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

Report of Inspection

U.S. Mission to the European
Union, Brussels, Belgium

Report Number ISP-I-10-13, November 2009

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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 (OIG) 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 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; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.



**United States Department of State
and the Broadcasting Board of Governors**

Office of Inspector General

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability and positive change in the Department of State and the Broadcasting Board of Governors.

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

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

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

A handwritten signature in black ink, appearing to read "H. W. Geisel".

Harold W. Geisel
Deputy Inspector General

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This inspection report on the U.S. Mission to the European Union should be read in conjunction with, *Tri-Mission Coordination in Brussels, Belgium, ISP-I-10-15.*

KEY JUDGMENTS

- The U.S. Mission to the European Union (USEU) continues to do an excellent job advancing crucial U.S. political and economic issues with the 27-member European Union (EU), despite considerable turnover in its leadership over the past two years.
- The mission has operated efficiently under the chargé d'affaires who replaced two ambassadors during his tenure. He managed this delicate task with skill and grace, and received high praise for his openness, accessibility, and attentiveness to the welfare and morale of employees. He also has been an effective interlocutor with senior EU officials, as well as a spokesman to public and official audiences across Europe.
- The busy political and economic sections operate effectively under strong leaders, who also coordinate the activities of several other U.S. departments and agencies with representatives at USEU.
- The mission works hard to advise U.S. embassies in EU member states on how they can best influence EU decisionmaking at the national level.
- In its separate inspection report, *Tri-Mission Coordination in Brussels, Belgium*, ISP-I-10-15, the OIG team addressed the need for improved communication and coordination, and addressed a formal recommendation on this subject to all three Brussels missions, with specific suggestions as to how this could be accomplished.
- Given the importance of the joint administrative services (JAS) section to the functioning and morale of all three missions, USEU leadership needs to join with the front offices of Embassy Brussels and the U.S. Mission to the North Atlantic Treaty Organization (USNATO) in assuming greater collective responsibility for overseeing and supporting the JAS.

The inspection took place in Washington, DC, between April 13 and May 1, 2009; and in Brussels, Belgium, between May 25 and June 1, 2009. (b) (6)
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CONTEXT

The EU and its 27 member states are influential partners on matters important to U.S. national security. After a half century of U.S.-encouraged integration, EU members, including the United Kingdom, France, and Germany, more and more work in concert with one another on most policy issues. While individual members can lead the EU, they are increasingly constrained from operating independently of it. After years of sometimes testy relations with the United States, EU leaders now enthusiastically call for transatlantic renewal and seek U.S. partnership. This positive direction should continue after the June 2009 European Parliament elections, the naming of a new European Commission in late 2009, and possible ratification of the Lisbon Treaty, which is designed to streamline EU operations.

The EU is a bloc of nearly 500 million people and has become the world's second largest economy. Despite the growth of India and China, the EU and the United States together produce over 40 percent of the world's gross domestic product and generate over half of global trade. U.S.-EU trade is roughly \$650 billion dollars a year, supporting millions of jobs on both sides of the Atlantic. The euro, used by most EU members, has become a major world currency since its introduction in 2002.

The global economic crisis puts a premium on accelerating U.S.-EU cooperation on economic policy. The EU has become a major player on climate change and energy security issues, and its political and security importance is increasing. It also has become the world's largest provider of economic assistance. It is the major aid donor to the Palestinian Authority and provides substantial development assistance to Afghanistan despite strong public opposition to European military engagement there. The EU works with the United States on diplomatic openings to Iran and Syria, African peacekeeping, and antipiracy efforts off Somalia. The European Commission leads Europe in negotiating with the United States on security and law enforcement issues, such as data transfers, air travel safety and security, supply chain security, border controls, and law enforcement cooperation.

Currently, nearly every U.S. agency has policy interests that are being pursued with the European Commission, the Council of EU Ministers, or the European Parliament. As a result, USEU continues to grow in size, with recent arrivals from the Department of Defense, the Department of the Treasury, the Department of

Homeland Security, and the Food and Drug Administration. To cope with its huge workload, USEU also seeks more Department officers in its political, economic, and public diplomacy sections.

The EU seems poised to take its next great leap forward with the ratification of the Lisbon Treaty. The significant modification in EU structures is almost certain to be accompanied by further expansion of its decisionmaking authority. Thus, USEU is concentrating its energies and resources on the lengthy agenda of issues important to U.S. interests. Interestingly, however, the mission will be called upon to assess the EU's longer-term institutional development, how this may affect U.S. interests, and the implications for how the United States engages with the EU and staffs USEU.

EXECUTIVE DIRECTION

Transition periods always bring disruption. In USEU's case, an extended transition period lasting nearly 18 months has created exceptional challenges for the mission's 100 employees.

In January 2008, the sitting Ambassador, a highly experienced lawyer with a strong financial and regulatory background, was obliged to step down under the terms of his recess appointment. To enable him to continue to play a prominent role in the U.S.-EU relationship, the Ambassador was then given a special appointment as U.S. Special Envoy for European Union Affairs, with the understanding that he would remain in Brussels and would continue to serve as the Ambassador to the EU in all but name until the end of the Bush Administration. However, in February 2008, only weeks after this unusual arrangement went into effect, the White House announced the nomination of a new U.S. Ambassador to the EU. The new Ambassador arrived in August 2008 for a stay that would last only six months. By the time she arrived, the previous Ambassador had been given a new position and title – one that did not require his residence in Brussels – that of U.S. Special Envoy for Eurasian Energy.

The new Ambassador, who had previously served in the Department as the Assistant Secretary for International Organization Affairs, brought to USEU a perspective that differed from the traditional economic one. Moreover, her guidance from the Secretary of State was to give greater attention to the political and security issues that were assuming increasing prominence in – and often bedeviling – the U.S.-EU dialogue. One consequence of this new emphasis was to bring the Ambassador into more frequent conversation with her counterpart at USNATO, to include their joint participation in classified videoconferences with senior officials in Washington, most notably on how to ensure complementarity between the North Atlantic Treaty Organization (NATO) and EU roles in Afghanistan.

However, the new emphasis did not in any way signal a lessening of the importance of USEU's established role as a key advocate for U.S. economic, financial, and regulatory interests with respect to the EU. If anything, that work continues to expand. In keeping with the priorities of her predecessor, the Ambassador engaged heavily in public outreach efforts to explain U.S. policies and counter negative at-

titudes often found in European public opinion and media. While these efforts were judged effective, they also generated heavy demands on mission staff, especially the public affairs section.

The position of the deputy chief of mission (DCM) during this unsettled period in front office leadership was an exceedingly delicate one. For the first seven months of 2008, he was in theory the chargé d'affaires, but worked in the shadow of the former Ambassador who continued to have substantive responsibility for U.S.-EU relations. In August 2008, the DCM was called upon to manage the mission's adjustment to a new leader who had both a different agenda and a different personal style. By all accounts, he managed these delicate tasks with great skill and grace, ensuring that the two principals were fully supported in their work, while providing the stability and space that mission elements needed to pursue their normal work. As both DCM and chargé, he received especially high praise for his openness, accessibility, and attentiveness to the welfare and morale of employees. The representatives of the ten other U.S. agencies at USEU expressed strong appreciation for the collaborative environment that he created. As chargé once again since January 2009, he has moved comfortably into the role of principal interlocutor with senior EU officials, as well as U.S. spokesperson to public and official audiences across Europe.

As discussed in the separate inspection report, *Tri-Mission Coordination in Brussels, Belgium*, ISP-I-10-15, the JAS unit responsible for providing administrative support for all three Brussels missions has been adversely affected over the past year by position cuts, staffing gaps, and budgetary constraints. There has been a tendency on the part of both the USEU and USNATO front offices to defer to Embassy Brussels leadership in exercising oversight over JAS operations. Given the importance of JAS to the functioning and morale of all three missions, the OIG team counseled the leadership of all three missions to take collective ownership of, and responsibility for, JAS, especially in sharing the burden of communicating about administrative support issues and lending their collective influence in addressing critical resource issues.

Mission Strategic Plan and Tri-Mission Coordination

USEU's Mission Strategic Plan (MSP) embraces a wide range of policy goals, reflecting the EU's growing involvement in issues of high importance to U.S. interests. While the MSP goals are ambitious, the performance targets seem for the most part to be reasonable and achievable. The plan further highlights the trend, discussed in the introduction to the inspection report on Embassy Brussels, toward greater EU engagement on political and security issues, and the consequent need for enhanced communication with USNATO. The MSP also highlights the increasing density of

the U.S.-EU dialogue on justice and home affairs issues. As discussed in the law enforcement section of this report, this expanding portfolio may require the mission to rethink its current structure for managing this complex set of issues, which encompasses both policy and operational questions and cuts across the interests of several offices and agencies. The issue of coordination among the three missions is discussed in more detail in OIG's report, *Tri-Mission Coordination in Brussels, Belgium*, ISP-I-10-15.

POLICY AND PROGRAM IMPLEMENTATION

ECONOMIC SECTION

The EU is the most important economic actor in the world besides the United States. It is a truism that influencing EU economic policy is critical to promoting U.S. economic prosperity and global economic growth, especially during the current economic crisis. Consequently, the 17-person economic section is the largest and arguably the busiest part of USEU.

A minister counselor for economic affairs leads the section, which includes a four-officer economic policy unit, a four-officer energy, environment, science and technology (EEST) unit, a single-officer trade policy unit, a Department of the Treasury attaché, three locally employed (LE) staff members, two office management specialists, and one eligible family member secretary.

The section is authorized a fourth LE staff position, but it has been frozen for budgetary reasons since the incumbent left in March 2008. The section hopes to fill this position as soon as possible in order to relieve pressure on the senior LE staff member, who is the only full-time local employee in the economic section. As discussed below, the other two LE staff members assigned to the section are shared with the Treasury attaché and the trade policy officer, who is on detail from the Office of the U.S. Trade Representative, and one of these is a brand-new employee. The OIG team believes that filling the LE staff position is a priority given the section's heavy workload.

Recommendation 1: The U.S. Mission to the European Union should fill the vacant locally employed staff position authorized in the economic section as soon as possible. (Action: USEU)

Reporting and Analysis

The section pursues an impressive series of goals: promoting further transatlantic economic integration, especially in regulation, capital markets, investment,

intellectual property rights, innovation, and supply chain security; reducing U.S.-EU regulatory differences in financial services, environmental protection, chemicals, aviation, energy, and telecommunications; coordinating policy on the Doha trade round and climate change; collaborating on energy security, notably from Eurasian suppliers; ensuring that the EU follows sound macroeconomic policies; promoting EU economic engagement with China, Russia, India, Afghanistan, and Iraq; and ensuring that the EU applies economic sanctions effectively, especially against terrorist financing.

The EU is an unusual institution with which to deal: it is not a state, yet acts like one. As an institution, it has evolved rapidly over time, assuming more authority and competencies over the 27 member states so that power is increasingly concentrated in Brussels. This trend is expected to continue if the Lisbon Treaty is ratified.

Section officers spend most of their time lobbying numerous decisionmakers in the EU Commission offices and the European Parliament, and the permanent representatives of the 27 EU member states on behalf of U.S. positions on economic issues that are often highly complex and legalistic. This work is complemented by indirect lobbying through business organizations, nongovernmental organizations, think tanks, and the media. The section also collaborates with the American Chamber of Commerce to the EU and counterpart European business organizations.

EU officers maintain close contact with nearly every U.S. Government agency. In addition to its regular duties, the economic section received thousands of official visitors to the EU, whose support by the mission had been identified as a weakness in the 2004 inspection. Since then, USEU has initiated changes that seem to be alleviating some of the burden on control officers.

The economic section works closely with U.S. embassies in member states since many issues are strongly influenced or determined by decisions made in capitals by national governments. USEU believes that intervention by embassies is essential for U.S. views to be taken into account as early as possible in the policymaking process. The section uses several mechanisms to keep posts informed of EU developments. It has made heavy use of the "EU Member State Collective" cable address, established thematic email lists on key issues, initiated newsletters on EEST and Treasury Department issues, launched a daily *USEU Econ Today* report, established an energy security blog, and devised a travel plan to get section officers to all EU member states twice a year. Traditionally, the mission hosted conferences for trade, intellectual property rights, and terrorist finance officers from U.S. embassies in Europe, but recently this has not been possible due to budgetary constraints.

Reporting by the section and other economic agencies at USEU is often done by email, although major developments and analytical pieces are transmitted by cable to Washington and member state embassies. The economic section understands that cables are desirable because they are distributed more widely than email and can be retrieved easily from archives; but time pressure and the ease of transmission often make emails the preferred means of communication for overburdened officers. Washington agencies gave the section high marks for its reliable reporting that generally provides information not readily available elsewhere. The lengthy analytical assessments appended to some messages have an eager readership. Messages garnering specific praise covered energy security, climate change, and EU positions in the run-up to the recent Group of 20 Summit. There also was general praise for the *USEU Econ Today*, which is useful for flagging developments and a concise summary of issues.

The global economic crisis and the inauguration of a new U.S. Administration have altered the section's priorities. Many European politicians and members of the public believe that lax U.S. regulation is responsible for the current crisis. Thus, the minister counselor and the economic policy unit have significantly increased their work on broader economic and financial issues, supplementing the efforts of the Treasury attaché. The Obama Administration is moving to strengthen U.S. financial regulations to more closely coincide with the EU approach. There is also transatlantic convergence on climate change and sanctions.

The economic section functions adequately for the moment despite the loss, due to the Global Repositioning Program, of one entry-level officer position in the EEST unit in 2007 and the vacancy of the economic counselor position since fall 2008, which will be filled in summer 2009. More significantly, two of the four officers in the EEST unit were temporary positions and will not be replaced in summer 2009, seriously understaffing that unit as global climate change negotiations intensify in coming months. That unit is also involved in fisheries and forestry conservation, whaling, and cooperative efforts with the EU to stop the illegal trade in wildlife.

The mission requested and was granted permission for at least one of the two departing officers to extend through the end of the year to adequately cover the December climate change conference in Copenhagen. Moreover, since the EU plays a crucial role in the success of global climate change negotiations, which are expected to extend for years, the OIG team recommends that the Department restore at least one of the two officer positions being cut in the EEST unit. The permanent loss of one or both officers would significantly hurt the mission's ability to address its ambitious MSP goals on the environment and energy.

Recommendation 2: The Bureau of Human Resources, in coordination with the Bureau of Economic, Energy and Business Affairs and the Bureau of Oceans and International Environmental and Scientific Affairs, should restore at least one officer position to the energy, environment, science and technology unit. (Action: HR, in coordination with EEB and OES)

Internal coordination is good. The section, including the LE staff, meets once a week; section officers and the LE staff also meet in the weekly mission-wide economic cluster meeting, which is chaired by the minister counselor. The cluster includes representatives from the Department of the Treasury, Office of the U.S. Trade Representative, the Department of Commerce, the Department of Agriculture, the Department of Homeland Security, the Food and Drug Administration, and the public affairs section; mission representatives of the Defense and Justice Departments and the U.S. Agency for International Development (USAID) are also invited and attend periodically. The economic policy unit and the EEST unit meet internally as needed.

The section works closely with the front office. The minister counselor attends a daily “triage” meeting with the Ambassador and DCM, and he and the heads of all four economic subunits participate in the weekly country team meeting. However, there appears to be little regular contact with Embassy Brussels’ small political-economic section, even though the chancery is located across the street from USEU. There are some issues on which the two missions could collaborate, such as banking and aviation, where Belgium could influence EU decisions. The OIG team recommended informally that USEU encourage its economic officers to attend appropriate Embassy Brussels staff meetings and invite Embassy Brussels officers to attend the weekly meetings of political and economic clusters at USEU.

The three highly qualified LE staff professionals are located in the same building as the section, but two floors away. The section treats them as valued members of the economic team and works hard to overcome any problems caused by their physical separation. However, turnover in the local staff is traditionally high, partly because the lobbying industry in Brussels is booming and mission experience is highly valued. When a vacancy occurs, often because salaries offered by private firms are much higher than what the mission can pay, the job often remains unfilled for many months due to a cumbersome hiring process and, more recently, budgetary constraints.

Representation by Other Economic Agencies

The trade policy officer is assigned from Office of the U.S. Trade Representative in an arrangement that stretches back decades. He shares an LE staff member with the economic section. The Department of Agriculture has a large presence at USEU: a Foreign Agriculture Service section of four officers and seven LE staff, and a section from the Animal and Plant Health Inspection Service of two officers and two LE staff. Both sections are led by officers at the minister-counselor level.

The USAID office, established in the early 1990s, helps coordinate how the U.S. and EU development assistance programs can be used most effectively. This office is headed by a counselor and includes two other Americans. A Food and Drug Administration office opened during the period of the inspection and is managed by a senior civil servant. It works with the EU on food safety issues.

One of the Commerce Department's most senior commercial officers, with the rank of career minister, heads the commercial office, which includes four other officers and nine LE personnel. Unique among Foreign Commercial Service operations overseas, this office works exclusively on trade policy, rather than supporting U.S. firms to make sales. It looks at EU trade developments that could affect the ability of U.S. companies to have fair market access in Europe.

The Treasury attaché position moved from Frankfurt to USEU in 2006 because key decisions in the transition toward a single European financial market are being made in Brussels instead of in Frankfurt, the site of the European Central Bank. The attaché has been integrated into the economic section, with which it shares an LE staff member, who works primarily on economic and financial matters. An economic policy unit officer also helps cover macroeconomic and financial issues, as does the minister counselor. While the attaché and Department officers coordinate on reporting, their relationship is affected by the fact that the attaché, who has Europe-wide responsibility, travels extensively to address the current financial crisis in individual countries. The attaché is also subject to dual lines of authority, to the Chief of Mission and to his home agency. This may have been exacerbated to some extent by the Treasury Department's separate email system. However, due to goodwill on both sides, the collaboration between the Departments of the Treasury and State is harmonious.

All these offices have a collaborative and mutually reinforcing relationship with the economic section, with none of the interagency turf battles often seen at other large posts or in Washington.

POLITICAL AFFAIRS

Reflecting the EU's growing role in political and defense as well as economic issues, the mission's political section is nearly as large as its economic section. It divides its focus among reporting, advocacy, and supporting a heavy load of visitors. With representatives from several different bureaus, the Department of Defense, the Joint Chiefs of Staff, and USAID, it functions more as a cluster of agencies, than as an integrated unit. Nevertheless, it effectively promotes a wide range of important U.S. interests with an EU that is now composed of many more members with increasingly divergent views.

Reporting and Analysis

The mission keeps Washington agencies well informed of EU plans and actions that affect U.S. interests. Its reporting is insightful, prompt, and accurate. Keeping up with developments in the EU has become more difficult, however, as the organization takes on more responsibilities, members, and initiatives. U.S. diplomats have easy access to EU officials and their views, but must sort through a daily overload of information to identify what is important. As a result, the section now sends fewer cables and makes greater use of *USEU Today*, a quick compendium of overnight developments. Most reporting is by email.

This system meets the needs of specialists for the latest information in their areas, but is not well suited to identify larger trends or to coordinate U.S. efforts in different areas. To ensure that U.S. policymakers have a common understanding of EU positions, the OIG team recommended informally that the mission report more information in front channel cables. It also suggested sending a quarterly summary of the most important developments, including what it expects in the future.

The biggest challenge to reporting is the sheer complexity of EU institutions. The mission has no trouble attracting qualified officers, but few arrive with adequate training on the EU's structure and procedures. The Foreign Service Institute offers a course in EU affairs, but few officers are given sufficient time between assignments to attend. Funding was eliminated for a course at Maastricht in EU procedures. To get beneath the surface of developments, officers must now learn much of this Byzantine system on their own. The mission produces a series of cables every year explaining the EU's history, structure, and procedures that are highly useful to Washington and other missions. At over 100 pages, however, they have become too long and too historical. The OIG team informally recommended that they be shortened and refocused on explaining the responsibilities of each EU institution.

The mission makes effective use of LE staff to follow developments in the European Parliament. Most sessions are held in Luxembourg or Strasbourg. Sending American officers to attend these meetings is expensive and requires a heavy investment in both languages and contacts. Instead, LE staff members attend the sessions and email real time reports on key developments to their supervisors, who consolidate the information and include it in *USEU Today*.

The mission has not yet completed its compliance with a recommendation in the last inspection to increase its leadership analysis reporting on key EU officials, emphasizing their negotiating styles and other information that U.S. officials need to know. The OIG team left an informal recommendation to appoint a biographic coordinator and reenergize this program.

Advocacy and Operations

The United States cannot lobby the EU effectively by dealing only with EU institutions. By the time an issue reaches Brussels, it is often too late for American diplomacy to influence the outcome. To be effective, the United States must approach the individual EU member states before they reach consensus. The mission has made great progress in coordinating with bilateral U.S. embassies to help achieve objectives, including supplying them with adequate background information through its reporting to these embassies.

Some demarches, however, often get to embassies too late. In many cases, agencies take so long to agree on a U.S. position, that it is conveyed too late to be included in the briefing books for meetings of the EU's foreign policy coordinating committee, known as General Affairs and External Relations. Disagreements over a single issue can often hold up the entire package. Frustrated by the growing delays, the Department began to place individual parts of these demarches on Intellipedia as they were cleared, to alert missions of guidance that was expected to be included in the final demarche cable. However, missions are not authorized to convey the demarche until they receive instructions to present the entire package.

Recommendation 3: The Bureau of European and Eurasian Affairs should authorize the U.S. Mission to the European Union to deliver all cleared sections of demarches for meetings of the General Affairs and External Relations Committee not less than one week prior to its meetings and withhold those sections that have not been cleared. (Action: EUR)

Political officers spend much of their time supporting official visitors, who averaged nearly one visit a day during 2008. However, the section is managing this part of its workload more efficiently than during the last inspection in 2004. Among other things, it hired an administrative assistant to handle logistical aspects of the visit, freeing control officers to spend more time identifying interlocutors, advising on EU procedures, and drafting reporting cables.

Organization and Staffing

Unlike the economic section, the political section is organized along geographic and structural lines as well as functional ones. Instead of specializing, officers divide their time between a geographic area, functional issues, and one or more EU institutions. As a result, the section frequently reshuffles its portfolios. In many cases, the right combination – the refugee officer, for example, also follows Africa – can help to stretch the section’s scarce resources. While rotating portfolios can be good for morale and training, the section has disrupted continuity and substantive depth in an effort to meet individual desires. The OIG team informally recommended that the mission keep portfolios more consistent to develop greater expertise.

The section also needs a full-time deputy. The position would not add another layer of editing and clearance, but would focus on internal management. At present, the labor counselor does little work on labor issues but functions as a de facto deputy section chief, devoting much of her time to management. This arrangement has improved the section’s overall efficiency and freed the minister counselor to focus on the key objectives in the mission’s MSP priorities. The OIG team found that this was a more effective use of this position. Labor issues in the EU context are increasingly economic rather than political, while the operational tempo and complexity of the mission’s political work require a full-time deputy section chief.

Recommendation 4: The Bureau of Human Resources, in coordination with the Bureau of Democracy, Human Rights and Labor and the Bureau of European and Eurasian Affairs, should reprogram position number 12232000 from labor counselor to deputy political counselor. (Action: HR, in coordination with DRL and EUR)

Travel and representation funds are inadequate. For example, funding cuts forced the mission to eliminate annual travel to Brussels for officers who carry the EU portfolio at U.S. embassies in Europe, making it more difficult for them to work effectively with USEU. These visits increased both the substantive knowledge of the visiting officers and coordination between them and their USEU counterparts.

Political/Military Affairs

The mission has allocated more resources to political/military issues as the EU takes on more defense and security planning. A unit of four officers now follows the EU's growing role in stability operations and police training missions in the Balkans, Africa, Afghanistan, and elsewhere. Despite its limited military capabilities, the EU's interest in such missions has expanded rapidly. Its Operation Atlanta, for example, now deploys a larger naval force to combat piracy off the coast of Somalia than does a similar NATO operation, with more robust rules of engagement and a clearer plan for turning over suspected pirates to African courts.

Disagreements over how to deal with this issue have strained relations and coordination between USEU and USNATO. USEU reporting stresses the advantages of cooperating with the EU on defense, if only to share the burden of maintaining stability around the world. USNATO continues to be guided by the "Berlin Plus" agreement between NATO and the EU. Under the Berlin Plus agreement, the EU was given the right to draw on NATO assets, and NATO was given first choice over whether it would intervene in a crisis or allow the EU to do so. The point of the agreements was to allow the EU to develop its defense identity without jeopardizing collective defense. The dispute has reinforced a more general tendency for the two missions to work separately despite their physical proximity. Although they have standing invitations to do so, officers at USEU and USNATO rarely attend each other's staff meetings, in part because it takes an hour to travel between the two posts. Most communication is by email. Joint reporting and joint recommendations are rare.

In *Tri-Mission Coordination in Brussels, Belgium*, ISP-I-10-15, the OIG team addressed the need for improved communication and coordination, and made a recommendation on this subject to all three Brussels missions, with specific suggestions as to how this could be accomplished.

The problem is replicated inside USEU, where a Department of Defense civilian and a military officer are detailed from USNATO to work as part of the political section. They report to the political minister counselor, but view their role as representing, respectively, the Office of the Secretary of Defense and the Joint Chiefs of Staff. Because of differences in views between these offices, the two do not coordinate their reporting with each other and the Department of Defense civilian does not always clear reporting with his supervisor. On occasion, this has led to contradictory messages being conveyed to EU and NATO authorities.

Humanitarian Assistance

Within the section, a refugee affairs officer and a program assistant help to coordinate U.S. refugee policy and assistance with the European Union. The main Bureau of Population, Refugees, and Migration (PRM) office in Europe is in Geneva, where most major organizations concerned with refugees, such as the Office of the United Nations High Commissioner for Refugees, are headquartered. This office in USEU is essential, however. The United States and the European Commission's Humanitarian Aid Office are the world's two biggest aid donors, together providing 80 percent of all funds spent. Both entities generally agree that their efforts should complement each other, although there is also some competition for particular programs. The refugee affairs officer collaborates with the USAID office at USEU, which primarily concerns itself with emergency assistance and the conditions of people who are displaced within their own countries due to unexpected crises. She also informs, collaborates with, and reports the activities of other Belgian, EU, and nongovernmental agencies located in Brussels that are concerned with refugees.

This officer does not handle individual refugee cases. Her primary responsibility is to coordinate refugee funding and assistance programs; second, to assure that refugee policies do not overlap or conflict; third, to assess how well donations are used. She recently visited Chad with a group from PRM, the European Commission's Humanitarian Aid Office, and USAID for this purpose. Her geographic area of emphasis is Africa, for which she also has political reporting responsibilities. The program assistant has the lead on Asian refugee matters. He organizes visits to the EU by PRM officers and other VIPs, and drafts the office's weekly activity report to PRM. The office has its own budget, which is provided by PRM.

Consular Affairs

Since the last OIG inspection, USEU added a senior consular representative to the political section, at the FE-OC level, to better explain and promote U.S. consular interests and coordinate consular policy issues and concrete actions with the EU. This officer is placed at USEU rather than at the embassy because consular-related matters such as emergency services; evacuation planning; adoption, child abduction and custody laws; lookout information sharing; border security; biometrics standards; and document security are steadily moving out of the hands of individual countries and into the control of multinational organizations such as the EU, the International Criminal Police Organization (INTERPOL), the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (FRONTEX), the International Civil Aviation Organization, Schengen Agreement members, and the EU Council.

The European Commission recently proposed a European Asylum Support Office to help its member states, even though asylum decisions still remain with states. This is an example of the steady flow of consular rules and processes from individual nations to multilateral organizations. Other examples are the second-generation Schengen information system, a coordinated EU lookout system, and the planned European Visa Information System, which will standardize European visa processing. The Bureau of Consular Affairs correctly assigned this officer to USEU, where he has access to and can influence this burgeoning family of multinational issues and entities. He also was correctly placed in the political section, of which he is an integral member, linking consular interests with political issues such as counterterrorism, radicalization, and international crime, and maintaining close relationships with other agency representatives working on immigration law, law enforcement, and home affairs.

Among the concrete results of U.S.-EU cooperation attributed to this position is greater security for U.S. and European citizens because of more efficient information sharing. In one instance, information sharing helped give warning to a cruise ship inadvertently sailing into an area of the Gulf of Aden where pirates were active. The United States and the EU have also shared information about hurricane threats to Florida, the terrorist attacks in Mumbai, and the protection of U.S. and European citizens in strife-torn Congo.

Law Enforcement Coordination

USEU's MSP includes promoting U.S. homeland security, preventing terrorist attacks, and increasing European contributions to counter global security threats. These goals are carried out by law enforcement representatives, such as the senior consular representative, the international narcotics and law enforcement (INL) counselor, the Department of Justice's senior counselor for the European Union and International Criminal Matters, the Department of Homeland Security attaché, the Customs and Border Protection attaché, the Federal Bureau of Investigation attaché, and the Drug Enforcement Administration assistant regional director. Agencies collaborate through the mission's law enforcement working group, known as the justice and home affairs cluster, which is held every two weeks. Coordination among officers at post is generally excellent and collegial, and often proceeds more smoothly than the interagency process in Washington.

The INL counselor is the Department officer primarily responsible for handling law enforcement and narcotics. He is located in the political section and reports to the political minister counselor and to the DCM. He participates in the country team, the political affairs cluster, and the justice and home affairs cluster meeting.

While the mission does not provide major international assistance on law enforcement and narcotics to the EU and does not oversee technical assistance projects, it does play a policy role on such issues, including the informal sharing of information on technical assistance to non-EU countries. The EU and United States cooperate closely on law enforcement and narcotics issues, with a growing convergence of views on policies and strategies. For instance, the United States and EU have nearly completed ratification of a mutual assistance and extradition agreement to modernize and streamline judicial coordination and enhance law enforcement cooperation. The U.S.-EU high level contact group of experts, in which USEU officials play a major role, is defining common principles for an effective data protection regime to promote the continued sharing of law enforcement information in terrorism and organized crime cases. The law enforcement group has also smoothed temporary disruptions in collaboration over passenger name records and the visa waiver program.

Despite earnest efforts to build collaboration among the various mission elements working on justice and law enforcement matters, there are concerns about the way these activities are structured within the mission. Some question whether placing law enforcement within either the economic or political section adequately recognizes what is both a major MSP goal and a growing part of the mission's staffing. Some have suggested elevating the justice and home affairs cluster to a status equal to that of the political and economic clusters, tying it more closely to the political section, and naming a senior Department officer as chair. It is suggested that this would enable the Department to respond more systematically to an agenda that is rapidly gaining importance in our relations with the EU and to issues, such as data protection and privacy, which cut across bureau and agency lines. In addition, some law enforcement representatives note that their issues and interests, which increasingly involve operational coordination with EU elements, do not always align well with the work of those offices and agencies whose focus is primarily on policy dialogue and negotiation. The OIG team was not in a position to offer a specific recommendation as to how these structural issues might be addressed, but made an informal recommendation to encourage the mission to review the effectiveness of the current arrangements.

Mission officers regularly meet with EU Commission counterparts and help arrange semiannual Troika meetings devoted to counternarcotics, counterterrorism,

and related issues, in which the U.S. Attorney General and the Secretary of Homeland Security participate. The Troika includes senior representatives from the current and incoming Council Presidency, the EU Commission, the Council Secretariat, and member states.

The INL counselor position, graded at the FS-01 level, will not be filled when the incumbent departs in the summer of 2009. The OIG team was told that this was for budgetary reasons because the Bureau of International Narcotics and Law Enforcement Affairs is assigning counselors only to countries where the bureau has substantial counternarcotics programs. On the other hand, in addition to the policy function described above, having an INL representative at USEU enables the United States to influence how the EU spends its substantial counternarcotics program budget, reportedly in excess of \$200 million annually, in ways that complement our own efforts. Beyond that, elimination of the INL counselor position will leave a significant gap in USEU's larger law enforcement efforts and might handicap the Department's ability to provide needed policy guidance and coordination to the other law enforcement agencies at the mission.

PUBLIC AFFAIRS

Under current administrative arrangements, USEU has responsibility for supporting two public diplomacy organizations: its own public affairs office and the European Media Center, commonly called the Brussels Hub. The Hub is discussed in more detail in *Tri-Mission Coordination in Brussels, Belgium*, ISP-I-10-15.

The public affairs office had suffered from two years of instability because of sudden personnel changes and the lack of a permanent public affairs officer (PAO). For eight months prior to the current PAO's arrival, the director of the Hub was the acting PAO. The office has three American officers and five LE staff members, with two other LE slots vacant.

The public affairs office has a good working relationship with the chargé d'affaires, who accepts all public affairs opportunities. The office cooperates very well with Embassy Brussels.

The public affairs office engages in the full spectrum of public affairs activities, including media interviews and reporting, speaker and arts programming, and the Fulbright and other exchange programs. It contracts media professionals to provide television and radio interview training for USEU officers. The PAO is a member of the Fulbright Commission Board and has good relations with its director.

Although the public affairs office does a good job, its small staff hinders its potential. The PAO would like to restructure and augment the press office program staff so that they could follow thematic issues. Ideally, the public affairs office needs an additional American slot and three LE staff to handle economics and trade issues; political, defense, and security issues; and agricultural and other issues.

The office has a core media contact base of 200-300 Belgium-based journalists, including those working for international wire services. It is also in touch with many members of prominent think tanks in the region. Considering the influence these contacts have on European publics, and the diversity of issues to be managed, the OIG team informally recommended that the two vacant public affairs LE staff positions be filled as quickly as possible.

Although the PAO is in regular contact with the other Tri-Mission PAOs, she has met with them jointly only once in recent months. The OIG team informally recommended that the three PAOs and the Hub director meet regularly, perhaps as often as once per month, to review the public diplomacy environment, to avoid overlapping programs, and to improve communication among them.

The cultural affairs officer (CAO) position has been filled for the past two years by entry-level officers on a one-year rotation. The PAO is requesting that the CAO position be filled by an FS-02 officer. Programs and exchanges (cultural) programming with the EU requires an experienced officer who would have a longer tenure at post. During the current one-year tour, the CAO spends about half the time learning the job and getting to know the players, and less than six months in effectively engaging substantive contacts and conducting outreach programs. Under the present circumstances, CAOs must rely on the senior LE staff in the section for most decisions and important contact work. In effect, the LE staff becomes the CAO. Given the expanding portfolio within the public affairs office and the influence, size, and diversity of the contact base, this position requires an experienced FO-02 officer.

Recommendation 5: The Bureau of Human Resource, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Public Affairs, should create a new cultural affairs officer position at the FS-02 level at the U.S. Mission to the European Union. (Action: HR, in coordination with EUR and PA)

RESOURCE MANAGEMENT

Agency	US Direct Hires Staff	FMA & EFMs	LE Staff	Total Staff	Funding FY-08
State Program	25	1	13	39	\$4,174,000
Public Diplomacy	5	1	6	12	1,020,300
Public Diplomacy Hub					629,000
Int'l Narcotics & Law Enforcement	1	1	0	2	339,600
Population, Refugee & Population	2	1	-	3	145,970
State Representation	-	-	-	-	56,500
Public Diplomacy Representation	-	-	-	-	15,200
Public Diplomacy Hub Rep.	-	-	-	-	10,000
Public Diplomacy Grants	-	-	-	-	449,000
Subtotal State	33	4	19	56	\$ 6,839,570
Department of Agriculture	6	-	9	15	\$ 1,385,684
U.S. Agency for Int'l Development	1	-	-	1	-
Department of Commerce	5	-	8	13	1,548,087
Department of Homeland Security	8	-	-	8	84,482
Department of Defense	2	-	-	2	667,876
Department of Justice	3	1	-	4	-
Health and Human Services	0	-	-	-	-
Department of Treasury	1	-	-	1	115,162
Subtotal Other Agency	26	1	17	44	\$3,801,291
Total	59	5	36	100	\$10,640,861

MANAGEMENT OPERATIONS

USEU does not have its own administrative component. The JAS section at Embassy Brussels provides all management support. Overall, JAS management services are highly rated, but there are complaints that housing, procurement, human resources, and customs and shipping need to be improved. The inspection report on Tri-Mission Coordination in Brussels discusses management services in detail.

The mission and JAS corrected all issues found in the 2004 inspection. The travel, visitor, and conference unit clarified its policy on providing travel services. Control officers have a better understanding of the division of responsibilities for travel and visitor services and precisely what JAS provides for USEU visitors. USEU also hired additional administrative staff to assist control officers. There were only a few complaints about travel, visitor, and conference services.

Additional drivers were hired to address concerns about accidents that might be caused by driver fatigue. The Ambassador has been assigned two drivers.

At the time of the 2004 inspection, LE staff in the protocol section complained that they were often put in the position of advancing funds from their own pockets to organize representational events. In response to an OIG recommendation, JAS issued an instruction to end this practice. Nevertheless, during the current inspection, the OIG team encountered a few continuing complaints on the issue of advances. The OIG team informally recommended that the mission reissue its policy on representation, including ways officers can avoid paying out-of-pocket, especially for large events.

QUALITY OF LIFE

This topic is covered in the separate inspection report, *Tri-Mission Coordination in Brussels, Belgium*, ISP-I-10-15.

MANAGEMENT CONTROLS

There is no USEU officer assigned management control duties. Rather, the JAS deputy director, by verbal agreement, is performing this role as he is the designated officer management controls officer for JAS.

LIST OF RECOMMENDATIONS

Recommendation 1: The U.S. Mission to the European Union should fill the vacant locally employed staff position authorized in the economic section as soon as possible. (Action: USEU)

Recommendation 2: The Bureau of Human Resources, in coordination with the Bureau of Economic, Energy and Business Affairs and the Bureau of Oceans and International Environmental and Scientific Affairs, should restore at least one officer position to the energy, environment, science and technology unit. (Action: HR, in coordination with EEB and OES)

Recommendation 3: The Bureau of European and Eurasian Affairs should authorize the U.S. Mission to the European Union to deliver all cleared sections of demarches for meetings of the General Affairs and External Relations Committee not less than one week prior to its meetings and withhold those sections that have not been cleared. (Action: EUR)

Recommendation 4: The Bureau of Human Resources, in coordination with the Bureau of Democracy, Human Rights and Labor and the Bureau of European and Eurasian Affairs, should reprogram position number 12232000 from labor counselor to deputy political counselor. (Action: HR, in coordination with DRL and EUR)

Recommendation 5: The Bureau of Human Resource, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Public Affairs, should create a new cultural affairs officer position at the FS-02 level at the U.S. Mission to the European Union. (Action: HR, in coordination with EUR and PA)

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.

ECONOMIC SECTION

There is little regular interaction between USEU's economic officers and their counterparts at Embassy Brussels. Mutual understanding would improve coordination on key issues.

Informal Recommendation 1: The U.S. Mission to the European Union should encourage its economic officers to attend appropriate Embassy Brussels staff meetings and invite Embassy Brussels officers to attend the weekly meetings of political and economic clusters at the U.S. Mission to the European Union.

POLITICAL SECTION

The increasing use of email has made USEU's political reporting more efficient but has made it harder for policymakers to have a common understanding of EU positions, keep sufficient records of key actions, and identify broader trends among the daily flow of information.

Informal Recommendation 2: The U.S. Mission to the European Union should make more use of front channel cables where appropriate.

Informal Recommendation 3: The U.S. Mission to the European Union should produce a cable that summarizes developments, identifies trends, and anticipates upcoming issues and events, two to four times a year.

USEU's annual EU 101 cables are extremely valuable but, at 100 pages, too long and too historical to be easily used.

Informal Recommendation 4: The U.S. Mission to the European Union should shorten its EU 101 cables and focus on explaining the responsibilities of European Union institutions and how to effectively work with them.

U.S. policymakers and negotiators need more background information on key EU officials than they are receiving. USEU began to carry out the 2004 OIG recommendation to create a classified leadership analysis program, but has not sustained that effort.

Informal Recommendation 5: The U.S. Mission to the European Union should appoint an active biographic coordinator and energize its leadership analysis reporting program, assigning American officers to concentrate on political futures and negotiating styles, and outsourcing basic biographical information by purchasing it commercially if necessary.

Frequent changes in portfolios make effective use of individual officers' experience and personal interests, but threaten continuity and make it harder to build files that transfer easily to successors.

Informal Recommendation 6: The U.S. Mission to the European Union should establish and implement measures to increase stability and continuity in political portfolios.

For years, USEU's INL counselor has been a key interlocutor on law enforcement issues, but this position is being abolished in the summer of 2009. While there are arrangements for coordination between the INL officer and other law enforcement representatives, these have focused on operational issues with the EU, rather than on policy.

Informal Recommendation 7: The U.S. Mission to the European Union should review the effectiveness of the current arrangements on law enforcement issues and policy coordination after the departure of the Bureau of International Narcotics and Law Enforcement counselor.

PUBLIC DIPLOMACY

The PAOs of the three missions in Brussels do not meet regularly to review the public diplomacy environment, avoid overlapping programs, and improve communication among their offices.

Informal Recommendation 8: The U.S. Mission to the European Union should require that the public affairs officer meet with counterparts at Embassy Brussels, the U.S. Mission to the North Atlantic Treaty Organization, and the European Media Center on a regular basis, perhaps monthly.

The public affairs office has a sizable media contact base of journalists, including those working for international wire services, and is also in touch with many members of prominent think tanks in the region. It is handicapped in handling this large and important contact base for influencing European publics by a shortage of LE staff.

Informal Recommendation 9: The U.S. Mission to the European Union should fill the two vacant public affairs locally employed staff positions as quickly as possible.

MANAGEMENT OPERATIONS

American and LE staff voiced some complaints about being asked to advance funds for representational events.

Informal Recommendation 10: The U.S. Mission to the European Union should revise and reissue its policy on representation and include ways officers can avoid paying out-of-pocket for large events.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Chargé d’Affaires, a.i.	Christopher W. Murray	07/07

Chiefs of Sections:

Joint Administrative Services	Andrea J. Nelson	06/08
Senior Consular Representative	Paul M. Fitzgerald	08/06
Political	Christopher R. Davis	08/08
Economic	Peter H. Chase	08/07
Public Affairs	Renee Earle	08/08
Public Diplomacy Hub	Susan M. Elbow	10/07
Regional Security (at Embassy Brussels)	Kevin W. Bauer	07/06

Other Agencies:

Foreign Agricultural Service	Debra D. Henke	09/06
Animal and Plant Health Inspection Service	Peter J. Fernandez	06/05
Office of the Defense Advisor	COL Michael C. Ryan	07/03
Foreign Commercial Service	Robert Connan	09/08
U.S. Agency for International Development	Jonathan S. Addleton	01/08
Department of the Treasury	Matthew P. Haarsager	09/08
Department of Justice	Mary Lee Warren	08/07
Drug Enforcement Administration	Thomas A. Scarantino	09/06
U.S. Trade Representative	Lawrence D. Mullaney	08/06
Department of Homeland Security	Jacquelyn A. Bednarz	07/07

ABBREVIATIONS

CAO	Cultural affairs officer
DCM	Deputy chief of mission
Department	Department of State
EEST	Energy, environment, science and technology
EU	European Union
INL	Bureau of International Narcotics and Law Enforcement
JAS	Joint administrative services
LE	Locally employed
MSP	Mission Strategic Plan
NATO	North Atlantic Treaty Organization
OIG	Office of Inspector General
PAO	Public affairs officer
PRM	Bureau of Population, Refugees, and Migration
USAID	U.S. Agency for International Development
USEU	U.S. Mission to the European Union
USNATO	U.S. Mission to the North Atlantic Treaty Organization

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