the United States is prepared to work closely with Latin American governments that maintain democratic institutions and respect human rights, regardless of their ideological orientation.
- The Ambassador and the embassy have secured important bilateral economic agreements, including a trade and investment framework agreement, a bilateral investment treaty, and a science and technology protocol, while effectively promoting U.S. business and exports.
- The embassy has promoted close and effective law enforcement cooperation with Uruguayan authorities despite the fact that U.S. law enforcement agencies are no longer present in Montevideo. The embassy is also increasing its training and cooperation engagements with the Uruguayan armed forces and police, principally related to Uruguay's international peacekeeping role.
- The Ambassador's high priority public diplomacy agenda has led to significant positive shifts in Uruguayans' perceptions of the United States – an impressive accomplishment in a region where public approval of the United States is low. An additional officer is needed to meet the public diplomacy staff shortage and sustain this progress.
- The management section has, for the most part, provided good services across the range of administrative functions, although customer service at the top has sometimes been an issue.
- In the past there has been a lack of conformity with National Security Decision Direction-38 (NSDD-38) provisions regulating mission growth. The mission should regularize a position that had not been authorized and adhere strictly to NSDD-38 provisions.

- The embassy failed to manage the local guard force program in a manner that assured against any perception of favoritism or conflict of interest, despite embassy policy guidelines to that effect. The local guard force program has been improving, but perceptions of favoritism have led to dissension in the local guard force and morale problems among locally employed (LE) staff.
- Morale among American employees is mostly good, (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2) (b) (2) The Ambassador and the newly arrived deputy chief of mission (DCM) have good outreach to American and LE staff and are increasing attention to embassy morale.

The inspection took place in Washington, DC, between March 31 and April 28, 2008, and in Montevideo, Uruguay, between April 29 and May 16, 2008. Ambassador Joseph Sullivan (team leader), Thomas Carmichael (deputy team leader), Thomas Allsbury, Joseph Catalano, Eric Chavera, Zandra Flemister, Matthew Koch, Dennis Matthews, Robert Ripley, and Roman Zawada conducted the inspection.

CONTEXT

Uruguay is a small country of 3.3 million people, nearly half of whom live in the capital city of Montevideo. Uruguay has among the highest per capita income,



income equality, literacy, and other social and economic indicators in Latin America. But Uruguay faces demographic challenges and a brain drain of educated young people emigrating in search of jobs.

Uruguay has one of the region's oldest democracies, interrupted by urban guerrilla actions and military rule from 1973-85. This historical period and its numerous human rights violations continue to have repercussions today, although democratically elected governments have ruled since 1986. In

2004, a broad front of left of center parties, the Frente Amplio, won the presidential and parliamentary elections for the first time ahead of Uruguay's two traditional political parties. The Frente Amplio, which took office in March 2005, continued implementing orthodox macroeconomic policies and promptly signed agreements with the International Monetary Fund, the World Bank, and the Inter-American Development Bank. This broad front government includes some hard-line socialists, communists, ex-guerrillas and powerful trade unionists who accuse the United States of supporting Uruguay's military government during the cold war. While in the minority, these groups remain vocal and opposed to closer cooperation with the United States.

Uruguay has diversified its trade in recent years and sought to reduce its long-standing economic dependence on Argentina and Brazil. Uruguay is a member of the MERCOSUR common market along with Argentina, Brazil, Chile, Paraguay, and Venezuela, but has not been spared from economic disruption in the region and has not benefited significantly from this economic relationship. The United States and Uruguay have signed a trade and investment framework agreement, a bilateral investment treaty, and an April 2008 science and technology protocol.

Bilateral relations with Uruguay are good and were strengthened by President Bush's 2007 visit to Uruguay and Uruguayan President Vazquez's earlier visit to the United States. Uruguay has the highest worldwide per capita participation in UN peacekeeping missions. Porous borders and banking secrecy, however, make Uruguay vulnerable to transnational crime.

U.S. Embassy Montevideo has 50 U.S. direct-hire employees from the Department of State (Department) and the Department of Defense. The embassy has 16 U.S. LE staff and 144 foreign LE staff from the Department and the Departments of Defense, Agriculture, and Commerce. The United States does not have U.S. Agency for International Development, Millennium Challenge Corporation or Peace Corps programs in Uruguay. Department of Homeland Security (DHS) personnel departed Embassy Montevideo in 2007, leaving the regional security officer (RSO) as the only resident law enforcement presence in the embassy.

EXECUTIVE DIRECTION

The Ambassador arrived in Montevideo in November 2006, ending a gap of 18 months in the position. He is a noncareer Ambassador with extensive experience in private business and civic activities. He has engaged intensively in improving bilateral relations between the United States and Uruguayan governments, and has developed close relations with Uruguayan government and civic leaders. He has promoted cooperation in trade, science and technology, education, and training to improve the Uruguayan armed forces' capacity to carry out their international peacekeeping missions and to defend democracy.

The Ambassador has proven himself an active supporter and effective advocate of the U.S. business community in Uruguay. He successfully demonstrated that while Uruguay and the United States may disagree on some political issues, we share much common – particularly economic – ground. The success of his strategy of building economic bridges and promoting trade between our countries is most visibly manifested in the signing of a bilateral trade and investment framework agreement on his watch, as well as in increased U.S exports to Uruguay. He has also traveled extensively throughout Uruguay and become a well-known and popular figure in the country. The Ambassador's goodwill and sincere interest in improving relations are much appreciated by the Uruguayan media and public.

The Ambassador has been instrumental with the Uruguayan and U.S. governments in securing a science and technology protocol, high-level visits in both directions, and increased exchange programs. The Ambassador meets frequently with his staff and delegates significant responsibilities to his section and agency heads. He engages senior Uruguayan leaders frequently, and also facilitates meetings of his embassy staff with senior Uruguayan officials.

The Ambassador sets clear policy direction and priorities for the mission and engaged together with the DCM in preparation of the Mission Strategic Plan (MSP). The Ambassador is open and inclusive with his American and Uruguayan staff, and his interpersonal skills are widely admired. He and the new DCM walk around the mission frequently, and are open with American and Uruguayan staff. They both take an interest in improving the morale of the American community and Uruguayan

employees, (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2) (b) (2)(b) (2)(b) (2)(b) (2) The Ambassador uses frequent representational events and travel around the country very well to increase the influence and access of the United States in the Uruguayan government and society.

The Ambassador is a major public diplomacy asset for the mission. He is the leader and active participant in the mission's efforts to carry a message that underlines the value that U.S. relations bring Latin America. Both the substance of his message and his warm, personal style are very effective in Uruguayan society and media. The Ambassador uses his residence for public diplomacy program representation and his presence at public events to good effect. He is open with the media, makes time for the working journalists, and nurtures positive relationships with editors from diverse political perspectives. His extensive U.S. private sector experience promoting education gives him an appreciation of its value for bettering bilateral relations, as well as personal relationships with U.S. leaders in the field who can contribute to mission goals. He listens to advice from his public diplomacy section staff and works well with them. Mission public diplomacy led by the Ambassador, the prospect of increased trade with the United States, and visits of U.S. government officials, including President Bush in March 2007, have contributed to the jump in favorable public opinion of the United States from 38 percent to 59 percent in the last two years.¹

The DCM arrived in February 2008 following a gap of six months in the position, and is rapidly learning the issues, meeting key Uruguayan officials up to the ministerial level, and assuming the day-to-day oversight and management responsibilities of the embassy through frequent meetings with embassy sections and agencies.

Security and Law Enforcement Cooperation

The Ambassador has promoted increased security cooperation with the Uruguayan armed forces. The Office of Defense Cooperation (ODC) plans to increase its size. ODC and the executive office are aware of the need to assure that NSDD-38 requirements have been met for all personnel currently at post and for proposed increases. The Ambassador has also been very interested in promoting frequent

¹Department of State's Bureau of Intelligence and Research, Office of Research Opinion Analysis of March 6, 2007

visits and engagement by representatives of the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), and DHS in the absence of permanent representation of those agencies in Uruguay. He encourages regular coordination through the RSO, but continues to press actively for more engagement by law enforcement agencies.

Security and Management

The Ambassador has engaged frequently with relevant Department offices on security issues in coordination with the RSO. Due in part to personnel gaps, the embassy's executive direction has not provided comprehensive oversight and supervision of all management issues and security programs, particularly the local guard force. The Ambassador and DCM recognize the importance of increasing their oversight of management and security programs and are committed to engaging more fully on these issues. (This subject is addressed more fully in subsequent sections of this report.)

Equal Employment Opportunity

The Ambassador and DCM are fully committed to Equal Employment Opportunity (EEO) and have made sure that the embassy's position on these issues is clear.

Entry-Level Officers

The embassy does not have an entry-level officers' program for the small number of entry-level generalists and specialists at post. The new DCM has committed to establishing such a program and to encouraging entry-level officers to take full advantage of the program.

POLICY AND PROGRAM IMPLEMENTATION

POLITICAL AND ECONOMIC AFFAIRS

Embassy Montevideo's political, labor, economic, and commercial (PLEC) section personnel are successfully engaged in strengthening the bilateral relationship. The Office of Inspector General (OIG) team determined that it could not support the embassy's MSP request for an additional PLEC reporting officer position and identified a need for the section to strengthen its internal communication through the holding of sectional meetings.

Although the United States and Uruguay differ on a number of important political issues (Iraq and Cuba, for example), Embassy Montevideo has sought to focus on areas of common interest in its effort to strengthen the bilateral relationship. Mission leadership recognized that political differences notwithstanding, Uruguay can be a valuable friend in a region where an increasing number of countries are seeking to distance themselves from the United States.

After Uruguay's sharp political shift to the left in 2005, the embassy initially focused on engaging the wary Uruguayan government in dialogue on trade. This approach resulted in the conclusion of a number of bilateral economic agreements. The May 2006 visit by President Vazquez to Washington and President Bush's visit to Uruguay in 2007 sent a powerful message to the region that the United States is prepared to cooperate with governments which respect human rights, democracy, and the rule of law, regardless of ideological label. Moreover, many believe that MERCOSUR, the Southern Cone trading bloc of which Uruguay is a member, has failed Uruguay, encouraging it to look elsewhere, including to the United States, for answers.

Staffing

PLEC is a combined section consisting of four officers, one office management specialist, one American eligible family member employee (EFM), and seven LE staff – two of whom are employees of the Department of Commerce. In a most unusual section structure, two Department LE staff and two Department of Commerce LE staff are dedicated entirely to commercial work and are divided along economic sectoral lines; the two Department commercial LE staff perform no economic functions.

In its FY 2010 MSP, Embassy Montevideo requested augmenting the PLEC section by one additional officer position. The OIG team believes, however, that the embassy is able – under normal circumstances and if untapped Department LE staff reporting capacity in the section is more fully utilized – to cover adequately all priority issues with existing officer and LE staff resources and does not support funding an additional PLEC officer position.

PLEC leadership has taken creative steps to better manage its workload. Most requests for vetting of Uruguayan officials receiving U.S. government military and/or law enforcement training are performed – with PLEC oversight – by the mission’s ODC. Similarly, Blue Lantern end-use checks are carried out by Department of Commerce LE staff responsible for the munitions sector – but are reported appropriately through Department channels. Moreover, PLEC management has made effective use of the section’s office management specialist, who is successfully employed in drafting numerous cables under officer supervision. Finally, the section’s successful augmentation of staffing through addition of a part-time EFM employee has also helped.

Reporting and Analysis

The PLEC section has undergone significant transition in recent months. For example, during a six-month gap in the DCM position, the PLEC counselor filled in as acting DCM, stretching the counselor and an already fully engaged section to its limits. Nevertheless, PLEC has, for the most part, done an effective job in reporting on priority political and economic issues. During the OIG preinspection survey, Washington consumers generally expressed satisfaction with Montevideo reporting. One U.S. government office praised Montevideo’s biographic reporting, citing a cable on a cabinet reshuffle as a “stunning example” of reporting. Another described Montevideo’s Human Rights Report as “one of the best.” Post’s MSP, the drafting of which was led by PLEC, was described as well written; other Washington consumers expressed satisfaction with PLEC reports on free trade agreements,

an ongoing pulp mill dispute with Argentina, and the visit of President Vazquez to California. On the other hand, Washington offices also indicated their desire for increased reporting from post in the areas of domestic politics and terrorism/transnational crime issues.

Although the OIG team believes PLEC section reporting has effectively addressed most relevant MSP goals, reporting on the goal entitled “Improving Uruguay’s Ability to Combat Terrorism and Transnational Crime” should be strengthened. While terrorism, narcotics, money laundering, and international crime figure prominently in the MSP and in the country team, law enforcement working group (LEWG), and other meetings at post, these issues appear not to be reported to a degree commensurate with their importance to mission goals and objectives. In particular, PLEC reporting and engagement on issues related to narcotics, for example, making the case for increased/additional counternarcotics funding to the Department’s Bureau of International Narcotics and Law Enforcement, needs to be improved. An informal recommendation was made.

There are additional steps PLEC could consider now in an effort to bolster its reporting capabilities. Firstly, the portfolios of the two Department commercial LE staff that currently perform primarily commercial tasks could be adjusted to include some degree of reporting responsibility. An informal recommendation was made. Additionally, with the successful conclusion of the bilateral science and technology agreement, and with the completion in late 2007 of the Fund for the Americas Environmental and Social Program, section management should reassess the work requirements of the environment, science, technology, and health specialist to determine whether this employee’s responsibilities can be adjusted to promote section reporting objectives. An informal recommendation was made. Finally, post entry-level and consular officers represent a potential untapped resource for reporting. These officers can provide unique insights into ethnic groups of interest, with potential application to reporting on trafficking-in-persons, narcotics, or transnational crime issues. To the extent possible, section management should explore reporting opportunities with such officers. An informal recommendation was made.

Operations and Advocacy

PLEC section leaders will leave behind a laudable body of accomplishments when they depart post in the coming months. In late 2005, the United States and Uruguay signed a Bilateral Investment Treaty, and in 2007, they signed a Trade and Investment Framework Agreement. Lastly, during the OIG team’s visit, the United States and Uruguay signed a Science and Technology Agreement.

Although PLEC is in name a combined political/economic section, it does not operate as one. The political and econ/commercial groupings within the section function well, but almost completely independently of each other. The OIG team suggested PLEC management consider redistributing areas of responsibility among personnel with an aim of promoting section integration. An informal recommendation was made.

The absence of PLEC section meetings further contributes to the divide within the section. Some section members said they felt isolated from their colleagues, while many expressed the need for section meetings. Regular and frequent meetings of all PLEC employees will contribute to a sense of team, improve communication within the section, reduce the knowledge gaps that sometimes occur because of officer transfers, build on synergies, and prevent duplication of effort.

Recommendation 1: Embassy Montevideo should hold regular and frequent staff meetings of all political, labor, economic, and commercial affairs section personnel. (Action: Embassy Montevideo.)

Although there are currently no PLEC-monitored U.S. government-funded grants or programs active in Uruguay, the reporting record indicates that PLEC officers have been actively involved in monitoring programs funded by the Department's Office to Monitor and Combat Trafficking in Persons. PLEC has also lobbied Washington for an additional "Phase III" trafficking in persons project in Uruguay. Progress toward the signing of a letter of agreement to provide \$50,000 in FY 2007 funds for counternarcotics programs, however, has been slow.

The Department considers Montevideo a non-U.S. Commercial Service post as there is no Department of Commerce American officer in country. The economic/commercial attaché in the PLEC section has overall responsibility for daily operations of all commercial affairs in country and communicates with the commercial service senior commercial officer in Buenos Aires to discuss commercial management and policy issues. This arrangement, although unusual, works well from a purely commercial perspective; Department and Commerce LE commercial staff function as an integrated commercial unit. The strong increase in U.S. exports to Uruguay – from 2004-07, U.S. exports to Uruguay nearly doubled to \$640 million – suggests that commercial staff are getting the job done.

There are over 100 U.S. firms represented in Uruguay. The Ambassador and other Mission Uruguay staff meet with U.S. firms and their representatives frequently. During the inspection, an OIG team member observed the Ambassador addressing U.S. company representatives and supporting Uruguay-U.S. Chamber of Commerce activities.

LAW ENFORCEMENT AND COUNTERTERRORISM

Embassy Montevideo has a functioning LEWG which meets once a month, under the direction of the RSO and oversight of the executive office. The embassy law enforcement team is collegial; all relevant agencies and offices at post are active participants in the LEWG. Extraordinary meetings of the LEWG are called as circumstances require. Issues of concern to the LEWG include increased drug seizures and trafficking in and through Uruguay, trafficking in persons, smuggling of contraband, money laundering, and increased crime. (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

There is no counterterrorism working group at post; as they arise, counterterrorism issues are addressed either through post's emergency action committee or the LEWG. The consular section is also represented on the LEWG, and Visas Viper discussions form part of the monthly LEWG agenda. There are no antiterrorism assistance programs in country.

The departure of the DHS Immigration and Customs Enforcement attaché in 2007 left Embassy Montevideo without any resident law enforcement agency official other than the RSO. Although representatives of DHS, DEA, and FBI resident in Buenos Aires are expected to visit Montevideo for LEWG meetings, attendance has been less than optimum. During the OIG team visit, the Ambassador hosted a visiting DHS Assistant Secretary, stressing the need for full DHS engagement in post's law enforcement agenda.

In interviews with OIG team members, DHS, FBI, and DEA representatives emphasized the high level of cooperation and support they receive from Embassy Montevideo, including the executive office, on law enforcement issues. They noted that while they often deal with Uruguayan government contacts directly, they keep the RSO fully informed; they also stated that when not in Montevideo the RSO continues to engage with Uruguayan officials on their behalf.

PUBLIC DIPLOMACY

Embassy Montevideo's public diplomacy section is hardworking and effective and has an exceptionally high profile in the embassy. Its second public diplomacy officer position was eliminated last year, leaving a single public affairs officer (PAO) to oversee a complex and fast-moving operation built up over years and now supporting the Ambassador in his energetic and effective public diplomacy agenda. In addition, the drop in value of the dollar is further challenging the officer's management attention. LE staff retirements are looming. Under these conditions, the PAO is stretched fully in management of the section, severely limiting his own personal program outreach effectiveness.

The Department's Office of Policy, Rightsizing, and Innovation's August 2007 Rightsizing Review stated that Uruguay "will justify a second public diplomacy officer," arguing that a one-person office means no or limited coverage when the person is absent or sick and that a second officer could assist with political and economic matters. The PAO received additional funding and has recently hired an EFM to offset the loss, but an officer's authority is needed often in public diplomacy work, and it is unclear how much this will lighten his management load. Embassy Uruguay has made impressive advances in public diplomacy under the current Ambassador, but public diplomacy short staffing threatens these gains. The OIG team fully supports Embassy Montevideo's 2010 MSP request that it be given a second full-time equivalent for a public diplomacy entry-level officer.

Recommendation 2: The Bureau of Western Hemisphere Affairs, in coordination with the Bureau of Human Resources, should create and fund a position for an entry-level public diplomacy officer per Embassy Montevideo's FY 2010 Mission Strategic Plan. (Action: WHA, in coordination with DGHR)

LE staff in the public diplomacy section are well connected, enthusiastic, and productive. They are proud of their accomplishments and their teamwork. Some of these employees, however, are at or near retirement age, and the PAO must make several important personnel decisions. First, he must replace a uniquely productive cultural affairs specialist after 42 years of service. He also must reorganize positions within his information resource center in the wake of the retirement of a long-time director. These changes will be more smoothly implemented if the section holds its weekly staff meetings on a more regular schedule. The OIG team made an informal recommendation on this issue.

The Press Section

The Embassy Montevideo press section had great success in putting out the U.S. government's message in the Uruguayan media. The Ambassador's activist but nonconfrontational posture allows the section to have a proactive media stance, and its placement record is good. Amazingly, the President of Uruguay's website carries its press releases.

The public affair's press section has exceptional access to the Ambassador. The Ambassador uses the public diplomacy section's senior press specialist to develop and arrange his trips to the interior. He also is the sole daily morning press briefer for the Ambassador. He distributes a daily summary of the Uruguayan press to the embassy staff and sends the Department's Bureau of International Information Program stories to Uruguay's provincial media. The OIG team discussed with the PAO the advantages of keeping his press assistant fully trained so the assistant can fully carry out the press specialist's role in his absence.

Embassy Electronic Outreach

Embassy Montevideo takes maximum advantage of Uruguay's high level of Internet connectivity and its web-savvy youth audience. The embassy webmaster is the embassy photographer and typically mounts photos of the Ambassador's and the broader embassy's activities. He also ensures the public website is up to date and has developed links to an embassy "facebook" and "blog," where he promotes dialogues with Uruguay's youth. The media often use the website as a working source.

English Teaching and Other Programs

The public affairs section carries out a wide range of cultural and exchange programs but has prioritized English teaching to help solidify the image of the United State as a partner to the Uruguayan government, including its stand-offish, leftist, anti-American elements. Embassy Montevideo's innovative support for Uruguay's pilot program for English teaching is the core, around which it has strategically clustered other Bureau of Education and Cultural Affairs English-teaching and Fulbright programs – ensuring Uruguay's youth are exposed to the values of the United States.

Even with this high priority thrust, the public affairs section carries out the International Visitor's program, voluntary visitor's projects, speaker programs, cultural programs, support for private sector exchanges, and a broad range of other projects on MSP goals.

The Information Resource Center

The public diplomacy section has a modest information resource center which collects and distributes relevant media articles to embassy offices, e-mails Department MSP-targeted materials to partner institutions countrywide for distribution, and hosts research sessions for its contacts. The PAO is considering scheduling an information resource center librarian part time or for regular outreach programs to key institutions, an innovation the OIG team supports.

The Fulbright Commission

The Fulbright Binational Commission carries out a full spectrum of Fulbright programs that augment its relatively modest core programs of traditional Fulbright scholar, researcher, and student grants. The Ambassador and public diplomacy section include Fulbrighters in their activities and cooperate with the commission on establishing a Fulbright alumni association. The commission also staffs Uruguay's only U.S. government educational advising center.

The falling value of the dollar has significantly raised the commission's administrative and some program costs. The Ambassador has been active in commission matters, promoting greater American private sector representation to enhance commission fundraising and management capacity. In addition, the embassy and the commission encouraged the government of Uruguay to initiate contributions and made some limited progress in securing a commitment of support.

Binational Center Relations

The Alianza Cultural Uruguay-Estados-Unidos (Uruguay-U.S. Cultural Alliance) in Montevideo has great potential for growth as a partner to the mission's programs. It was linked to the embassy until the late 1990s when it became independent. Now the Alianza's English-teaching programs at its 48 branches countrywide sustain it. It is well run, with impressive program facilities. The embassy has excellent ties with the Alianza, providing specific program support and prestige. The Alianza would be a serious, productive consultant and partner if the Bureau of Western Hemisphere Affairs decides to expand support for binational centers in Latin America.

CONSULAR OPERATIONS

Embassy Montevideo's small consular section provides the full range of consular services to Americans, Uruguayan citizens, and third-country nationals. The consular section chief is a very experienced manager who will retire at the end of this tour. The front office is informed and engaged on consular operations; the Ambassador visits the section regularly, and the DCM chairs monthly Visas Viper meetings. The consular section works well and shares information with other embassy sections. Although the consular work area and public waiting are inadequate, the section will soon undergo small renovation upgrades to increase the number of interview windows, secure the consular cashier space, and improve the work area. The section also is scheduled early next decade to undergo a major Bureau of Overseas Buildings Operations (OBO) renovation project that will include adding a separate consular entrance.

Consular Staff

The section has two officers and five full-time LE staff. One entry-level officer in the management section assists when the consular section needs help. The five LE staff have completed consular services National Foreign Affairs Training Center correspondence courses, and are cross trained to serve as back up in other consular units. The section chief arranges schedules so that the LE staff can work on correspondence courses without disrupting the consular workflow.

The addition of an EFM would greatly help the section improve the visa processing workflow, and the EFM could assist with duties such as correspondence and name checks. Currently the LE staff consular cashier also takes applicants' 10-print fingerprints. When the applicants come to the officer window for interview they must do a one-finger fingerprint to verify their prints in the system. The visa interview process would be faster if applicant's fingerprints were taken by a cleared EFM, eliminating the need for further print verification.

Recommendation 3: Embassy Montevideo, in coordination with the Bureau of Consular Affairs, should obtain funds and hire an eligible family member to take fingerprints and assist with other duties in the consular section. (Action: Embassy Montevideo, in coordination with CA)

The newly proposed professional adjudicating specialist pilot program for EFMs is described in 08 State 48127. This program was announced during the inspection. It is another potential source of support for consular operations if an additional officer is not added to the staff. The OIG team discussed the merits of this program with the consular chief.

Consular Management

In March of 2007 the section began using a contract call center that provides visa information and schedules visa interviews. Another contactor provides a courier system delivery service that allows applicants to pick up their passports with visas at a convenient off-site location. Almost all visa applicants can use the electronic visa application form. This has resulted in LE staff having to spend much less time on data entry. The embassy's website has good consular information and is updated regularly. The LE staff morale is good. The Ambassador supports the embassy's visa referral system. The consular section chief adjudicates all "A" referrals and ensures they comply with referral guidelines. Consular officers participate in post's staff and country team meetings. The regional consular officer visits the section annually and provides the section chief feedback on performance and managerial effectiveness.

American Citizens Services

The consular section provides efficient American citizens services (ACS) to U.S. citizens. There are over 2,000 American citizens registered with the embassy. There are also over 800 annuitants receiving Social Security or other federal retirement benefits via direct bank deposit. Cruise line visits to Uruguay are increasing, and the ACS unit has assisted several passengers who became ill. The consular section chief has briefed and provided port agents with information sheets on Uruguay and discussed with them the services that the ACS unit can provide Americans. The Ambassador made a video shown on the ships that welcomes cruise passengers to Montevideo, shows the city's major attractions, and gives information on how to contact the consular section for assistance. Warden messages are sent via e-mail to all registered Americans and posted on the embassy's webpage. The consular section chief is a member of the emergency action committee, and the section participates in crisis management exercises. There is currently only one American in jail, and he is routinely visited by a consular officer.

Visa Services

The section's two officers adjudicate nonimmigrant visas (NIV) and immigrant visas (IV). There is no significant backlog for NIV tourist visa interview appointments. The section has procedures to expeditiously process students, business people, medical emergencies, and official travelers. The biggest NIV processing challenge is the 10-print fingerprinting of visa applicants; this requirement has lengthened individual interviews by several minutes. The section handles a very small IV workload. Although there is no backlog of active IV cases, applicants often arrive with incomplete forms or missing documents, and must reschedule a return appointment. The work area side of the visa interview windows is noisy, there are only small plastic wing dividers between the windows and staff often must raise their voices to be heard. The OIG team made an informal recommendation that the embassy install dividers with a sound absorbing material at the consular interview windows to muffle the noise.

Fraud Issues

Although fraud is not a major problem, the section chief advised that that both NIV and IV applicants have attempted to use fraudulent or altered documents to cover-up previous overstays in the United States. The section's entry-level officer has received fraud training and is the fraud prevention manager. Antifraud procedures and practices are incorporated into the NIV, ACS, and IV processing.

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Recommendation 4: Embassy Montevideo should distribute and reinforce its policy related to avoiding favoritism and conflict of interest due to personal relationships. (Action: Embassy Montevideo)

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Recommendation 6: Embassy Montevideo should fill as soon as possible the currently vacant local guard supervisor position through a transparent process following normal embassy hiring procedures. (Action: Embassy Montevideo)

ENGINEERING SERVICES CENTER

The engineering services center is located within the Embassy Montevideo chancery; however, it is not under the responsibility of the RSO, and its command structure is separate from that of the embassy. It provides technical security services for multiple posts in the region, including Montevideo. It has a satisfactory working relationship with the RSO. The engineering service center is discussed in more detail in the classified annex to this report.

RESOURCE MANAGEMENT

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Foreign National Staff	Total Staff	Total Funding FY 2008
State – D&CP	19	1	19	39	\$2,058,608
State – ICASS	2	12	64	78	\$3,266,400
State – Public Diplomacy	1	1	10	12	\$875,100
State – Diplomatic Security	3		35	38	\$1,112,185
State – Engineering Services Center	9	2	2	13	\$571,262
State – Marine Security	6		4	10	\$220,800
State – Representation					\$23,400
State – OBO	1		1	2	\$883,395
Foreign Commercial Service			2	2	\$106,816
Defense Attaché Office	4		1	5	\$85,060
Office of Defense Cooperation	5		4	9	\$281,671
Department of Agriculture			2	2	\$160,000
Totals	50	16	144	210	\$9,644,697

MANAGEMENT OPERATIONS

The management section at Embassy Montevideo has done a good job of providing support in most areas of mission administrative operations. Clashes of opinion between the management officer and others have been a source of friction; however, the DCM's balanced approach already has had a positive effect in mitigating this discord.

The section is under the direction of an experienced management officer. Her management team is capable, with a combination of experienced and competent entry-level personnel in such key positions as general services officer, facilities maintenance officer, and information management officer. Other direct-hire Americans in the management section include three information management specialists. The financial management and human resources operations and health unit are staffed with trained and experienced LE staff, under the direction of the management officer. There are 12 EFM positions to include the community liaison office (CLO) coordinator, the International Cooperative Administrative Support Services (ICASS) coordinator, security escort, the APO mail clerk, assistant general services officer (now vacant), and rover secretary positions.

The 2008 ICASS customer satisfaction survey scores for overall ICASS services at Embassy Montevideo were above Bureau of Western Hemisphere Affairs and worldwide averages. The responses to questionnaires prepared for the OIG inspection tell another story. They reflect dissatisfaction with the overall running of the management section and some elements of management operations.

Financial Management

The financial management section received mixed results in recent customer evaluations. The 2008 ICASS customer satisfaction survey results were above the bureau and worldwide averages for all financial operations, but the workplace and quality of life survey score for overall management of financial services was below the average score of 47 embassies the OIG previously inspected.

The management officer supervises six LE staff in the financial management section, which also receives support from the regional financial management officer in the Florida Regional Center, Fort Lauderdale. The financial management section is responsible for annual Department allotments of approximately \$9 million and provides financial services to the Defense attaché office, the Department of Commerce, and the Department of Agriculture.

The Class B cashier is experienced, knowledgeable, and well trained. Prior to her hiring in June 2006, cashier operations were not fully in accordance with established financial management procedures and requirements, most notably sub-cashier reconciliations. By instituting monthly and quarterly e-mail reminders to the sub-cashiers' American supervisors, reconciliations are now performed as required. Because of the devaluation of the dollar, sub-cashier reconciliations are now done monthly, and

e-mail reminders have been adjusted accordingly. The OIG team also identified minor vouchering issues that should be corrected. An informal recommendation was made.

INTERNATIONAL COOPERATIVE ADMINISTRATIVE SUPPORT SERVICES

The embassy's ICASS council includes representatives of the Department and the ODC. The council is chaired by the Department's representative, the PAO. The council meets on a regular basis, and in its last scheduled meeting discussed the new Universal Service Standards and steps to implement them. The mission's ICASS council representation reflects the change in policy elaborated in 06 State 139716, which limits large agencies, such as Department of Defense, ICASS representation to one officer. In addition, per the same cable, the council has established a post budget committee.

The ICASS council chairperson is to provide an annual written assessment of service providers to be used as input in their annual employee evaluation reports. This was not done this rating cycle. An informal recommendation was made.

National Security Decision Directive-38

In years past, staffing gaps and differences in Department of Defense and Department personnel policies and definitions have caused a lack of conformity within the mission on NSDD-38 provisions regulating mission growth.

Per a June 4, 2003 Department document, the embassy has authorized ODC under NSDD-38 authority to consist of four positions; a chief, an Army representative, a Navy representative, and an activity programs manager. Documents and interviews indicate that since the 2003 NSDD-38 authorization, an operations superintendent position was substituted without NSDD-38 approval to take advantage of the authorized fourth position when the activity manager position was unoccupied. Later, an activity programs manager was assigned to a long-term temporary duty position, which has been repeatedly renewed since 2006.

Recommendation 7: Embassy Montevideo should request Office of Defense Cooperation to ask for National Security Decision Directive-38 approval for its current fifth position. (Action: Embassy Montevideo)

ODC has indicated its intention to request NSDD-38 approval for additional positions. The mission should consider many factors in its regulation of growth. NSDD-38 guidelines stipulate that all administrative support issues, security issues, office and residential space issues, and training issues should be included and considered in the decision making process.

Recommendation 8: Embassy Montevideo should follow National Security Decision Directive-38 guidelines to perform and document a comprehensive analysis of both programmatic and administrative requirements, including administrative support, security, residential, and training cost issues prior to deciding on requests to increase personnel. (Action: Embassy Montevideo)

GENERAL SERVICES OPERATIONS

Overall, the general services operation is performing well. The mission community praised most of the operation, but expressed concerns over the administration of the housing program and procurement. The general services officer is new to the job, but is performing well. With only 22 LE staff, the section is minimally staffed. Budgetary restraints have complicated the general services operation's mission, especially provision of motor pool services. These same budgetary restraints have kept post from filling an EFM assistant general services officer position. LE staff head all general services operation offices.

Housing

The one-person housing office operates effectively and is supported by the post interagency housing board (IAHB). Community dissatisfaction with housing appears to stem largely from IAHB's application of Department space standards and the condition of residences upon newcomers arrival. The general services office is aware of this later problem and would like to fill the vacant office assistant position to provide additional oversight to the housing office and other general services office functions.

At present, there are 33 general services office-leased residences that consist of 19 apartments and 14 houses. A Marines quarters is also leased. The Defense attaché office and ODC lease their eight residences through the living quarters allowance (LQA) program. Comments made to the inspection team suggest that some are not familiar with the LQA program. Under this program, the individual receives a monthly housing allowance and negotiates the terms of the lease. LQA residences must meet the same security, safety, and space standards applied to other mission leases and come under the control of the IAHB. Tenants of LQA residences must deal directly with landlords on maintenance and repair issues. The facilities maintenance office bears no responsibility for LQA property but will perform safety inspections. The Post Housing Handbook provides an accurate description of the LQA program.

The RSO has determined apartment residences be restricted to two areas close to the chancery. Singles and couples without children tend to be assigned apartments.

housing office and the facilities maintenance section are doing an excellent job in holding landlords responsible for their residential repairs and maintenance.

A review of current and former leases revealed that most residences were below the Department's maximum housing standards for their occupants. Some were significantly below the maximums. The largest gap was 29.6 percent. This residence and several others have been dropped from the housing pool. The embassy correctly states that mission housing standards are maximums, not entitlements. Nevertheless, the intent of 15 FAM and State Airgram A-171 was not to place employees in inadequately small homes. The IAHB has not wavered from its position, and has denied some appeals based solely on residential size. Mission employees should be housed in residences that fall within an acceptable range of their maximum space standards when possible. An informal recommendation addresses this issue.

The introduction of a national income tax in 2007 and the declining value of the dollar have raised post leasing costs. Thankfully, only the lease for the Marine quarters includes an escalation clause. Several leases do call for negotiations to address rent when a lease period is ending. The two negotiations held in 2008 resulted in higher rentals. This trend no doubt will continue.

Procurement

The performance of the lone procurement LE staff is solid, despite the low score received on OIG questionnaires. A review of selected procurement actions revealed the command the LE staff has over procurement matters. Approximately 50 percent of the office's purchases are done with a purchase card. Purchases from the United States that meet size and weight limitations are shipped via APO Miami and take about three weeks for delivery. Purchases going by way of the U.S. Dispatch Agent's Consolidated Receiving Point in Florida take two months or more. The long delivery time may factor into the mission view that procurement is unresponsive. According to the LE staff, approximately 40 percent of stateside purchases go through the consolidation receiving point. If the procurement office informed its customers of the typical delivery times for offshore purchases and solicited their delivery preferences when applicable, the office could reduce dissatisfaction due to unrealistic expectations.

Warehouse and Property

The seven-person warehouse and property office is performing at an acceptable level despite the physical limitations imposed by the small, substandard warehouse. The 1,531 square meter warehouse, a former car dealership, lacks adequate floor space, and many open vents allow for an inordinate amount of dirt infiltration. The warehouse has racks, but they could be used to better advantage. The warehouse lacks a receiving area and an open floor area. Consequently, receiving is done only when occupied space comes open. During the inspection, a large shipment of residential furniture had not been processed through receiving or entered onto the warehouse inventory for these reasons. The boxes of furniture were stacked one atop the other. This pattern is often repeated through the warehouse.

The warehouse can only be described as cluttered, unorganized, and grimy and not in accordance with 14 FAM 413.7. Much of the unboxed furniture, including upholstered furniture, is not protected by shrink wrap. Most upholstered furniture and mattresses are in racks by one outer wall and therefore close to the air vents and the dirt they carry. Some appliances appear ready for disposal, but there are no plans for their disposal. The warehouse offices are in need of new flooring. The carpeting is filthy. Vinyl or similar floor covering would be preferable. Cabinets containing flammable materials are inappropriately located on the second floor. Rationalizing the warehouse and improving warehouse operations should become a high general services office priority.

Recommendation 9: Embassy Montevideo should correct all identified warehouse deficiencies and establish a clean, functioning, and safe receiving area. (Action: Embassy Montevideo)

A review of property management revealed that, with a few exceptions, property in the custody of the post is properly managed. As noted above, the receiving operation does not comply with Department standards, 14 FAM 413.1b, that receiving reports are done in a timely manner. A review of residential inventories revealed that 16 of 33 were unsigned by the occupant. Residential inventories must be signed by the occupant as stated in 4 FAM 416.3. An informal recommendation addresses this issue.

Motor Pool

The motor pool provides outstanding service. It consists of the supervisor, a mechanic, and 10 chauffeurs. The Office of Regional Affairs has provided an additional chauffeur making the total 11. Four chauffeurs are dedicated to the Marines and one to the Ambassador. The seven remaining chauffeurs are required to provide backup for the Marines' and Ambassadors' chauffeurs and to drive the DCM. The chauffeurs work a 48-hour work week, but even that is not sufficient time. Typically, a chauffeur works an additional 10 to 12 hours a pay period. Up until February 2008, chauffeurs received overtime for these hours. Now they receive compensation time, further complicating an already overly stretched operation. Embassy Montevideo does not have a duty driver. Chauffeurs for the DCM work a swing shift. The weekly chauffeur schedules are finely crafted to provide adequate coverage and allow chauffeurs to stay within the 10-hour driving limit. The inspection team was told that chauffeurs had been receiving overtime for approximately eight years. Considering the amount of overtime and compensation time chauffeurs have accumulated, the embassy should have enough evidence to support an additional chauffeur position unless it is more economical to continue its current practice.

Recommendation 10: Embassy Montevideo should prepare a cost analysis to determine if hiring an additional chauffeur is more economical and operationally sound than paying overtime. (Action: Embassy Montevideo)

The size of the motor pool fleet is sufficient, but post is not satisfied with its composition. Three 2007 Chevrolet Zafiras minivans have proven too small to comfortably seat the number of passengers advertised, and the third row of back seats is difficult to access. It would pay to sell these and acquire better suited alternatives.

The mission policy on the use and control of official vehicles was issued in 2006. A revised policy is in draft. It will address home-to-office transportation for employees of ODC and the Defense attaché office. Both offices now use official vehicles for home-to-office transportation, but the current policy does not authorize such use. The Ambassador is prepared to authorize such use. Use and control of official vehicles in 14 FAM 418 provides the possible conditions for justifications and the necessary supporting documentation.

Shipping and Customs

The one-person shipping and customs office operates effectively, and to its credit, has established a comprehensive procedure for determining the best out-bound shipment method. The office has determined that the International Through U.S. Government Bill-of-Lading is the preferred shipment method for shipments of household effects, vehicles, and unaccompanied air baggage to the United States. For shipments to other posts, the office has determined that contracting locally for packing, crating, and shipping services is more economical. For each shipment, post obtains prices for the services and provides them to the U.S. Dispatch Agency in Miami. The U.S. Dispatch Agency obtains the International Through U.S. Government Bill-of-Lading price for the same services. Post then selects the least costly method.

Travel

One LE staff devotes 35 percent of his time as travel coordinator. Carlson Wagonlit is the travel management center. In 2006, the mission enrolled in American Airlines Business ExtraAA program. Under the program, points can be redeemed for flights or upgrades. Embassy Montevideo has decided to use the points to upgrade tickets for American employees and their eligible family members on official travel to and from the United States. The inspection team advised the mission that it would be preferable if points were redeemed for economy tickets and the LE staff included in the program. An informal recommendation addresses this issue.

The same LE staff is the mission airport expeditor. He is hampered in this role as he lacks an airport access badge. The general services officer also lacks the badge. In an emergency situation, both the expeditor and general services officer would be required to scramble to obtain badges. It takes a day or more to obtain a badge. The

The embassy has a robust training plan. In FY 2007, Montevideo availed of training opportunities locally and in other Bureau of Western Hemisphere Affairs missions, the United States, and Europe, to fund training for 160 American and LE staff members. The FY 2008 training plan is just as ambitious with 82 embassy staff members trained thus far. Montevideo has been designated as a regional training site.

Embassy Montevideo received a timely response to the latest annual revision to the local compensation plan from the Department. Post stated that in previous years, this had not been the case.

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Employees can use their supplemental retirement plan monies to contribute to the BPS as the basis for a retirement annuity. If Embassy Montevideo were to increase the supplemental retirement plan payment to equal the employers' contribution to BPS for the period of employment, it would allow the employee to establish an adequate buy back for retirement through the BPS.

Recommendation 12: Embassy Montevideo, in coordination with the Bureau of Human Resources, should establish an adequate retirement plan for all local national employees. (Action: Embassy Montevideo, in coordination with DGHR)

INFORMATION MANAGEMENT AND INFORMATION SYSTEMS SECURITY

Embassy Montevideo operates a highly effective information management (IM) and information systems security program. The information management officer (IMO) effectively manages all of the embassy's information management and security requirements. However, there are areas that require attention, including mission unclassified pouch usage, separation of information system security officer (ISSO) duties, and reprogramming of the senior information management specialist (IMS) position. The information technology posture of the embassy is efficient.

Information Management

The IM staff is responsible for the operation, maintenance, and security of the Department's unclassified network (OpenNet), classified local area network, dedicated Internet network, unclassified and classified pouch, telephone/radio operations, and cellular phone program. The OpenNet network consists of 166 workstations and eight servers; the classified local area network consists of 30 workstations and six servers. The IM section largely adheres to Department IM guidelines and the industry's common practices. The IM staff consists of one IMO, two IMS, and the following LE staff: three systems-support employees, two radio/telephone technicians, four switchboard/receptionist operators, and one pouch clerk.

Helpdesk Operations

The current helpdesk operations at the mission are handled by a highly technically trained information systems center (ISC) staff. Helpdesk requests are made by users through the application installed on their desktop called “Helpdesk Application.” While creating the request the user is able to include details of the issue, as well as the level of priority the issue entails. The requests are then received by ISC management, and tasks are assigned to the staff. The requests are then processed by the ISC staff and are not completed until the user certifies through the application that the issue has been resolved. The helpdesk application also allows the user to rate the level of service received from the ISC which is used by IM management to gauge the service provided. All of the completed requests are archived in the helpdesk application and can be viewed to determine the number of requests including details for every user account.

Information Program Officer Position

The current senior information management specialist is designated as an IMS and is conducting information program officer (IPO) duties in accordance with Foreign Affairs Manual regulations. The IMO stated that the previous IMO was originally assigned at the mission as an IPO. The previous IMO reprogrammed the original IPO position into an IMO position and was able to add an entry-level IMS position. Consequently, the IMO now performs IMO duties at post leaving the vacated IPO duties to be inherited by the IMS staff. 5 FAM 121.2 defines the Department’s stipulations as to what an IPO’s duties should entail. The IMO concurred that the senior IMS is conducting IPO duties and stated that performance of these duties was documented in his annual performance evaluation. With respect to correspondence from the Department and future bidding cycles, the IMS position should be reprogrammed to eliminate future and current confusion as to the duties of the IMS position.

Recommendation 13: Embassy Montevideo, in coordination with the Bureau of Western Hemisphere Affairs and the Bureau of Human Resources, should request that the current senior information management specialist position be reprogrammed to an information program officer position. (Action: Embassy Montevideo, in coordination with WHA and DGHR)

Classified Pouch Operations

The classified pouch operations at the mission had experienced intermittent service from July 2007 until October 2007. The pouch was previously supported by Embassy Buenos Aires' regional classified pouch operations. Embassy Buenos Aires ceased support in April 2007 due to logistics and airport security issues. From July 2007 until October 2007, the mission was serviced by the Miami regional diplomatic courier office on an ad hoc basis. This service was less frequent than post was accustomed to receiving. The situation was alleviated when post raised the issue to OIG in the preliminary inspection survey. Since then, post has received the normal bi-weekly service out of the Miami regional diplomatic courier office. Post's pouch operations are back to customary schedule and are now being serviced by the diplomatic courier hub at Sao Paulo, Brazil.

Unclassified Pouch Operations

OIG found evidence of inappropriate use of the unclassified pouch by the LE staff. The embassy's current guidance is dated April 2004 and does not specify the usage for the post's unclassified pouch. The IMO, who is currently designated as the pouch control officer for post, acknowledged that the guidance is outdated and vague. Embassy management was planning on issuing new guidance following the mailroom's completion of the Diplomatic Post Office conversion. According to 14 FAH-4 H-521 (B), only U.S. citizen employees are allowed to use the unclassified pouch. The inappropriate use of the embassy diplomatic mail and pouch program violates international conventions and federal regulations and could lead to increased expense for the Department. Without post management direction, the issue regarding unclassified pouch usage will remain open leaving the possibility for future instances.

Recommendation 14: Embassy Montevideo should implement new guidance regarding the authorized embassy personnel's usage of the unclassified pouch. (Action: Embassy Montevideo)

Information Systems Security Officer Designation

Although the ISSO duties at post are being performed, the ISSO functions are not appropriately separated at Embassy Montevideo. The August 2006 management instruction designates the entry-level IMS, who manages both the Sensitive But Unclassified network and Classified Network, as the ISSO for both networks and the additional information management specialists as the alternate. The individual that manages the system cannot also be the individual that polices the system. The ISSO duties can be realigned to ensure adequate separation of duties and independence of oversight. The current designation results in an inadequate separation of duties creating an internal control weakness.

Recommendation 15: Embassy Montevideo should realign the information system security officer position to ensure the appropriate separation of information system security officer duties and independence of oversight. (Action: Embassy Montevideo)

QUALITY OF LIFE

COMMUNITY LIAISON OFFICE COORDINATOR

The embassy has two part-time CLO coordinators who report to the management officer. The CLO coordinator is a member of the emergency action committee and has a role in the emergency action plan. The CLO coordinator maintains and updates welcome books, manages an orientation program that provides sponsors for newcomers to post, and has organized several community events. The CLO is well supplied with information on schools and shopping, as well as videos, books, and other reading materials. There is no bilateral work agreement with Uruguay; however, final approval of one is imminent, and the CLO offers information on employment opportunities within the mission for family members, including summer-hire students.

EQUAL EMPLOYMENT OPPORTUNITY AND FEDERAL WOMEN'S PROGRAM

The mission has an adequate EEO program, with no outstanding complaints. It has two EEO counselors. Updated information on the EEO program and names of the counselors are posted on a bulletin board outside the human resources office. The Federal Women's Program coordinator keeps a list of all direct-hire women in the mission and sends them updates on the program via e-mail.

MEDICAL UNIT

The medical unit is well run and adequate. It is a three-room office suite staffed by a 30-hour per week part-time registered nurse who was trained in the United Kingdom. A local doctor supports the nurse with visits every other week. The Lima-based regional medical officer visits quarterly, and the regional psychiatrist visits upon request. Embassy management is responsive to the unit's needs,

MANAGEMENT CONTROLS

Embassy Montevideo has a viable management controls program. The management officer is the post management controls coordinator and internal controls officer.

In August 2007, the embassy completed the risk assessment questionnaires. These were scored and sent back to the mission in May 2008, in time for the OIG inspection. All but one functional area received very high scores. The one lone low score was for the counternarcotics function that received a score of 75 percent. Post plans to address identified vulnerabilities. The high risk assessment scores are a good indicator that at the working levels of the mission the responsible individuals are familiar with the principles of good management controls and are practicing them to good results.

The Chief of Mission annual management certification was sent to the Department on July 9, 2007. The certification thoroughly reviews the embassy's management control environment and the improvements post made to enhance the program. By its own assessment, mission's senior management had limited involvement in the management controls program during the period it lacked a DCM. The newly arrived DCM is greatly increasing senior management attention to this issue.

INFORMAL RECOMMENDATIONS

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

Political & Economic Affairs

PLEC reporting related to the MSP goal of improving Uruguay's ability to combat terrorism and transnational crime is insufficient.

Informal Recommendation 1: Embassy Montevideo should increase reporting on terrorism, narcotics, money laundering, and transnational criminal activities.

Two PLEC LE staff Department employees perform primarily commercial tasks, providing no support for section reporting.

Informal Recommendation 2: Embassy Montevideo should adjust the responsibilities of the two locally employed staff in the political, labor, economic and commercial section to include some degree of reporting requirements.

Recent events may permit the environment, science, technology, and health specialist to more fully support political, labor, economic, and commercial section reporting objectives.

Informal Recommendation 3: Embassy Montevideo should reassess the environment, science, technology, and health specialist's work requirements to determine if political, labor, economic, and commercial section reporting requirements can be better supported.

Consular and other entry-level officers are not used in support of political, labor, economic, and commercial section reporting objectives.

Informal Recommendation 4: Embassy Montevideo should explore potential reporting opportunities with such officers.

The political, labor, economic, and commercial section does not effectively operate as a combined section.

Informal Recommendation 5: Embassy Montevideo should consider redistributing areas of responsibility to promote section integration.

Public Diplomacy

Staff meetings are not regularly scheduled, which will handicap the public diplomacy section's adjustment to a number of major personnel changes in the coming months.

Informal Recommendation 6: Embassy Montevideo should hold its weekly public diplomacy section staff meetings on a more regular basis.

Consular

The work area side of the visa interview windows is noisy; there are only small plastic wing dividers between the windows, and staff often must raise their voices to be heard.

Informal Recommendation 7: Embassy Montevideo should install dividers with a sound absorbing material at the consular interview windows.

Financial Management

Overtime for official residence expense staff serving at official representational events has been paid on official residence expense vouchers.

Informal Recommendation 8: Embassy Montevideo should adhere to Section 320 of the Standardized Regulations and charge all future overtime for official residence staff serving at representational events to the representational allotment.

International Cooperative Administrative Support Services

The ICASS council has not provided input to the management officer's annual performance evaluation, as required by 6 FAH-5 H-161 a.

Informal Recommendation 9: Embassy Montevideo should have its International Cooperative Administrative Support Services council prepare an annual evaluation of the service provider's services as required by Department regulations.

Management

Most residences in the housing pool are below the Department's maximum standards for their occupants. Some were significantly below the maximums. The intent of 15 FAM and State Airgram A-171 was not to house employees in inadequately sized homes.

Informal Recommendation 10: Embassy Montevideo should attempt to assign employees and their families to residences with space that falls within an acceptable range of their maximum space standards.

Nearly half of the residential inventories on file, 16 of 33, are unsigned by the employee occupant, which is contrary to 4 FAM 416.3.

Informal Recommendation 11: Embassy Montevideo should ensure that all residential inventories are signed.

Embassy Montevideo earns corporate frequent flyer points for tickets purchased for official travel and uses them to upgrade American employees and their families on flights to and from the United States. LE staff are not included in the program.

Informal Recommendation 12: Embassy Montevideo should extend the benefits of the frequent flyer program to the locally employed staff and redeem the points for economy class tickets.

Neither the embassy expeditor nor the general services officer has airport access badges, which could handicap them if rapid access were necessary.

Informal Recommendation 13: Embassy Montevideo should obtain airport access badges for the expeditor and general services officer.

Embassy Montevideo lacks an occupational safety and health committee, which is required by 15 FAM 933.

Informal Recommendation 14: Embassy Montevideo should establish an occupational safety and health committee as required by Department regulations.

The post occupational safety and health officer is performing required inspections but is not documenting his inspection findings.

Informal Recommendation 15: Embassy Montevideo should ensure that the post occupational safety and health officer documents all inspection findings.

The American Embassy Employees Cooperative's sale of opened duty-free goods to the Foreign Service nationals would be a new source of income for the cooperative and increase its profitability.

Informal Recommendation 16: Embassy Montevideo should allow the American Embassy Employees Cooperative to initiate sale of opened duty-free goods to Foreign Services nationals.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Ambassador	Frank E. Baxter	11/06
Deputy Chief of Mission	Robin H. Matthewman	02/08
Chiefs of Sections:		
Administrative	Teresa F. Stewart	09/05
Consular	Blossom N. Perry	09/05
Political	Peter X. Harding	07/05
Economic/Commercial	James M. Perez	07/04
Public Affairs	Robert A. Zimmerman	09/07
Regional Security	William A. Maxwell III	07/06
Other Agencies:		
Defense Attaché Office	LTC. Patrick D. Hall	09/07
Office of Defense Cooperation	Col. Derek R. Dickey	08/07

ABBREVIATIONS

ACS	american citizens services
BPS	Banco de Prevision Social
CLO	community liaison office
DCM	deputy chief of mission
Department	Department of State
DEA	Drug Enforcement Administration
DHS	Department of Homeland Security
EEO	Equal Employment Opportunity
EFM	eligible family member
FBI	Federal Bureau of Investigation
IAHB	Interagency Housing Board
ICASS	International Cooperative Administrative Support Services
IM	information management
IMS	information management specialist
IPO	information program officer
ISC	information systems center
IV	immigrant visa
LEWG	law enforcement working group
LE	locally employed
LQA	living quarters allowance
MSP	Mission Strategic Plan
NIV	Nonimmigrant visa
NSDD	National Security Decision Directive

OBO	Bureau of Overseas Buildings Operations
ODC	Office of Defense Cooperation
OIG	Office of Inspector General
PAO	public affairs officer
PLEC	political, labor, economic, and commercial section
RSO	regional security officer

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