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

# Report of Inspection

## Embassy La Paz, Bolivia

Report Number ISP-I-08-56A, September 2008

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## **PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION**

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

### **PURPOSE**

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

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

### **METHODOLOGY:**

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



**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", written in a cursive style.

Harold W. Geisel  
Acting Inspector General

# TABLE OF CONTENTS

KEY JUDGMENTS .....	1
CONTEXT .....	3
EXECUTIVE DIRECTION .....	5
POLICY AND PROGRAM IMPLEMENTATION.....	11
Political and Economic Affairs .....	11
Narcotics Affairs Section.....	16
American Presence Post: Santa Cruz .....	24
Animal and Plant Health Inspection Services Office .....	24
Public Diplomacy Section.....	24
Consular Operations .....	27
RESOURCE MANAGEMENT.....	31
Management Operations.....	32
International Cooperative Administrative Support Services.....	34
Shared Services .....	34
General Services Office.....	35
Human Resources .....	45
Information Management and Information Systems Security .....	50
High Frequency Radio Host Nation Approval .....	52
Unclassified Pouch Operations.....	53
QUALITY OF LIFE .....	55
Community Liaison Office .....	55
Overseas Schools .....	56
The Medical Unit.....	57
Equal Employment Opportunity and Federal Women’s Program .....	57
MANAGEMENT CONTROLS .....	59
FORMAL RECOMMENDATIONS .....	61
INFORMAL RECOMMENDATIONS .....	65
PRINCIPAL OFFICIALS .....	71
ABBREVIATIONS .....	73

## KEY JUDGMENTS

- The Ambassador and the deputy chief of mission (DCM) provide clear policy guidance and leadership to mission Bolivia, gathering input and advice from their staff and forging an excellent working relationship among all agencies and sections at post.
- The Office of Inspector General (OIG) team observed first hand that Embassy La Paz prepared well for, and the regional security officer (RSO) managed effectively, the internal defense of the chancery compound during a recent violent demonstration.
- The embassy recently submitted a rightsizing report identifying the staffing levels required to support its Mission Strategic Plan (MSP) goals. However, the report did not address how the current difficulties in the bilateral relationship impede the ability of several mission elements to accomplish their goals and how staff levels could be adjusted to reflect these conditions.
- The embassy has developed and implemented effective programs of support for democracy and the rule of law in the face of Bolivian government criticism and attempted interference.
- The embassy's effective counternarcotics (CN) programs aimed at interdiction, coca eradication, and alternative development is preserving the longstanding U.S. investment in CN efforts in the world's third-largest coca producing country.
- The embassy has provided excellent reporting on the broad spectrum of political, economic, and CN issues.
- The embassy has maintained good morale among American employees and families and locally employed (LE) staff through frequent and open communication and strong community support programs.
- The International Cooperative Administrative Support Services (ICASS) service provider has done an excellent job of providing management support across virtually the entire range of administrative operations at Embassy La Paz and the embassy branch offices in Santa Cruz, Cochabamba, and Trinidad.



# CONTEXT



Bolivia is one of Latin America's poorest countries; a majority of its nine million people identify themselves as indigenous. Bolivia has a history of political instability and two presidents were forced out of office in the face of popular demonstrations in 2003 and 2005. Bolivia elected a self-identified indigenous politician and leader of the coca growers' federation, Evo Morales, as president in December 2005.

As the world's third-largest producer of coca leaf for cocaine, Bolivia has been a longstanding focus of U.S. antinarcotics programs. The United States has major cooperative programs with the Bolivian government directed at narcotics interdiction and coca eradication. The United States also has longstanding programs to promote Bolivian economic development, health, democratic development, and crop-substitution programs to help Bolivians grow licit crops and wean them from economic dependence on growing coca. Traditional close relations between our two countries built through U.S. support for economic development, democratization, and military capacity-building, however, have become more difficult since the January 2006 inauguration of the Morales government.

Morales has adopted a strident anti-American foreign policy and has expanded relations with Cuba, Venezuela, and Iran. He has sought to centralize government in his hands and prolong his term through constitutional reform, provoking a backlash among regions now pushing for autonomy. Morales' nationalistic economic policies are limiting his country's capacity to meet its contracts to export gas, its only source of major revenue, and have alarmed investors and fueled inflation. In addition, his government is discouraging previously positive bilateral military relations.

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(b) (2) The embassy has maintained successful antinarcotics programs in cooperation with the Bolivian government and has continued its health, economic development,

democracy and governance, and crop substitution programs, despite the Morales government's verbal attacks on the United States and occasionally violent demonstrations by the President's supporters against the U.S. embassy.

U.S. Mission Bolivia's agencies include the Department, USAID, Department of Defense, Department of Agriculture, Department of Justice, and Peace Corps. Embassy La Paz staff totals 174 American direct hires. In addition, narcotics affairs section (NAS) operations employ roughly 260 predominantly LE staff and contractors in several locations. Embassy branch offices in Cochabamba include the Peace Corps, Department of Justice's Drug Enforcement Administration (DEA), the Department's NAS, and a consular agency. Branch offices in Santa Cruz include DEA, NAS, a consular agency, and a Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) office. Santa Cruz has been approved as a proposed APP, but its assigned officer has not moved from La Paz to Santa Cruz due to issues discussed in the report. DEA also has staff in Trinidad and bases elsewhere in Bolivia.

## EXECUTIVE DIRECTION

The Ambassador, a senior Foreign Service officer, arrived in La Paz in September, 2006. He has served previously as a chief of mission, DCM and in senior positions in the Department. The DCM, also an experienced senior Foreign Service officer, arrived in La Paz in July 2006. He has previously served as an acting DCM, a counselor in several embassies in Latin America, and as an office director in the Department. The Ambassador and DCM work closely together to manage the large and diverse embassy in La Paz and to advance U.S. interests in Bolivia.

The Ambassador and DCM provide clear policy guidance and leadership to the mission through a series of regular meetings with the country team and senior embassy staff and by maintaining open doors to discuss other urgent issues as they arise. They are both careful to gather input and advice from their staff before reaching decisions. They also provide firm leadership to the diverse elements of the embassy and have taken difficult decisions when this has been necessary. Members of the several agencies present in La Paz credited the Ambassador and the DCM for strong leadership, openness to all views, and forging of an excellent working relationship among all elements at post.

The Ambassador and DCM have used the MSP preparation as an important opportunity for all elements of the mission to develop jointly mission goals and priorities. In recent years, the mission consensus has given highest priority to supporting Bolivia's fragile democracy and the rule of law. The current MSP gives second priority to promoting economic prosperity and security, third priority to disrupting criminal groups and drug trafficking and reducing coca cultivation, and fourth priority to working with Bolivian security forces to support their operation in accordance with the constitutional rule of law.

Despite Bolivian government criticism of U.S. democracy programs, U.S. support for democracy and the rule of law has helped preserve democratic institutions by strengthening Bolivia's independent branches of government, decentralized institutions, and civil society. U.S. efforts to promote economic prosperity and security have not inhibited the Bolivian Government from adopting inflationary macroeconomic policies, but have assisted small producers and small farmers and provided improved health programs for Bolivia's poorest sectors. U.S. programs to interdict narcotics trafficking and to eradicate illegal coca production in cooperation with Bolivian security forces continue to achieve results. However, the Bolivian Govern-

ment has sought to increase the amount of legal coca cultivation permitted, and coca production has increased by 13 percent in the last two years. (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) (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) (b) (2)(b) (2)(b) (2)(b) (2)

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The Ambassador and DCM have good access to senior and working levels of the Bolivian Government, although their ability to influence the government is greater on those issues of shared interest than on its broad policy direction. The Ambassador has wide and easy access to members of Congress, military, political, economic, and civil society leaders in La Paz and throughout the country. The Ambassador and DCM convey U.S. views in precise and nonconfrontational terms intended to make our message clear, (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2) (b) (2)(b) (2)(b) (2)(b) (2)(b) (2) They host numerous representational events across a broad spectrum of Bolivian politics and society to facilitate access to key leaders.

### Public Diplomacy

The Ambassador and the DCM are frequent and effective spokesmen of U.S. policy in the Bolivian print and electronic media, seeking to ensure that the public understands the U.S. desire for a positive, productive relationship with Bolivia (b) (2) (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2) The Ambassador has worked closely with the public diplomacy (PD) section, USAID, and other program offices to organize and appear at public events demonstrating U.S. support for poor and indigenous Bolivians and for effective democracy and government at the grassroots level, thereby underlining the value to all Bolivians of U.S. programs in the country. Both are excellent Spanish speakers, listen to the advice of their staff, and are strategic in their use of time.

## Management of the Mission

The Ambassador exercises his authority under National Security Decision Directive-38 to review and decide upon proposed staffing changes by any agency in the mission. The Ambassador and the DCM also recognize that maintenance of current staffing levels at post depend on the ability of the mission to carry out programs and activities effectively in view of the diminishing level of engagement with the Bolivian Government.

The Ambassador and DCM provide appropriate support and guidance to the management of the embassy. They rely on a strong management section and engage frequently with the management counselor to listen and provide input on developing issues. They travel frequently to Cochabamba and Santa Cruz, and this has helped integrate those offices more closely into the mission. The Ambassador and DCM have not pressed strongly for rapid integration of management services among the agencies at post. The DCM and Ambassador provide good access and support to their well functioning consular section and are sensitive to the need to keep nonofficial as well as official Americans informed of security concerns.

The Ambassador and DCM give direction to a strong and comprehensive political and economic reporting program. They, and the reporting program, are very much focused on analyzing the importance of political and economic developments and the relevance of such developments for the United States.

## Mission Communication and Morale

The Ambassador and DCM work hard to maintain open and effective channels of communication with American and LE staff. The Ambassador briefs American and LE staff at monthly town hall meetings in the embassy's two principal office buildings and opens these sessions to questions and answers on security, policy, management, and other issues. These briefings and question and answer sessions play an important role in maintaining mission understanding and unity in Bolivia's unstable environment where rumors and public rhetoric frequently substitute for fact.

The Ambassador and DCM are also very supportive of community liaison office (CLO) efforts to integrate all employees into the mission and host hail and farewell events, and holiday and children's parties at their residences. The support and leadership of the Ambassador and the DCM are important factors in the good morale among American and LE staff and families, notwithstanding security concerns and frequent Bolivian Government criticism of the U.S. Embassy and its programs.



LE staff rather than U.S. direct-hire positions. The savings associated with LE staff reductions could be significant but pale in comparison to those resulting from direct-hire staffing cuts.

In addition to the potential cost savings, there are other compelling reasons to seek reductions in direct-hire staffing throughout the mission. As noted elsewhere in this report, the current chill in bilateral relations has made it difficult for the Department and other agencies to effectively carry out certain programs. The rightsizing report does not fully acknowledge these conditions in reviewing appropriate staffing levels. The assessments are instead based upon a permissive environment, which assumes that MSP goals can be pursued effectively with cooperation from the host nation.

Current political conditions may impede officers in several agencies from performing the duties for which they were assigned. This includes, but is not limited to, officers in the DEA, NAS, the economic and political (ECOPOL) section, PD section, USAID, and the Military Group (MILGRP). If personnel at an overseas mission are not fully engaged, the chief of mission and the parent agency should consider reassignment of such personnel to other locations where conditions would enable them to be more productive.

The Ambassador has been assigned the prerogative to maintain staff numbers at minimum levels to achieve mission foreign policy goals while containing staff costs. Another key consideration regarding overseas staffing is the relative security situation in the host country. A discussion regarding the security conditions in Bolivia is included in the classified portion of this report.

**Recommendation 1:** Embassy La Paz, in coordination with the Bureau of Western Hemisphere Affairs, should immediately review the overall American staffing profile for all agencies in the mission, identify which positions cannot function effectively in the current political environment, and direct that such positions be vacated at least on a temporary basis until operational conditions improve. (Action: Embassy La Paz, in coordination with WHA)



## POLICY AND PROGRAM IMPLEMENTATION

### POLITICAL AND ECONOMIC AFFAIRS

The well-staffed ECOPOL is successfully engaged in reporting on all political and economic events of significance in Bolivia and in actively advancing Mission Bolivia goals of supporting democracy and the rule-of-law and economic prosperity and security. The OIG team recommended that Embassy La Paz implement Leahy vetting for certain Bolivian forces engaged in CN efforts and establish a law enforcement working group (LEWG). In addition, the OIG team informally recommended that terrorism reporting be increased, that Santa Cruz reporting fall primarily to the American presence post officer (APO) for Santa Cruz, and that efforts be made to seek physical consolidation of ECOPOL staff offices.

Now in his third year in office, it has become clear that Bolivian president Evo Morales has chosen to follow a path of confrontation in domestic politics as well as in relations with the United States. Morales has adopted a stridently anti-U.S. foreign policy and has resorted to publicly attacking and making unsubstantiated allegations against the embassy and the Ambassador. Morales is seeking to pass a constitution in 2008 that would allow for his reelection, as well as provide Bolivia's indigenous citizens with greater rights than other Bolivians. Since taking office, Morales has aggressively moved into a tighter embrace with Venezuela and Cuba. Morales frequently touts his relationships with Chavez and Castro. The Morales administration established diplomatic relations with Iran, and Morales and his ministers now make public statements in favor of Iran's civilian nuclear program.

Bolivia has the second-largest natural gas reserves in South America. In 2006, the Morales government pressured foreign energy firms to sign new operating agreements with the Bolivian state-owned hydrocarbons company. This action shook the faith of the investor community, seriously threatening future investment. In 2007, gross domestic product growth slowed to roughly four percent, well below that of the region. Inflation is estimated at 17 percent. While Bolivia is eligible for a Millennium Challenge Corporation compact and has submitted a proposal, political conditions are such that the proposal is now on hold.





operating procedure, which was provided to relevant embassy offices, is excellent and is clearly tailored to the specific needs and circumstances of embassy La Paz; however, no vetting request has yet been sent in for Bolivian security forces supported by NAS funding.

**Recommendation 2:** Embassy La Paz should undertake appropriate Leahy vetting procedures for Bolivian forces supported by narcotics affairs section foreign assistance programs. (Action: Embassy La Paz)

During preinspection survey meetings in Washington, the OIG team learned of two grant programs underway in Bolivia funded by the Bureau of Democracy, Human Rights and Labor (DRL). Both programs were developed, managed, and overseen by DRL; the embassy receives little or no information about the progress of these programs. Embassy La Paz should be better aware of such programs in country, and ECOPOL should reach out proactively to DRL and/or grantees to request copies of grantee program reports and/or seek to have input as such programs are developed. An informal recommendation was made.

The Ambassador and ECOPOL advocate effectively on behalf of U.S. business. The Ambassador meets regularly with U.S. companies and the American Chamber of Commerce and has hosted lunches and receptions in support of U.S. business. He has actively included U.S. business representatives in events in honor of visiting American elected officials. The ECOPOL deputy works closely with the organization, acting as a clear line of communication between the embassy and the private sector.

## Foreign Assistance

In FY 2007, U.S. government assistance to Bolivia exceeded \$130 million. U.S. development assistance to Bolivia is channeled through USAID; in FY 2007, USAID assistance totaled \$87 million. USAID economic growth programs help create opportunities for small and medium-sized businesses and farmers to increase their incomes. Health programs improve health services for Bolivia's poor. Integrated Alternative Development (IAD) programs help diversify development in coca growing areas by increasing the competitiveness of rural enterprises. Through its environment programs, USAID seeks to improve forestry management and conserve parks. USAID supports Bolivian efforts to strengthen democratic institutions and collaborates with democratic institutions in the central, regional, and local governments. Finally, USAID seeks to enhance household food security through improved agri-

cultural production and storage techniques, marketing, irrigation, better water sanitation, and hygiene. USAID has recently been subject to an intensive and continuing Bolivian government review of its entire assistance portfolio, and the government is currently writing what is expected to be a biased report critical of USAID.

Since 1976, NAS has spent almost \$500 million (\$35 million in FY 2007) to support Bolivian efforts to reduce coca cultivation, implement an interdiction program against drug trafficking, and raise public awareness on the dangers of drug use in Bolivian society. NAS assistance has funded programs for drug trafficking interdiction, coca eradication, drug demand reduction, police and prosecutor training, countercorruption, as well as operational and logistical support for Bolivian CN efforts.

U.S. MILGRP programs in FY 2007 provided \$9 million in assistance to Bolivia. Programs covered a wide variety of areas, including: provision of equipment; capacity building, education and training in support of counterterrorism and CN initiatives; construction; humanitarian assistance (clinics, water sources, warehouses, and community centers); and medical treatment. Recently, however, Bolivian actions have served to limit and restrict military assistance and exchange programs. In the absence of a Status of Forces Agreement and/or exchange of diplomatic notes, seven medical readiness training exercises could not be conducted, and the MILGRP was unable to respond to the most recent flooding disaster in Bolivia as robustly as in the past. In addition, the Bolivian government is withdrawing its military officers from participation in the Western Hemisphere Institute for Security Cooperation in Fort Benning, Georgia, which provides professional education and training for students throughout the Western Hemisphere.

The Peace Corps operates extensively in Bolivia with a budget of approximately \$2.3 million. Currently there are approximately 140 Peace Corps Volunteers serving in Bolivia working in basic sanitation, agriculture, business development, education, and environment projects. Its headquarters and training center are in Cochabamba. It is satisfied with the limited ICASS services to which it subscribes. The executive office respects the Peace Corps' autonomy, although Peace Corps cooperation with the PD section on book donations programs is productive.

## Law Enforcement and Counterterrorism

Embassy La Paz has a relatively large law enforcement presence. In addition to the RSO, offices with a direct stake in law enforcement affairs include the DEA, NAS, and the MILGRP. The legal attaché in Embassy Santiago and the Department of Homeland Security's Immigration and Customs Enforcement Office in Embassy Brasília support La Paz; both representatives visit Bolivia quarterly.

The embassy has a CN working group which meets biweekly, as well as a counterterrorism working group, which meets as necessary. Embassy La Paz has no operating LEWG; per 2007 State 108166, the intent of establishing LEWGs is to better coordinate the combined capabilities of U.S. law enforcement agencies to share information with each other across the broad range of law enforcement issues and to help foreign partners combat terrorism. Many posts have combined their LEWGs and counterterrorism working group into one entity, addressing both law enforcement and counterterrorism issues.

**Recommendation 3:** Embassy La Paz should establish a law enforcement working group. (Action: Embassy La Paz)

The embassy Visas Viper program is active and functions well.

## NARCOTICS AFFAIRS SECTION

### Context

Bolivia is the world's third-largest producer of cocaine, accounting for more than 115 metric tons, and is also a significant transit area for Peruvian cocaine. Bolivia has produced coca leaf for traditional uses for centuries, and Bolivian law permits limited cultivation to supply this licit market. The vast majority of cocaine trafficked from or through Bolivia is destined for South American markets or Europe; only one percent of Bolivian cocaine production finds its way to the United States.

President Morales proposed a CN policy of zero cocaine and the "revalidation" of the coca leaf upon taking office. Although he remains the president of coca growers federations in the Cochabamba region, in June 2008, he announced his intention to resign from that position. In 2006 he announced his intention to increase the amount of land for legal coca cultivation from 12,000 to 20,000 hectares, which would both violate current Bolivian law and the 1988 UN Drug Convention, to which Bolivia is a party. Morales continues to promote his policy of "zero cocaine but not zero coca." Nevertheless, Embassy La Paz continues to have a robust working relationship with the Bolivian government on CN, likely reflecting realization by Morales that refusing to cooperate with the international community on CN would risk his government being branded internationally as pro-drug.

## Progress

The Morales administration's recent performance on CN continues to be mixed, with increased efforts in eradication, interdiction, and legislative reform offset by continued moderate increase in net coca cultivation. Eradication figures to date for 2008 are more than 19 percent ahead of last year; however, eradication efforts under the Morales administration are not keeping pace with replanting, and performance is mixed across regions. On interdiction, the Morales government's political commitment remains strong. Interdiction efforts are up across the board, a result of there being more coca to seize as well as increased police operations. Seizures of coca are up 21 percent through May 2008 compared with last year; cocaine seizures are up 41 percent in the same period. However, Bolivian approaches to control coca cultivation are inconsistent and influenced by political considerations; it is estimated that coca cultivation in Bolivia grew 13 percent in the last two years. Legislation on money laundering, telephone intercept, and terrorism financing appears to be moving forward.

Through the spring of 2008, targets for USAID's IAD programs were on track, contributing to the creation of nearly 3,000 jobs, \$17 million in exports from coca-growing regions, and 9,000 hectares of alternative crops. In the last few months, however, cooperation on IAD has been strained. The Bolivian government review of USAID assistance is expected to provide biased criticism of its IAD effort.

## Programs

NAS manages the programs funded by the Department's Bureau of International Narcotics and Law Enforcement Affairs (INL). It combines policy development and advocacy as well as operations. Its programs promote the development of legal institutions within Bolivia, with a heavy emphasis on CN activities. It works in close cooperation with the embassy country team, but particularly closely with DEA and USAID.

The NAS operation in Bolivia is extensive. In addition to the La Paz office, there are NAS branches in Santa Cruz, Cochabamba, and Trinidad. NAS has approximately 260 personnel of its 275 positions filled in Bolivia – 15 Americans and the remainder Bolivian staff. Of the American NAS personnel in country, four (all of whom are resident in La Paz) are direct hires, and the rest are either personal services contractors or family member appointees. NAS efforts principally support and assist Bolivian interdiction and eradication forces. Each NAS program supporting the Bolivian military is managed either by a Foreign Service officer or a personal services contractor.

In its interdiction mission, NAS supports Bolivia's Special Force for the Fight Against Narcotics Trafficking (FELCN), a specialized Bolivian National Police unit dealing exclusively with CN criminal activities. NAS supports FELCN's General Command, as well as its specialized units. In addition, the NAS Prosecutor Program aims at providing the Bolivian government with assistance necessary to develop the institutional capability to identify, investigate, and prosecute violations of Bolivian controlled substances, transnational crime, human rights, and corruption laws.

On eradication, NAS supports the Ecological Police, the Joint Task Force (a combined military/police/civilian unit dedicated to the detection and eradication of illegal coca), and the General Directorate of Integrated Development of the Coca Producing Region, a civilian governmental agency that negotiates and reaches mutually acceptable coca reduction and rationalization agreements with coca growers.

With regard to logistical support, NAS works with specialized military units that support various aspects of the Bolivian government's CN activities: the Red Devils (Air Force) Task Force – aerial support using 10 NAS helicopters and two fixed-wing aircraft; the Black Devils (Air Force) Task Force— aerial support using three NAS C-130 aircraft; the Green Devils (Army) Task Force – ground transport using military trucks, HUMVEES and other heavy equipment; the Blue Devils (Navy) Task Force—riverine support using NAS watercraft; and the Joint Task Force mentioned above.

Assets operated or supported through NAS projects include two government of Bolivia-owned light fixed-wing aircraft, 10 U.S. government-owned helicopters, 79 boats, and more than 1,500 vehicles. In addition, NAS supports three government of Bolivia-owned C-130B aircraft, which transport cargo and personnel in support of CN efforts. The NAS management officer has primary responsibility for end-use monitoring, under the general supervision of the NAS director. The NAS deputy director, project officers, regional directors in Santa Cruz and Cochabamba, resources control staff, and officials of other agencies (DEA, MILGRP, USAID) assist the NAS management officer in end-use monitoring. Regular reviews to account for and verify the condition and use of equipment and property provided by the U.S. government to the CN program are conducted. The NAS deputy director, project officers, regional directors, and the management officer conduct regular announced and unannounced field visits to all projects, and maintain frequent contact with project personnel. NAS budget and resources control staffs conduct spot inspections of property records, impress funds recordkeeping, and vehicle fuel usage reports. Fuel consumption reports are consolidated and reviewed by the NAS resources control unit on a monthly basis. NAS meets its requirement to provide annual end-use

monitoring reports to INL Washington; the most recent report, covering 2007, was transmitted by cable to INL in March 2008.

Other NAS programs include Demand Reduction, where NAS works with the Vice Ministry for Social Defense and, through its Drug Abuse Resistance Education program, reaches out to educators and students. NAS also funds such social projects as a soccer academy and sports facilities to provide youth with an alternative to drugs. In the area of terrorism finance and money laundering, NAS Law Enforcement Training Program trains police officers, prosecutors, and judges in investigative techniques, interviewing, human rights, and criminal court procedures, as well as supporting the Bolivian units responsible for financial investigations and seizure and forfeiture of assets.

NAS anticorruption programs seek to provide institutional support to the Bolivian National Police effort to investigate and eliminate corruption and integrity violations within its own staff. In its Secure Borders program, NAS aims at increasing the Bolivian government's institutional capability to control the movement of commerce and persons across its borders; NAS efforts support the relevant Bolivian entities that deal with issues such as customs, migration, and trafficking in persons.

NAS works closely with other embassies, the UN Office on Drugs and Crime, and the European Commission. Embassy La Paz participates in the "mini Dublin Group," which, under the chairmanship of Spain and the United Nations, coordinates international CN assistance in Bolivia; information sharing is solid with these groups.

## Operations

In order for U.S. government CN policy in Bolivia to function coherently, it is critical that open channels of communication exist between NAS and DEA. The embassy executive office has succeeded in establishing an environment which fosters the interagency communication necessary to ensure unity of the CN mission. OIG interviews with both offices indicate that the relationship between NAS and DEA is strong, and that there is excellent communication between the NAS director and the DEA regional director. There appears to be mutual understanding of the delineation of responsibilities and boundaries between the two offices. In addition to meeting regularly with the embassy executive office at country team and the CN working group meetings, NAS and DEA leadership meet regularly to discuss issues of mutual interest and include each other in decision making.

The NAS director has demonstrated strong leadership in managing his operation and has taken steps aimed at improving management of NAS operations in Bolivia. In an effort to improve management controls, the NAS director sent auditors to the various regional offices, tasking them to look at inventories, warehouses, and equipment. He held town hall meetings and, recognizing that some NAS employees in branch offices felt disconnected from NAS La Paz, instituted a system of regular audio staff meetings where all offices participate. The NAS director also held off-site gatherings, where program officers and management jointly charted the NAS vision and how objectives will be achieved. The NAS director, deputy director and management officer have visited NAS regional offices. NAS leadership has proven willing to make the tough decisions when necessary, for example terminating NAS employees engaged in malfeasance.

OIG team review of reporting records indicates that NAS satisfactorily provides monthly activity and yearly end-use monitoring reports to INL. NAS has sought to promote training at its regional offices and is making progress in ensuring that relevant NAS personnel have appropriate contracting officer representative and grant officer representative training. Efforts should continue to ensure that NAS personnel serving in these capacities receive the appropriate training as soon as possible. An informal recommendation was made.

## Branch Office Coordination and Relations with the Drug Enforcement Administration and La Paz Narcotics Affairs Section

There are DEA and NAS branch offices in Santa Cruz and Cochabamba, and a small NAS logistics office and DEA office in Trinidad responsible to the Santa Cruz offices. These offices implement CN activities in partnership with DEA which works with FELCN to develop eradication, interdiction, and other CN operations. NAS regional directors in Santa Cruz and Cochabamba oversee the NAS offices and their activities, including coordinating, recommending, and assuming accountability and oversight for the distribution of resources for joint initiatives with the Bolivian government to interdict, investigate, prosecute, and prevent usage of illegal drugs. NAS provides the administrative and infrastructure support to allow DEA to coordinate and conduct operations with the Bolivian government. Good relations between the DEA offices and NAS offices in Santa Cruz and those in Cochabamba are crucial to the success of U.S. antinarcotics programs.

An experienced NAS personal services contract regional director with an extensive background as a DEA agent in Cochabamba and elsewhere maintains good relations with his Cochabamba DEA counterpart with daily telephone contact.

Hired by NAS under contract in 2005, his background as a DEA agent allows him to understand the logistical requirements for operations that DEA advises and plans for FELCN execution. This has led to smooth cooperation between the two agency's branch operations. The Cochabamba regional director is in touch with NAS La Paz frequently and attends the biweekly CN working group in La Paz.

The NAS personal services contract regional director in Santa Cruz has extensive experience in CN operations in Mexico, Columbia, and Panama, including with DEA. He arrived four months ago, filling a position left without full-time supervision for more than two years. During that time La Paz NAS personnel filled the gap, supporting operations from La Paz and through frequent regular visits. Also, other LE staff that now report to him had assumed prerogatives for decisions, which he, as new regional director, feels are his. The Santa Cruz regional director has good relations with his DEA counterpart, and attends the CN working group, maintaining good communications with his partner elements in Santa Cruz, Cochabamba, and NAS La Paz. However, he is attempting to establish procedures more appropriate to a permanent regional director in the regional office and needs additional NAS La Paz support to help him define his position as the regional director in the NAS chain of command over programs in his district. An informal recommendation was made.

## Trafficking in Persons

Trafficking-in-persons (TIP) issues in Bolivia are the responsibility of NAS, which is actively engaged in efforts to combat TIP. NAS provides direct financial assistance and technical support to four TIP offices in Bolivia, consisting of 28 investigators and prosecutors. Additionally, NAS is providing financial assistance to a special victims unit in Santa Cruz, comprised of investigators, prosecutors, medical, and psychological personnel to investigate trafficking and sexual abuse crimes and provide direct aid to victims. A recent request from the Bolivian government indicated Bolivia's desire to see this program expanded to all nine Bolivian departments.

NAS has worked effectively with other sections of Embassy La Paz to further mission TIP objectives. In March 2008, Embassy La Paz organized a TIP film festival. The festival, staged in coordination with the UN Office of Gender Issues and a local nonprofit, was extremely successful and generated extensive media coverage. Several other Bolivian cities requested similar events. NAS has also fulfilled its role in monitoring the Department's Office for the Monitoring and Combating Trafficking in Persons (G/TIP) grants, providing Washington with a six-month monitoring report for an ongoing grant on reintegration of TIP victims. The OIG team found one apparent ongoing G/TIP grant program focused on areas bordering Peru and

Brazil, however, of which NAS appeared to be unaware. NAS should contact G/TIP in Washington to learn more details of this grant and determine whether any monitoring action is required. An informal recommendation was made.

## American Presence Post: Santa Cruz

The Department approved Mission Bolivia's request to open an APP in Santa Cruz, the commercial capital of Bolivia. One of the four positions Embassy La Paz gained under global repositioning was the APO for Santa Cruz. The APO arrived in Bolivia in the summer of 2007 and is supervised by the DCM. When the APO arrived at post, Embassy La Paz had every expectation that the APO would serve some time in La Paz, after which she would move to Santa Cruz to carry out her duties there.

For reasons not within Embassy La Paz control, this plan has not been realized. Firstly, U.S. law prohibits the presence of an APP and a consular agency in the same city – the result if one were established in Santa Cruz where a consular agency has long existed. During the preinspection survey, Washington offices made clear that the process to secure a legislative fix for this problem will be complicated and that they had no prospective date for approval of such a fix. Secondly, on January 18, 2008, the Under Secretaries for Political Affairs and Management stated in a joint memo that they had decided to defer opening of any additional APPs in 2008 – including Santa Cruz – except those that Management had already fully approved. Even when these challenges are overcome, the mission must determine whether the government of Bolivia would agree to the opening of an APP in Santa Cruz, the center of the domestic political opposition to president Morales.

Embassy La Paz has sought to make the best of a difficult situation with regard to APP Santa Cruz. Embassy leadership is to be commended for allowing the APO to carry out her Santa Cruz-related responsibilities without interference. The embassy has not tried to co-opt the APO into performing tasks on behalf of Embassy La Paz, and has permitted the APO to devote 100 percent of her time to APP Santa Cruz issues. The embassy front office, management section, and others have strongly supported the APO in carrying out her new function.

The APO travels regularly to Santa Cruz, spending approximately five working days each month there. She has engaged in extensive outreach (b) (2) in the department of Santa Cruz and has worked with the embassy PD section to expand outreach into the community, universities, and local media. Although the APO's activities in support of transformational diplomacy require her to engage in a broader spectrum of activities than a traditional reporting officer, reporting nevertheless re-

mains a key component of her continuing responsibilities. Although the APO feeds information into ECOPOL section reports, the amount of APO stand-alone reporting is insufficient, and the DCM and APO should jointly develop a reporting plan that would increase APO reporting. An informal recommendation was made.

The OIG team understands that Washington offices have requested from Embassy La Paz a position summary of the APO position; this suggests that there is thought being given in Washington to including this position in the 2009 assignments cycle. Mission La Paz's APO cannot fulfill from La Paz the duties inherent in an APO position in Santa Cruz. There is a high level of uncertainty regarding APPs at this time, and the future assignment of an officer to the Santa Cruz APO position may result in the officer working as the present officer from La Paz has done. This does not provide the advantages to the mission that an APO permanently in Santa Cruz would provide, and is an inefficient use of Department human resources (HR).

**Recommendation 4:** The Bureau of Human Resources, in coordination with the Bureau of Western Hemisphere Affairs, Office of the Under Secretary for Management, Office of the Under Secretary for Political Affairs, and the Office of the Legal Adviser, should resolve the Department management and legal issues before assigning a new American presence officer for Santa Cruz. (Action: DGHR, in coordination with WHA, M, P, and L)

The fluidity of developments and thinking in Washington with regard to APP issues has made it difficult for Embassy La Paz to stay abreast of issues related to APP Santa Cruz. The embassy had learned of management and budget issues related to its APP primarily through chance encounters with officers with greater knowledge of the issues rather than through communications from involved Washington elements. Without information on progress towards resolution of the APP issue, Embassy La Paz cannot properly plan its operations. Greater information from Washington offices on the status of APP development would help the mission in its planning.

**Recommendation 5:** The Bureau of Western Hemisphere Affairs should provide Embassy La Paz an update at least quarterly on Department efforts to resolve management and legal issues related to American presence posts. (Action: WHA)

## ANIMAL AND PLANT HEALTH INSPECTION SERVICES OFFICE

Embassy La Paz provides adequate administrative support to the APHIS office in Santa Cruz. The office consists of two LE staff who are supporting hoof-and-mouth disease eradication efforts in Beni and Pando, fruit fly control and monitoring, Newcastle disease and avian influenza, llama sanitary issues in Oruro, and the strengthening of the Bolivian national laboratory. The staff reported that they are pleased with the embassy services. Embassy personnel visit every couple of months. The RSO reviewed the post's security conditions last year, offering recommendations that APHIS is implementing.

## PUBLIC DIPLOMACY SECTION

The PD section is well staffed, well funded, and well balanced among activities carried out by its press section, cultural section, and information resource center. The public affairs officer is fully engaged in embassy planning, including the MSP process, and manages the PD program well, keeping it focused on mission goals and successfully promoting broader embassy public outreach with an inclusive, team approach.

### The Press Section

The press section keeps the Ambassador well informed and fine tunes his message through daily press briefings that alert him to events of the day and help him craft effective public messages. The open atmosphere in these briefings stimulates the give and take among Bolivian and American staff that effectively hones his approach. The section's wide contacts support placement of his message in the Bolivian media and in the U.S. media, where articles are monitored by the Bolivian press for their own use. The PD section coordinates thoroughly in formal working groups and on an ad hoc basis with USAID, NAS, MILGRP, DEA, and others to ensure his message is the right one delivered at the right place and the right time.

The press section's relations with other mission elements are excellent, and the section meets with public affairs counterparts in USAID, NAS, MILGRP and others on a regular schedule to coordinate coverage of programs. PD LE staff draft press releases for USAID, among other mission elements; and the PD section has assigned its ELO to USAID for cross training.

The press section is an important element in the mission's thrust to reach indigenous audiences. Its radio production unit develops programming in several indigenous languages and redistributes Voice of America programs in formats more easily accessible to Bolivia's numerous low-budget, but influential radio stations. It also receives and translates indigenous programs into Spanish for embassy and Open Source Center use, and carries training programs for indigenous broadcasters. NAS funding has helped support its innovative antidrug programs.

## The Cultural Section

The cultural section supports the broad mission emphasis on reaching indigenous populations and has developed several variations of English-language training, academic scholarships, and exchange programs to build bridges with youth in these critical groups. Partnerships with the Bolivian-American Centers stretch their scholarship dollars on these initiatives. Strong embassy PD commitment to recruitment of indigenous is reflected in their selection of Fulbrighters from the native population – while maintaining traditional Fulbright excellence. Despite this emphasis on indigenous populations, the section has done a good job maintaining contact with its more traditional audiences through jazz and classical music programs, the Ambassador's Fund for Cultural Preservation, and fine arts programs and exhibitions. The PD section has its own graphic design shop that can develop its own professional-quality, Bolivia-specific exhibits, such as one on U.S. assistance during recent flooding, as well as mount Department-distributed exhibits.

The cultural section partners successfully with other sections to enhance mission outreach beyond the capital and major cities, often funding travel for other sections to provide an American presence at book donations, speaker programs, and exhibitions. ECOPOL ELOs have taken special advantage of these opportunities, developing public relations and speaking skills in English and Spanish.

## Information Resource Center

The PD section's Information Resource Center is modest, but has embraced an energetic outreach program of computer and Internet training at schools and colleges based on themes such as the legislative process, federalism, and open economies and development. In addition, it has developed an "American Studies for Teens" Internet and CDROM-based training program it promotes.

## Virtual Presence Posts

Embassy La Paz has virtual presence posts web sites for Cochabamba and Santa Cruz. The PD section solicits, reviews, and clears all materials to be placed on the web site. The information systems center (ISC) places the text on the web site. The embassy has postponed the launching of a virtual presence post in Sucre, because of possible political ramifications. The eventual addition of this workload, for a total of nine web sites requiring ISC maintenance, will sorely strain ISC personnel, who have been recently tasked with a program supporting Blackberry use. The PD section indicated to the OIG team that it would work with ISC to increase its capacity, perhaps with the addition of an LE staff position. The OIG team endorses this approach to ensuring the embassy's web sites are up to date and attractive to mission audiences.

## Public Diplomacy Grants Management

Embassy La Paz's PD grants are well-targeted on mission goals. The OIG team discussed with the section procedures that can enhance transparency within their files, which were quickly implemented.

## Binational Centers

The PD section works effectively with several nonprofit binational centers, known as Bolivian-American Centers, with the major centers in La Paz, Cochabamba, Santa Cruz, and Sucre and more modest centers elsewhere. They generate income primarily from English teaching to support cultural and other activities. The PD section helps maintain the quality of their English-teaching programs – a key to their success. The OIG team visited the centers in La Paz, Cochabamba, and Santa Cruz; they are financially solid and have plans for major expansion of their facilities. They are well integrated and valued in their communities. For example, when the Morales administration sought to close the La Paz Bolivian-American Center branch in El Alto, a hotbed of Morales support, neighborhood associations who have demonstrated against the United States protested to stop the government from closing the center. Nevertheless, the Morales government has continued its harassment of some of the centers.

The PD section relationship with the Bolivian-American Centers provides concrete benefits that justify the costs of the cooperation. The embassy carries out innovative scholarship programs with these centers, which are helping the mission's message reach the indigenous, Afro-Bolivian, and European ancestry youth. They

partner frequently on speaker and cultural performances, stretching the embassy's public affairs reach. The centers serve populations with different political orientations reflected in their cities and regions, providing the mission through dialogue with these partners a variety of perspectives on conditions in Bolivia.

## CONSULAR OPERATIONS

Embassy La Paz's medium-sized consular section provides a full range of consular services to American and Bolivian citizens. The consular section chief is professionally competent, a good leader and manager. The front office is interested in, and kept informed on, consular affairs, but does not seek to influence consular operations. The consular work area and public waiting areas are adequate for the section's current workload. The La Paz consular section chief also oversees the operation of the consular agencies in Cochabamba and Santa Cruz.

The consular section staffing soon will increase by an officer and become sufficient for the consular section's current workload. The three officer La Paz consular section requested an additional officer position to meet the increasing consular workload. This request for the fourth officer position has been approved. The section has eight full-time LE staff, three eligible family member (EFM) consular associates; two full-time, one part-time. There are also two full-time EFM consular assistants. A part-time consular assistant is working on a special project to clear out Category 1, visa refusal files that are stored in a basement room. These refusal files are being sent to the National Visa Center in Kentucky for electronic scanning. There are two officers in other embassy sections who have had consular experience and are able assist in the section when needed.

## Consular Management

The consular staff appreciates the section chief's management style, and morale in the section is good. She is engaged in the daily work of the section and is accessible to LE staff. Since her arrival she has instituted a program of consular cross training for LE staff so they may serve as back up in different consular section units. All of the section's officers can cover for each other in the nonimmigrant visa (NIV), immigrant visa (IV) and American citizens services (ACS) section units. The embassy's visa referral program works well, and the consular section chief has the support of the Ambassador and DCM.

Communications within the consular section and between it and other mission elements are good. The chief attends the weekly country team meetings, monthly Visas Viper meetings, twice a week senior staff meetings, and monthly emergency action committee and counterterrorism meetings. Every morning the section chief has a standup meeting in the work area with the entire consular staff. Within the section there are also weekly staff meetings, monthly fraud meetings, and a monthly consular development day.

## Visas

The consular section uses a call center to schedule NIV interviews. The section handles NIVs in the morning and IVs in the afternoons. The call center funds two contract employees who work in the consular waiting room area screening documents and directing applicants to the appropriate windows. The NIV unit uses the DHL courier delivery service for the pass back of visaed passports. In FY 2007 the consular section processed over 14,400 NIV applications. La Paz's NIV workload increased 20 percent over FY 2006, and it is anticipated that NIV processing will continue to increase. The introduction of the mandatory use of the electronic visa application form and the ten print finger printing has gone smoothly. Visa fee collection is done by a local bank.

The IV unit processed over 800 applications in FY 2007. IV applicants use DHL to deliver their applications and supporting documents to the section before their appointment. This allows the IV unit to identify any missing documents and alert the applicant to send in or bring to the interview any missing documents. Applicants also do not have return to pick-up their visas as the approved IVs are sent to recipients by DHL.

## Consular Section Access

The main obstacle to a more productive consular workflow is the lack of a separate consular entrance. ACS clients, along with visa and passport applicants, must enter through the main embassy lobby entrance to get to the consular section. This often creates confusion and delay for consular section patrons as well as for persons having business in the main embassy area. The consular section waiting room has a second exit with double doors that open to the outside. This exit could be converted into a separate consular entrance. It will require some reconfiguration to create a public access control area for applicants to undergo security screening before entering the consular waiting room. Additional information is contained in the security section classified annex to this report.

**Recommendation 6:** Embassy La Paz, in coordination with the Bureau of Overseas Buildings Operations, the Bureau of Diplomatic Security, the Bureau of Consular Affairs, and the Bureau of Western Hemisphere Affairs, should create a separate consular entrance with a public access control area for direct access from the outside to the consular section waiting room. (Action: Embassy La Paz, in coordination with OBO, DS, CA, and WHA)

## Parole

The La Paz consular section also receives applications for Significant Public Benefit Parole for Department of Homeland Security's Office of U.S. Immigration and Customs Enforcement. The section interviews the Cuban medical personnel, reviews their documentation, forwards their cases to the Department of Homeland Security, and processes travel letters. Given the close connection between the governments of Bolivia and Cuba, some parolees have encountered difficulty departing Bolivia and have had to cross into neighboring countries such as Brazil or Peru in order to travel to the United States.

## Fraud Prevention

The La Paz consular fraud prevention unit reviews 100 percent of the NIV and IV applications every day for document verification. The unit has worked to increase cooperation with Bolivian financial institutions and government officials on document verifications. The fraud prevention unit has also held document training sessions with air carriers that service the United States and with consuls from the European Union and Japanese missions to increase their detection of fraudulent documents. The unit's LE staff person is very efficient in screening documents and has good contacts within Bolivian business and official community. However, the staff person lacks English language skill, which prevents her from taking a more active role in document trainings and fraud prevention briefings. An informal recommendation was made concerning training for this staff member.

## American Citizens Services

There are 10,052 American citizen residents registered with Embassy La Paz. This number includes many Americans who do not reside permanently, but spend some time in Bolivia every year with various businesses and organizations. The ACS unit encourages these citizens to keep their passports and other travel documents up to date given the ongoing social and political unrest Bolivia. All of the consular sec-

tion's officers have participated in an embassy emergency action plan drill. The ACS unit sends out a quarterly newsletter for the American citizen community containing information regarding consular services and other information pertinent to resident American citizens. The consular section also holds quarterly town hall meetings with the American citizen community.

The consular warden system provides security and other information rapidly and efficiently to resident U.S. citizens and organizations and is routinely updated. The embassy has 133 wardens; the consular agency in Cochabamba has 48, and consular agency in Santa Cruz has 64. All warden messages are sent by the ACS unit in the consular section in La Paz, using a Google group account with G-mail. The messages go out to the wardens who then forward them to American citizens in their areas. Messages are also sent to 499 U.S. citizens who registered with the consular section but do not have a warden. All warden messages are also automatically posted to the embassy's web page.

## Consular Agencies

Consular agents in Cochabamba and Santa Cruz are supervised by the La Paz consular section chief who visits both agencies monthly to review their operations. The agents and their consular assistants have received training to ensure all reports of birth and passport applications are correctly completed and sent with appropriate supporting documents to La Paz for processing. Both agencies have been handling an increasing number of passport applications, reports of birth, and notarials.

The Cochabamba consular agency located in a high-rise office building has one ACS assistant; the Santa Cruz consular agency is also located in an office building and has two ACS assistants. The American citizen community in Santa Cruz consists mostly of business persons, and the Cochabamba consular agency has a large American citizen community of over 700 missionaries. There are currently two American citizen prisoners in Bolivia, one in each of the consular agencies' districts. These prisoners are visited monthly by the consular agents.

## RESOURCE MANAGEMENT

<b>Agency</b>	<b>U.S. Direct- Hire Staff</b>	<b>U.S. Local- Hire Staff</b>	<b>Foreign National Staff</b>	<b>Total Staff</b>	<b>Total Funding FY 2008</b>
State – D&CP	40	8	26	74	\$1,952,827
State – ICASS	8	21	146	175	\$5,421,300
State – Public Diplomacy	4		20	24	\$1,065,700
State – Diplomatic Security					\$2,113,449
State – Marine Security Guard	7		3	10	\$130,650
State – Representation					\$37,300
State – Overseas Buildings Operations					\$1,000,104
State - Narcotics Affairs Section <sup>1</sup>	14	3	258	275	\$30,154,000
Defense Attaché Office	6		2	8	\$217,346
Office of Defense Cooperation <sup>2</sup>	12		7	19	\$1,979,426
USAID	16		116	132	\$72,135,552
Peace Corps	3		6	9	\$2,255,300
Drug Enforcement Administration	61	5	22	88	\$4,500,000
APHIS	1		2	3	\$230,000
Force Protection Detachment <sup>3</sup>	2			2	\$130,000
Millennium Challenge Corporation					\$10,000
<b>Totals</b>	<b>174</b>	<b>37</b>	<b>608</b>	<b>819</b>	<b>\$123,332,954</b>

<sup>1</sup> In addition, approximately \$50 million obligated in previous years is available for spending in the current fiscal year.

<sup>2</sup> In addition the U.S. Southern Command provides \$1 million for U.S. Army Corps of Engineers projects.

<sup>3</sup> This is a projection for the full year.

## MANAGEMENT OPERATIONS

The management section has done an excellent job of providing support across virtually the entire range of administrative operations at Embassy La Paz and the embassy branch offices in Santa Cruz, Cochabamba, and Trinidad. This judgment is based upon the OIG team review of management operations and customer survey data and comments obtained during the course of this inspection.

For both 2007 and 2008, the customer satisfaction survey scores for overall ICASS services at Embassy La Paz were above the average scores for the both the Bureau of Western Hemisphere Affairs and worldwide averages, as were the scores in most of the management sub-functions. Furthermore, the scores have trended positively, with marked improvement over those from prior years.

The responses to the workplace and quality of life questionnaires prepared for this inspection indicated a similar degree of satisfaction with overall management operations and with most administrative sub-functions. The scores were particularly high for the CLO, financial management, medical services, information management, and many elements of general service operations, as compared with the same figure for 47 posts that OIG had previously inspected.

The section is under the direction of an experienced senior Foreign Service management counselor who has served most of his career in the Bureau of Western Hemisphere Affairs. His management team includes veteran officers in such key positions as supervisory general services officer, facility manager, financial management officer, information management officer, and information programs officer. There are also relatively inexperienced yet highly capable officers serving in the assistant GSO, HR officer, and information management specialist positions. The medical unit is staffed by an experienced regional medical officer, a Foreign Service health practitioner nurse practitioner, and two Foreign Service nurses. The CLO consists of three EFM, including one serving as the CLO coordinator and the other two as assistant CLO coordinators.

The LE staff are generally well regarded by their American colleagues and perform capably in many important positions in the management section and elsewhere in the embassy. In the absence of direct-hire management staff, LE staff provide basic ICASS services at the embassy branch offices Santa Cruz and Cochabamba.

## Financial Management

The financial management section received uniformly positive results in recent evaluations with one minor exception. The 2008 ICASS customer satisfaction survey results were above the bureau and worldwide averages for four of the five elements of financial operations with vouchering just below the two averages. The results of the workplace and quality of life survey were exceptionally positive, with all three elements of financial operations well above the average score of 47 embassies the OIG previously inspected.

A seasoned financial management officer supervises 14 LE staff in the financial management section. The financial specialist and supervisory voucher examiner have been designated as certifying officers. The financial management section is responsible for annual Department allotments of approximately \$12 million and provides financial services to the Defense attaché office.

The Class B cashier is experienced, knowledgeable, and well trained. Cashier operations are in accordance with established financial management procedures and requirements – a single exception is discussed in the internal controls section of the report. To strengthen internal controls the financial management officer, in conjunction with the consular section, transferred the responsibilities of the consular cashier to the Class B cashier. An automated cash register system was installed in her office, and all consular collections are performed by her.

Although the financial management section has received high marks from its customers, this achievement has not been without cost. In the financial management officer's efforts to consolidate financial management operations, certain elements of NAS vouchering were transferred to the financial management section; however, at the same time a voucher examiner position was reprogrammed to the assistant to the financial management officer to take advantage of the employee's programming skills. When the section assumed another agency's workload at the same time it reprogrammed the voucher examiner, the remaining voucher examiners became overworked and frustrated. A new voucher examiner has been hired, but the resentment over this episode lingers. In addition, there is a divide between the accountants and voucher examiners. The current financial management officer departs post shortly, and his replacement arrives only in August. When the new financial management officer arrives at post, the officer should examine the structure of the financial management section. Teambuilding exercises may help improve the morale and section operations. An informal recommendation was made.

## INTERNATIONAL COOPERATIVE ADMINISTRATIVE SUPPORT SERVICES

The management counselor reports that ICASS management generally has good relations with other agencies and the ICASS council, and there are few, if any, contentious issues. Most important matters are discussed and resolved in either the budget working group or in the monthly meetings between management personnel from the various agencies. For this reason, the recommended quarterly council meetings have not been held. There was one in October 2007 and another in April 2008, with another scheduled for late June 2008.

The membership of the council is in compliance with the guidance issued last year regarding representation being limited to mirror the composition of the inter-agency council in Washington. Council members have had recent training from the ICASS service center, and they understand the purposes, fundamentals, and rules of ICASS. The council has fulfilled its responsibilities to provide input for the management counselor's evaluation and was involved in the revision of service standards last year.

The council has also begun considering the consolidation of management services between ICASS and USAID, with some progress noted but much yet to be accomplished. According to the minutes of the October 2007 meeting, the council "...will look at consolidation feasibility in the future" for contracting, supply, and motor pool. However, there appears to be no consensus to move forward with definitive plans or timetables. Other services such as maintenance, travel, and warehousing do not appear on the agenda.

## SHARED SERVICES

With regards to consolidation of administrative services between the Department and USAID, Embassy La Paz is designated as a "Tier 3" post. Accordingly, there is no imminent deadline for consolidation, but there is no question that it will occur in the near future. Consolidation makes good management sense, and is in the best interest of the post and the serviced agencies

The mission has made some progress towards consolidation, including the merger of USAID into the housing pool in 2006 and the establishment of USAID as the alternate service provider for customs and shipping operations. However, there are many more areas where consolidation of services is both possible and practical.

Although the mission is not under the pressure of a specific deadline from Washington, it is imperative that post begin serious discussion of consolidation across the full spectrum of management support services. The details of such consolidation require extensive discussion, and full implementation will require careful planning over an extended period of time.

In the following sections of this report, recommendations have been made for further consolidation of such operations as motor pool, office and residential maintenance, travel, warehousing, and furniture and appliance pools. These recommendations are not just limited to consolidation of ICASS and USAID management functions however. There are potential efficiencies in consolidating separate management operations involving NAS, DEA, and the various Department of Defense elements.

**Recommendation 7:** Embassy La Paz should designate a joint committee under the direction of the deputy chief of mission with representatives of all mission agencies to develop specific plans and timelines for consolidating administrative services. (Action: Embassy La Paz)

## GENERAL SERVICES OFFICE

The general services office is directed by an experienced supervisory GSO who has served in La Paz for the past three years. He is well-supported by two competent assistant GSOs, a seasoned facility manager, and a cadre of well-trained and capable LE staff. Customer surveys reflect a high degree of satisfaction with overall management of the general services office, as well as for most elements of general services office operations, including travel, property management, procurement, vehicle maintenance, and leasing. The only exception was for shipping and customs, a service provided by USAID, which was rated below average in both the 2008 ICASS customer satisfaction survey and the workplace and quality of life survey conducted for this inspection.

### Customs and Shipping

Management by La Paz USAID of customs and shipping as the mission's alternate service provider is unique among all administrative support services at the embassy. Mission management believes that this arrangement has worked well so far,

with the only problem being some delays in getting correct and timely ICASS invoices from Washington. The mission attributes this problem to the unusual situation of USAID as the service provider rather than ICASS.

All agencies at post subscribe to this service, and customers are generally happy with the quality of services. Although it did rank among the lowest of all general services office sub-functions on the 2007 and 2008 ICASS customer surveys, the scores were only marginally lower than the bureau and worldwide averages. The OIG questionnaires ranked customs and shipping last among all general services office sub-functions but still only slightly below the average score of 47 prior posts inspected.

According to post management, customs and shipments in and out of La Paz are relatively fast and trouble-free. Shipments of official and personal cargo to and from the United States take no more than three months and are not delayed by either inefficient or corrupt customs authorities, which is often the case in developing countries.

## Contracting and Procurement

Under the direct supervision of the supervisory GSO, the contracting and procurement unit is staffed by a senior LE contracting specialist and three procurement agents, all of whom are experienced and well trained. The unit supports all agencies at post except USAID, and is well-regarded by mission customers. The scores on both the 2007 and 2008 ICASS customer surveys have exceeded the bureau and worldwide averages. The unit also scored well above the average of 47 prior posts on the OIG questionnaires prepared for this inspection.

The unit manages contracts for janitorial services for all Department buildings in La Paz and the embassy branch offices. Embassy staff perform gardening services. Currently they are working with the HR officer on reviewing the LE staff health and life insurance contracts and surveying local comparator benefits prior to sending out a solicitation for a new insurance provider. They are also working with the RSO on a new memorandum of understanding with the Bolivian National Police, which provides guard services in lieu of private contractors.

## Motor Pool

The ICASS motor pool received high marks from customers for both responsiveness and quality of maintenance and upkeep of the vehicle fleet. It is under the direction of an assistant GSO, who supervises a LE staff supervisor, a dispatcher,



**Recommendation 8:** Embassy La Paz should conduct a mission-wide review of the separate motor pool operations to identify opportunities for consolidation and reduction of underutilized assets and personnel. (Action: Embassy La Paz)

## Warehousing and Inventory Management

There are several separate warehouses that serve the mission community; two are for exclusive use of USAID, one for NAS, and two are managed by ICASS for the Department and other mission customers. The latter includes the aforementioned U.S. government-owned building across from the chancery where auto parts and expendable supplies are kept. This warehouse has ample room for storage, and is maintained in accordance with existing regulations for security and warehouse management procedures contained in 14 FAM 400. Post completed the required annual inventory in March 2008, and reported no significant shortages or excesses of expendable items among an inventory valued at over \$451,000.

Post also maintains a nonexpendable warehouse for the Department and several other agencies in a large building that was initially constructed as a factory. This building is located in a crowded district of downtown La Paz, and travel between the warehouse and the chancery can take up to a half hour. This warehouse also has ample room for storage and is maintained in accordance with existing regulations for security and warehouse management procedures contained in 14 FAM 400. Post completed the required annual inventory in March 2008, and reported no significant shortages or excesses of nonexpendable items among an inventory valued at over \$7 million.

The facility was leased for an initial term of two years in 2007, with an annual rent of about \$75,000. Embassy La Paz has just learned that the owner will not extend the lease. This creates an immediate need for another facility that can accommodate the large volume of nonexpendable supplies in a location near the embassy. Possibilities for the new facility include long-term lease, construction or build-to-lease.

**Recommendation 9:** Embassy La Paz, with on-site coordination from the Bureau of Overseas Buildings Operations, should immediately begin the process of locating another facility that could serve as a nonexpendable warehouse. (Action: Embassy La Paz, in coordination with OBO)

As noted previously, USAID and NAS maintain separate warehouses, which contain property for both program operations as well as office and residential furnishings. While separate storage of assets for NAS and USAID programs may be justifiable, consolidation of office and residential furnishings under ICASS warehouse management presents the opportunity for potential cost savings to the U.S. government.

Post management has already endorsed this idea in its rightsizing report to the Department's Office of Rightsizing. Specifically, post states that "...we would like to move into one warehousing facility and explore property management consolidations and an expanded furniture and appliance pool to improve efficiency." The OIG team endorses this notion, and urges post to move immediately to implement it before the lease expires on the ICASS warehouse. Such a move would achieve maximum economy of operations and potential cost savings for the U.S. government.

**Recommendation 10:** Embassy La Paz should consolidate all nonexpendable property for office and residential use in one warehouse operation. (Action: Embassy La Paz)

The ICASS nonexpendable warehouse contains property owned by the Department and several other agencies that subscribe to ICASS warehousing services. However, each of the other agencies retains ownership of its own assets and maintains a substantial inventory of unused "spare" appliances and furniture in segregated storage areas. This is an unnecessary and expensive practice. The need for excess inventory may be justified in remote locations where deliveries from the United States take six to 12 months, but only about three months is required for shipments to Bolivia.

Not only do these separate inventories greatly increase the total amount of warehouse space that must be leased, but they also require additional labor and cost to manage the separate inventories. However, this is only part of the cost attributable to the segregation of nonexpendable properties. When occupancy of a residence changes from one agency to another, the furniture and appliances owned by the agency of the former occupant must be removed and replaced by those owned by the agency of the new occupant. Such relocation is not only an unnecessary outlay of labor and cost for both agencies, it also poses the risk of damage or loss of the items in transit. Appliances such as water heaters, refrigerators, and freezers are particularly susceptible to such damage while being disconnected, relocated, and reconnected.

Furniture and appliance pools represent a logical and economical solution to the problems resulting from the maintenance of separate inventories of nonexpendable property. In the aforementioned rightsizing report, post has already expressed the intention to expand furniture and appliance pools to improve efficiency. Despite the solid business case for consolidating furniture and appliance pools at post, agencies are often reluctant to join such pools due to concerns that they will somehow receive lesser quality items or otherwise lose control over assets. However, with proper procedures in place, and total transparency in the process, furniture and appliance pools represent one of the best opportunities for all agencies at overseas missions to reduce the costs of purchasing unneeded spare items, as well as storing, maintaining, and moving them. The establishment of furniture and appliances pools in La Paz will save U.S. government money.

**Recommendation 11:** Embassy La Paz should institute furniture and appliance pools with membership from all mission agencies. (Action: Embassy La Paz)

## Facilities Management

The facilities management section is under the supervision of the supervisory GSO and is capably directed by an experienced facility manager who has solid LE staff supervisors and skilled tradesmen to maintain both office buildings and residences. Mission personnel rated this section well above the bureau and global average for nonresidential maintenance on the 2008 ICASS customer satisfaction survey. Similar satisfaction was evident in the results of the workplace and quality of life survey prepared for this inspection, with the scores for residential and nonresidential maintenance well above the average of 47 prior posts inspected by OIG.

Except for several warehouses scattered throughout the city, all personnel at Embassy La Paz have workspace in either the chancery or in another large office building occupied by USAID and NAS. The chancery is an eight-story office building constructed about 14 years ago, located in a busy section of downtown La Paz. Despite the age of the building, the structure and internal systems have been well maintained and are in relatively good condition. Under the direction of the facility manager, maintenance of the chancery is the responsibility of an LE staff supervisor and eight skilled tradesmen. Contract labor performs janitorial services. Embassy staff performs gardening services.

USAID and NAS offices are located about 20 minutes from the chancery in a multi-storied building provided for embassy use under a trust fund agreement with the Bolivian government. The compound also contains a separate building for USAID general services operations. The main office building is a relatively attractive and functional facility which offers adequate space for all occupants. Maintenance of this facility is carried out by a staff of 10 USAID LE staff, under the direction of the USAID executive officer.

The current arrangement under which USAID maintains this office building is not in accordance with regulations contained in the Foreign Affairs Manual. Specifically, 15 FAM 113.3-2 (8) assigns responsibility to the Department single real property manager (SRPM) for “Ensuring that U.S. Government-held property is maintained in good condition and in a cost-effective manner within the post’s funding limitations.”

According to 15 FAM 113.2, the SRPM at overseas posts is the senior administrative officer at post. For Embassy La Paz, the SRPM is therefore the management counselor, although he has not officially been designated as such in the designation of authority list. An informal recommendation was made.

The SRPM is not currently in a position to ensure the proper maintenance of this facility, because the USAID staff are not under his direction. The facility manager and his staff report to the management counselor but have no involvement whatsoever in maintenance of this large facility. Redesignating responsibility for maintaining this office building to the facility manager would thus enable the SRPM to carry out his oversight responsibilities.

**Recommendation 12:** Embassy La Paz should assign responsibility for maintenance of the U.S. Agency for International Development/narcotics affairs section office compound to the facility manager. (Action: Embassy La Paz)

The facility manager also supervises residential maintenance for most agencies at post. An LE supervisor and 20 skilled tradesmen provide maintenance for three U.S. government-owned executive residences and 117 short-term lease residences in La Paz. Most short-term lease landlords have been willing to carry out their maintenance responsibilities specified in the leases, but the facilities management staff must inspect such work and respond to maintenance requests that the landlords do not cover.

Mission staff are very pleased with the quality of residential maintenance. The results of the 2007 and 2008 ICASS customer surveys were well above both the bureau and worldwide averages. The workplace and quality of life survey conducted for this inspection also indicated a high degree of satisfaction with the quality of residential maintenance, with scores well above the average of 47 posts previously inspected by OIG.

As is the case with their office building, maintenance on the seventeen short-term lease residences occupied by USAID Americans is performed by USAID LE staff rather than the ICASS facilities management team. This means that the SRPM cannot carry out his responsibilities under 15 FAM 113.3-2 (8) and (9), especially to ensure that U.S. government-held facilities are maintained in good condition and that the employee properly accounts for damages and losses upon departure. Oversight by ICASS staff would also ensure uniform and equitable standards for residential maintenance are applied for all mission personnel.

**Recommendation 13:** Embassy La Paz should assign responsibility for maintenance of all U.S. Agency for International Development residences to the facility manager. (Action: Embassy La Paz)

## Safety, Health and Environmental Management

The Safety, Health, and Environmental Management (SHEM) program at Embassy La Paz is active and focused on the primary health and safety concerns of the post. Mission staff gave high marks in assessing the post's attention to fire and safety measures, with the cumulative scores on the workplace and quality of life questionnaires significantly higher than the average of 47 prior posts inspected by the OIG.

Under the direction of the DCM, the Embassy La Paz Safety, Health, and Environmental Management committee includes the appropriate members as suggested in 15 FAM 933. However, post could enhance the effectiveness of the committee by expanding membership to include the CLO, as well as a representative from the USAID/NAS building. It would also be advisable to include representatives from the three embassy branch offices in digital video conference meetings of the committee. Informal recommendations were made.

The facility manager has done an excellent job in his role as the post occupa-

tional safety and health officer. He has published a very useful and comprehensive residential maintenance handbook for mission families and arranged a realistic fire drill at the chancery involving mission staff and local firefighters. Facilities maintenance and warehouse staff have been outfitted with the appropriate protective gear and tools for their respective jobs. (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

The primary focus of the committee this year has been to address health concerns posed by residential water distillers, and in response the facility manager has instituted a preventative maintenance program to ensure that these distillers are properly cleaned and serviced. Swimming pool safety is not an issue in La Paz, because there are no residential pools, but there are some at the residences of staff working in the embassy branch offices. The post occupational safety and health officer has ensured that appropriate safety measures are in place for these residential pools.

## Housing

Housing is a key morale factor in overseas missions, and the Department's objective is to provide embassy staff and families with housing that is "adequate." The Foreign Affairs Manual defines adequate housing as "...comparable to what an employee would occupy in the Washington, D.C. Metropolitan area, with adjustments for family size and locality abroad." The OIG team found that the current housing pool for Embassy La Paz clearly meets this standard. Most embassy staff reside in short-term lease houses or apartments that are modern, attractive, and functional, and are located in the most desirable suburban area of La Paz. Most have external amenities such as privacy walls, landscaped yards, patios, and carports, and the interiors are typically attractive with adequate living space and modern kitchens.

Mission staff rated the suitability of housing among the highest items on the workplace and quality of life survey, well above the average score of 47 previously inspected posts. However, there were a few staff members who complained to the OIG team about housing and particularly regarding the assignment process. Some spoke of a lack of transparency and fairness, and questioned why the interagency housing board (IAHB) made assignments based on photographs rather than visits to proposed housing. One staff member complained that ICASS staff actively discouraged petitions for housing reassignment.

The OIG team observed a meeting of the IAHB and noted several procedural anomalies that are inconsistent with post IAHB responsibilities and procedures outlined in 15 FAM 212.2-2. Although the IAHB chairman was present, the assistant GSO conducted the meeting with little or no input from the chair or other board

members. The assistant GSO proposed three assignments and gave IAHB members a Power Point presentation listing vital information about the incoming family and the proposed assignment. However, there was no information presented at the time regarding any preferences or special needs of the family, information that the CLO supposedly requests and receives for all newcomers. Also missing from the presentation was information regarding the lease costs, which IAHB members should have in order to carry out their monitoring responsibility. It was also apparent that the IAHB had not visited at least one of the proposed houses; members felt that there were some safety issues that could not be assessed without actually visiting the house, which they subsequently did. Finally, the general services office housing assistant prepared and distributed the housing board minutes, which would be more appropriate for a member of the IAHB to undertake.

Full transparency and equality in mission housing assignments generally require, among other procedures: 1) distribution of information well before the meetings to IAHB members regarding family size, preferences, and special needs of incoming staff; 2) advance distribution to IAHB members with information regarding the size, cost, and availability dates for all housing units in the inventory, so that board members may consider alternatives to the general services office proposals; 3) visits by IAHB members to residential units before considering assignments; and 4) the IAHB members' taking responsibility for conducting the meetings, preparing agendas and minutes, advising staff of their assignments, and receiving petitions for reassignment. These steps are not incorporated into Mission La Paz's IAHB procedures. Their adoption would provide greater transparency, equity, and greater embassy community satisfaction with housing assignments.

**Recommendation 14:** Embassy La Paz should enhance the transparency and equity of its housing assignment process by modifying interagency housing board procedures. (Action: Embassy La Paz)

## Travel

Embassy La Paz receives travel services from Magriturista, a Bolivian commercial travel agency affiliated with American Express. The supervisory GSO oversees the travel agent and reports that there are no complaints about the quality of support from Magriturista. Customer survey data confirm this, as travel services at Embassy La Paz have been higher than bureau and worldwide results for the past four years

on the ICASS surveys. The rating of travel services on the workplace and quality of life survey conducted for this inspection were substantially higher than the average scores of 47 posts previously inspected by OIG. The only complaints from mission staff related to the quality of service from the American commercial air carrier that post staff and families are required to take from Bolivia to the United States.

The Magriturista agency has an office in the basement of the chancery, which is convenient for those agencies located in the building. The agency provides services to all mission personnel and offices except for USAID, which has its own travel section under the direction of the executive officer. Although NAS is located in the same building as USAID, it subscribes to ICASS travel services. The consolidation of all mission travel services into a single travel service provider ensures that all agencies and staff receive the same level of services, that all U.S. government travel regulations are adhered to, and that unnecessary and costly duplication of support services are eliminated.

**Recommendation 15:** Embassy La Paz should consolidate all mission travel under a single service provider. (Action: Embassy La Paz)

## Premium Class Travel

The length of time for air travel from La Paz to Washington, DC, does not exceed 14 hours, which had previously been the minimum time requirement to justify premium air travel. With the recent revision of U.S. government travel regulations that further restrict premium travel, there is even less justification for premium travel from La Paz. Accordingly, the OIG team confirmed that no premium-class travel tickets were issued this past year for Embassy La Paz staff whose agencies subscribe to the ICASS travel services.

## HUMAN RESOURCES

Embassy La Paz respondents to the 2008 ICASS customer service satisfaction survey ranked personnel services for Americans just above the bureau but below the worldwide averages, and for LE staff below both the bureau and worldwide averages. The results of OIG inspection questionnaires were also negative, with the overall management of HR and fairness of family member hiring below the average of the 47 embassies that OIG previously inspected. The OIG team believes that the low

ranking of the HR section reflects conditions and problems in the past.

The HR section consists of a first-tour officer serving in a two-grade stretch position and seven LE staff. During the course of OIG interviews, the current HR officer was commended for his efforts to improve HR functions. Given time, the HR office will function well, but now it would benefit from immediate temporary duty support by an experienced HR officer.

**Recommendation 16:** Embassy La Paz, in coordination with the Florida Regional Center in Fort Lauderdale, should request that a regional HR officer be sent to La Paz to review human resources operations. (Action: Embassy La Paz, in coordination with FRC Fort Lauderdale).

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(b) (7)(C) The LE staff now report directly to the HR officer. There is tension within the section which is not conducive to a healthy working environment. The HR officer and the HR management specialist have had one-on-one meetings with their staff, and the HR officer has instituted team-building exercises. An informal recommendation supporting these exercises was made.

The OIG team found strong disagreement with an embassy policy that requires that all EFM positions require Spanish at Foreign Service Institute fluency levels of 1/1 to 3/3 to even qualify to interview for a position – regardless of a candidate’s other qualifications. The policy shrinks the available pool of personnel available for even simple mission jobs and limits EFM employment opportunities. In some cases a language requirement is appropriate, but establishing this need for each individual position rather than as a blanket requirement for all positions more efficiently uses mission human resources.

**Recommendation 17:** Embassy La Paz should require hiring offices to justify, and the post employment committee to review the justification for, the levels of Spanish required for eligible family member positions. (Action: Embassy La Paz)

Some officers bid on assignments because EFM employment opportunities are available. They should know before bidding if language requirements are imposed.

Should blanket language requirements continue in effect, Embassy La Paz should update the post report and inform both the Family Liaison Office and the Overseas Briefing Center. An informal recommendation was made.

Dissatisfaction with EFM employment was also expressed for HR's lack of timeliness in processing the necessary documentation to bring an EFM employee onboard, delays in preparation of payroll personnel actions, and the necessary follow up and last minute notification of EFMs concerning checkout procedures. An informal recommendation was made.

In 2004 the embassy applied the computer-aided job evaluation (CAJE) process to all LE staff to determine the appropriate grade of every position. As a consequence of the process in La Paz, positions were upgraded and downgraded, but the majority remained the same. Subsequent to 2004, posts worldwide have been inundated with requests that HR sections reevaluate their employees. Embassy La Paz has not escaped this issue.

La Paz HR has been criticized for the length of time it takes to reevaluate a position, and for not arriving at the grade the supervisor had hoped for or promised an employee. In addition to the HR officer, there are two CAJE-certified LE staff in HR. Dedicating one of the LE staff full time to CAJE would speed up the process. An informal recommendation was made.

Supervisors' expectations are a more difficult problem to overcome. Copying LE staff position descriptions from a neighboring post or adding an element to a current position description doesn't necessarily result in a promotion and entails staff time that could be effectively used elsewhere. The HR officer has included the CAJE process in his training circuit, but he and his staff may wish to devote more time to CAJE in an effort to educate the supervisors, especially the Americans. An informal recommendation was made.

Based on the preceding, it would appear that HR is dysfunctional – that is far from the truth. The HR staff has been commended for their courteousness and friendliness, and they are adequately trained. Routine HR processes are handled both effectively and efficiently. No section is perfect, and the HR officer has made strides to improve his section's performance. Communications are key to his effort, and he has reached out to both the American and LE staff.

## Locally Employed Staff Morale

LE staff morale is good, but they feel apprehension and uncertainty about the future. The frequent Bolivian government criticism of the U.S. Embassy and its

programs has taken a toll on the psyche of the LE staff. Should the mission downsize due to security concerns or the Bolivian government's curtailment of USAID and/or NAS operations, LE staff would face an uncertain future. This uncertainty was voiced during the OIG team's meeting with the LE staff committee and during meetings with the LE staff in the Cochabamba, Santa Cruz, and Trinidad branch offices.

The executive office is well aware of these concerns, and monthly town hall meetings are held by the Ambassador and DCM at both the chancery and the USAID/NAS building to address issues pertinent to the mission as a whole. LE staff in the branch offices should be given the opportunity to attend the monthly town hall meetings. An informal recommendation was made.

LE staff did have specific concerns about their retirement accounts. From 1993 to 1997, the Department authorized an Interim Retirement Benefit, retroactive to 1984, to provide minimum retirement benefits until the new local social security system (AFPs) came into existence in 1997. Due to the loss in value of the Interim Retirement Benefit, the LE staff seek an immediate lump sum payment. Because the government of Bolivia could nationalize the local social security system, the long-term viability of the AFP is uncertain and is a major LE staff concern. These issues are discussed in more detail in the LE staff retirement section of the report.

Per Bolivian labor law, employees are eligible to retire at age 65, but at the employers' discretion can work an additional three years. There is a small cadre of LE staff whose age upon joining the local social security system precludes them from receiving maximum benefits from the AFPs and would like to continue to work. The embassy's responses to these requests have been a blanket rejection. Embassy La Paz should consider these requests based upon written criteria such as health, family hardship, and needs of the mission upon which it can assess the merits of an employee's request to work until age 68. An informal recommendation was made.

There is a perception that once an LE staff employee reaches the age of 60, the employee won't be considered for promotion even if qualified. The LE staff committee will be taking this issue up with the HR officer.

For the past several years, the annual compensation reviews conducted by the Bureau of Human Resources, Office of Overseas Employment (HR/OE) showed that post's local compensation plan exceeds prevailing practice and has not warranted a salary increase for Mission La Paz's LE staff. In May 2007 the Bolivian government issued a decree increasing salaries five percent. The Department authorized the increase and made it effective in October 2007 in lieu of a May 2007 post request. In March 2008 the Bolivian government issued yet another decree increasing



mentation available from HR/OE on the Foreign Service National Defined Contribution Plan, so when and if the local social security system is nationalized and post management believes it is no longer a viable option for retirement coverage, the embassy can consider submitting a request to HR/OE for nonparticipation in the local social security program and inclusion in the Foreign Service National Defined Contribution Plan. An informal recommendation was made. The LE staff have also expressed an interest in contributing to the Voluntary Retirement Savings Plan once the Department implements it.

## INFORMATION MANAGEMENT AND INFORMATION SYSTEMS SECURITY

Embassy La Paz operates a comprehensive information management (IM) and information systems security program. The information management officer effectively manages all of the embassy's information management and security requirements. OIG questionnaires reported excellent marks for IM services from users at post in addition to high marks reflected on the ICASS customer satisfaction survey. IM operations have been very well maintained, despite the fact that the IM resources have been stretched due to an increased workload by the increasing amount of post IM initiatives and operational support provided to constituent posts. Information systems security officer duties are also performed effectively at Embassy La Paz. However, there are areas that require management's attention, including the utilization of a help desk application, host nation approval for the high frequency radio network, funding for training of IM staff, the NASBOL CN-oriented unclassified network, and usage of the unclassified pouch.

The information management officer oversees the information programs center and the ISC, which includes managing and securing the Department's classified and Sensitive But Unclassified computer networks, in addition to supporting post's APP and virtual presence posts. The information programs officer supervises three information management specialists in the information programs center, which supports the classified network consisting of approximately six servers and 31 workstations. Additionally, the center oversees 10 LE staff, including three switchboard operators, four mail clerks, and three radio/telephone technicians. The ISC is managed by an experienced systems manager that manages the day-to-day operations of the ISC with the support of five LE staff. The ISC staff manages the Sensitive But Unclassified network consisting of approximately 12 servers and 340 workstations.

## NASBOL Network

The NAS operates a separate unclassified network called NASBOL, which supports their CN operations in country. According to NAS management, the NASBOL network was procured with special funds appropriated specifically for the donation to the government of Bolivia. The NASBOL network is currently managed and operated by NAS IM personnel in addition to ISC personnel. The regional computer security officer has addressed concern over the need to identify NASBOL's ownership and parameters. The information management officer has also stated concern regarding the lack of clarity to the mission's IM role with respect to support provided to the NASBOL network. Currently, the NASBOL network is not identified in any memorandum of understanding specifying its relationship with the post IM section. Nevertheless, the IM staff currently provides support to six NASBOL workstations located inside the chancery. A memorandum of understanding addressing IM support requirements for NASBOL would ensure services are carried out and their costs assessed.

**Recommendation 18:** Embassy La Paz, in coordination with the Bureau of International Narcotics and Law Enforcement, should establish a memorandum of understanding defining information management office support requirements for the NASBOL workstations in the chancery. (Action: Embassy La Paz, in coordination with INL)

## Help Desk Operations

The IM staff does not currently use a help desk application to track and resolve trouble tickets for systems support. The ISC systems manager stated that post previously used a help desk application that was initially purchased for usage in the information programs center and later transferred to the ISC. However, due to lack of support from previous IM management the application was phased out of the help desk process. Currently, IM management does not formally track help desk service requests. As a result, management lacks the ability to identify systemic issues, allocate staff appropriately, and gauge the level of customer service received by users. Furthermore, IM management lacks the ability to document operations for ICASS reporting purposes. OIG identified several alternative applications that have proven to be effective at other posts in addition to successful practices employed at neighboring Bureau of Western Hemisphere Affairs posts. IM management fully supports implementing a help desk application at post and has begun preliminary work for implementation.

**Recommendation 19:** Embassy La Paz should implement a help desk tracking application to help manage and prioritize help desk operations at post. (Action: Embassy La Paz)

## Information Management Training of Staff

IM staff has insufficient management and technical training to ensure continued satisfactory information technology support for the mission. Inadequate funding for training has prevented the IM staff from attending Department-funded training for years. To their credit, the IM staff has proactively taken training courses on their own time with their own funding. Further, the information management officer was able to collaborate with Embassy Lima in a successful cross-training program where the LE staff system manager was provided the opportunity to work in Lima's large and complex ISC for a week. Nevertheless, in an era of constantly changing technology, the necessity for continual technical and managerial training is imperative. Without such training, the IM staff will be unable to keep their knowledge and skills current with emerging technology, which directly affects the level of support provided to the embassy.

**Recommendation 20:** Embassy La Paz should provide additional training necessary to the information management locally employed staff. (Action: Embassy La Paz)

## HIGH FREQUENCY RADIO HOST NATION APPROVAL

Embassy La Paz has never had host nation approval for their high frequency radio network, nor was post management aware of the requirement. 5 FAM 541 (c) requires that post obtain consent for specific frequencies from the host government in order to ensure interference-free radio use. The OIG team discussed scenarios in which host national approval has become critical in recent times, as well as strategies found to be appropriate with respect to current political tensions. Due to situations typically encountered by Bureau of Western Hemisphere Affairs posts, management has been proceeding very cautiously with the host government service provider CITAL and other contacts to try to resolve the issue. The OIG team supports post's approach thus far.

## UNCLASSIFIED POUCH OPERATIONS

Post currently does not have guidance endorsed by post management specifying the authorized usage for the post's unclassified pouch. The information programs officer, who is currently designated as the pouch control officer, acknowledged that post did not possess guidance on authorized usage of the unclassified pouch. 14 FAH-4 H-521 (B), states that only U.S. citizen employees are allowed to use the unclassified pouch. Inappropriate use of the embassy diplomatic mail and pouch program violates international conventions and federal regulations and could lead to increased expense to the Department. Without post management direction, the possibility of unauthorized unclassified pouch usage will continue to exist. The OIG team left an informal recommendation on this matter.

### Information Management Best Practices

**Best Practice:** Management of the cell phone and telephone database program.

**Issue:** The financial management office wanted a way to accurately account for all calls made by mission employees. In addition to providing accountability for calls made, the office wanted to provide mission employees official billing statements in a matter of minutes.

**Response:** The ISC created a database that could account for cell phone and telephone calls made by mission employees. The database allows users to identify and separate their nonofficial from their official calls. The database also gives the financial management office the tools to accurately collect reimbursement from those that have exceeded the permitted amount for personal calls.

**Result:** The phone program has proven to be very effective and continues to operate efficiently. As a result, the total number of financial management office person-hours was reduced by 99 percent in addition to eliminating any possible loss in government resources and funding. Several other posts worldwide have followed suit, adopting the database in to their program.



## QUALITY OF LIFE

### COMMUNITY LIAISON OFFICE

Embassy La Paz's CLO is staffed by a coordinator and two assistant coordinators. The CLO coordinator reports to the management officer and supervises the two assistant coordinators. The coordinator has good relations with the front office, and is a member of the emergency action committee. The coordinator also attends housing board meetings to advocate for incoming officers and their families based on the information received from the Department and the newcomers in their questionnaires.

The CLO carries out a thorough orientation program. All new officers receive the orientation in La Paz; this includes those who are going on to Santa Cruz, Cochabamba, or Trinidad. Welcome kits are sent to officers before they arrive. The kits contain: questionnaires about housing; shipping restrictions; and a folder of information called "Post Info to Go." The CLO tries to assign newcomers to sponsors with like interests. The CLO uses ICASS funds to organize orientation programs for post newcomers. The CLO has good relations with other agencies, both embassy section and agency heads give presentations at newcomer orientation briefings.

The CLO is active and helpful on a wide range of issues. An assistant CLO coordinator organizes events for the embassy community throughout the year, such as the Easter Egg Roll, the Halloween Party, and the American community 4<sup>th</sup> of July party. For the 4<sup>th</sup> of July community party, she arranged for a volunteer band, games, and crafts. This assistant coordinator also works with charities, involving embassy families in projects such as Habitat for Humanity and the Marines' Toys for Tots program. She maintains contacts at other embassies who share information that is used for newcomers' orientations and periodically visits the consular agencies in Santa Cruz and Cochabamba. The other assistant coordinator manages the office's filing system and CLO's small library of donated books. She arranged a tea for spouses focused on security and health during which both the RSO and medical unit gave briefings. She also found a volunteer language teacher who provides English and Spanish lessons to spouses and LE staff.

## OVERSEAS SCHOOLS

The Department's Office of Overseas Schools (A/OPR/OS) supports three schools in Bolivia providing education for embassy family members in La Paz, Cochabamba, and Santa Cruz. All three schools are accredited by the Southern Association of Colleges and Schools and follow A/OPR/OS procedures to track education enhancement and/or security grants. The CLO has been the Ambassador's representative to the schools and has visited them regularly. All expressed satisfaction with A/OPR/OS cooperation.

(b)(2)(b)(6)(b)(2)(b)(6) provides adequate education at the (b)(2)(b)(6)(b)(2)(b)(6). The embassy and Ambassador are actively involved in management of the school through the Ambassador's representative and embassy family members on the school board. The embassy provides appropriate logistical support, and the RSO provides advice and support. The school, however, has seen a lack of continuity among its superintendents in the last several years. Administration missteps have included hiring of unaccredited teachers, miscommunications with the embassy, and lack of responsiveness to embassy family input. The incoming school board recognizes the need to address these and long-term financial challenges. A/OPR/OS helped fund the school's search for a new superintendent to start summer 2008, and Washington briefings for the new superintendent. A/OPR/OS' annual visit is planned for August to enable it to take stock of the situation and update materials available for candidates considering La Paz posting.

(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) and the (b)(2)(b)(6)(b)(2)(b)(6) (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) The RSO visits the facilities, and A/OPR/OS recently paid for security upgrades at the school. The embassy also ensures regular attention from embassy roving patrols. No embassy family members serve on boards at either school.

A/OPR/OS did not visit the schools in (b)(2)(b)(6) in 2007. Although both schools gave A/OPR/OS high marks, without visits to all of the schools, A/OPR/OS may not have the latest information for updating Department materials on educational outlook for embassy families.

**Recommendation 21:** The Bureau of Administration should visit all the schools it supports (b)(2)(b)(6)(b)(2)(b)(6) on its annual inspection visits and update any materials for dissemination to candidates for La Paz positions. (Action: A)

## THE MEDICAL UNIT

The medical unit at Embassy La Paz is very fully staffed and has modern, ample facilities. OIG questionnaires indicated embassy satisfaction with medical unit services. The regional medical officer, who just transferred from La Paz, rotated among Brazil, Paraguay, and Bolivia, spending 50 per cent of his time in La Paz. He will be replaced in July 2008. A Foreign Service health practitioner nurse practitioner, two EFM nurses, and two administrative assistants are also on the staff. The unit plans to hire a part-time EFM nurse in Santa Cruz. Controlled substances, medical records, and adequate avian influenza supplies are properly stored. The regional psychiatrist and the regional medical technician visit on adequate schedules. Foreign Service health practitioners regularly visit Cochabamba and Santa Cruz and provide immunizations and other services to Trinidad and other remote embassy offices; the part-time nurse will assume some of this workload. Both the recently departed regional medical officer and the present nurse practitioner have underlined the value of speaking Spanish in the work.

The unit contributes substantially to mission health beyond its clinical services. It runs an active program of training for embassy first responders, including the roving patrol, who respond to emergency calls from embassy residences and elsewhere. The staff is maintaining and updating procedures for emergency supplies in safe havens, automobiles, and other locations. The staff also runs preventative health programs, including yoga and diet education sessions. The unit also developed a system in coordination with USAID to donate to Bolivian institutions medicine from embassy supplies that are close to expiration.

## EQUAL EMPLOYMENT OPPORTUNITY AND FEDERAL WOMEN'S PROGRAM

Embassy La Paz's EEO and Federal Women's Programs are adequate. Management notices are posted on bulletin boards in the embassy and the USAID building that provide the names of the EEO counselor, EEO LE staff liaison, and Federal Women's Program coordinator. More complete public information on filing EEO complaints and other administrative procedures such as grievance process is needed. The OIG team made an informal recommendation on this issue.

Embassy La Paz two American EEO counselors and EEO LE staff liaison have access to and support of top mission management. There is an EEO orientation program for new officers and LE staff, which includes a Power Point presentation,

given in English and Spanish for all new mission employees. While there have been discrimination allegations, the embassy has received no formal EEO complaints in the past 12 months. Many of the allegations did not relate to an EEO-protected topic or the person did not wish to pursue formal action.

The Federal Women's Program coordinator was away from post during the inspection. Embassy La Paz had no designated alternate coordinator for the program. The OIG team made an informal recommendation that the mission designate one.

## MANAGEMENT CONTROLS

Post submitted the annual Chief of Mission certification of management controls for 2007, and was preparing the 2008 certification at the time of this inspection. Post also hosted external audits or supervisory visits from the Bureau of Overseas Buildings Operations, the office of the Procurement Executive, and the Bureau of Western Hemisphere Affairs' Executive Office. In reviewing the 2007 certification and related documents, it is evident that post has focused intently on improving management controls and has made significant improvements in a variety of areas. Management policies related to internal controls were issued, ethics training was conducted, and procedures tightened in all of the ICASS operations. Annual property inventories indicated a high degree of accuracy. However, the OIG team noted that sub-cashier reconciliations were not being made as required on a quarterly basis. An informal recommendation was made.

Due in part to the implementation of improved controls, several incidents of malfeasance were detected during the past two years, many of which took place in the remote embassy branch offices. While it is encouraging that these incidents were uncovered, it also indicates that further attention must be focused on the programs at these branch offices.

INL and local NAS management have taken remedial actions to improve internal controls over their extensive programs in Bolivia, which amounted to \$35 million in FY 2007. INL conducted a management assessment visit in August 2007, and offered 38 specific recommendations for improvement in such areas as program management, administrative operations, HR, financial management, travel, logistics, and construction management. As of June 2008, NAS La Paz and INL were in the process of implementing the management assessment visit's recommendations.



## FORMAL RECOMMENDATIONS

**Recommendation 1:** Embassy La Paz, in coordination with the Bureau of Western Hemisphere Affairs, should immediately review the overall American staffing profile for all agencies in the mission, identify which positions cannot function effectively in the current political environment, and direct that such positions be vacated at least on a temporary basis until operational conditions improve. (Action: Embassy La Paz, in coordination with WHA)

**Recommendation 2:** Embassy La Paz should undertake appropriate Leahy vetting procedures for Bolivian forces supported by Narcotics Affairs Section foreign assistance programs. (Action: Embassy La Paz.)

**Recommendation 3:** Embassy La Paz should establish a Law Enforcement Working Group. (Action: Embassy La Paz)

**Recommendation 4:** The Bureau of Human Resources, in coordination with the Bureau of Western Hemisphere Affairs, Office of the Under Secretary for Management, Office of the Under Secretary for Political Affairs, and the Office of the Legal Adviser, should resolve the Department management and legal issues before assigning a new American presence officer for Santa Cruz. (Action: DGHR, in coordination with WHA, M, P, and L)

**Recommendation 5:** The Bureau of Western Hemisphere Affairs should provide Embassy La Paz an update at least quarterly on Department efforts to resolve management and legal issues related to American presence posts. (Action: WHA)

**Recommendation 6:** Embassy La Paz, in coordination with the Bureaus of Overseas Buildings Operations, the Bureau of Diplomatic Security, the Bureau of Consular Affairs, and the Bureau of Western Hemisphere Affairs, should create a separate consular entrance with a public access control area for direct access from the outside to the consular section waiting room. (Action: Embassy La Paz, in coordination with OBO, DS, CA, and WHA)

**Recommendation 7:** Embassy La Paz should designate a joint committee under the direction of the deputy chief of mission with representatives of all mission agencies to develop specific plans and timelines for consolidating administrative services. (Action: Embassy La Paz)

**Recommendation 8:** In order to improve the efficiency and reduce the costs to the U.S. government of official transportation at post, Embassy La Paz should undertake a mission-wide review of the separate motor pool operations to identify opportunities for consolidation and reduction of underutilized assets and personnel. (Action: Embassy La Paz)

**Recommendation 9:** Embassy La Paz, with on-site coordination from the Bureau of Overseas Buildings Operations, should immediately begin the process of locating another facility that could serve as a nonexpendable warehouse. (Action: Embassy La Paz, in coordination with OBO)

**Recommendation 10:** Embassy La Paz should consolidate all nonexpendable property for office and residential use in one warehouse operation. (Action: Embassy La Paz)

**Recommendation 11:** Embassy La Paz should institute furniture and appliance pools with membership from all mission agencies. (Action: Embassy La Paz)

**Recommendation 12:** Embassy La Paz should assign responsibility for maintenance of the U.S. Agency for International Development/narcotics affairs section office compound to the facility manager. (Action: Embassy La Paz)

**Recommendation 13:** Embassy La Paz should assign responsibility for maintenance of all U.S. Agency for International Development residences to the facility manager. (Action: Embassy La Paz)

**Recommendation 14:** Embassy La Paz should enhance the transparency and equity of its housing assignment process by modifying interagency housing board procedures. (Action: Embassy La Paz)

**Recommendation 15:** Embassy La Paz should consolidate all mission travel under a single service provider. (Action: Embassy La Paz)

**Recommendation 16:** Embassy La Paz, in coordination with the Florida Regional Center in Fort Lauderdale, should request that a regional human resources officer be sent to La Paz to review human resources operations. (Action: Embassy La Paz, in coordination with FRC Fort Lauderdale)

**Recommendation 17:** Embassy La Paz should require hiring offices to justify and the post employment committee to review the justification for the levels of Spanish required for eligible family member positions. (Action: Embassy La Paz)

**Recommendation 18:** Embassy La Paz, in coordination with the Bureau of International Narcotics and Law Enforcement, should establish a memorandum of understanding defining information management office support requirements for the NASBOL workstations in the chancery. (Action: Embassy La Paz, in coordination with INL)

**Recommendation 19:** Embassy La Paz should implement a help desk tracking application to help prioritize and manage information management operations at post. (Action: Embassy La Paz)

**Recommendation 20:** Embassy La Paz should provide additional training necessary to the information management locally-employed staff. (Action: Embassy La Paz)

**Recommendation 21:** The Bureau of Administration should visit all the schools it supports (b)(2)(b)(6)(b)(2)(b)(6) on its annual inspection visits and update any materials for dissemination to candidates for La Paz positions. (Action: A)



## INFORMAL RECOMMENDATIONS

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

### Economic and Political Section

The economic and political section's counterterrorism reporting is insufficient.

**Informal Recommendation 1:** Embassy La Paz should increase the amount of counterterrorism-related reporting.

Currently an ECOPOL officer and the Santa Cruz APO handle Santa Cruz-related reporting, although an APO is assigned to Santa Cruz.

**Informal Recommendation 2:** Embassy La Paz should assign Santa Cruz-related reporting to the American presence post Santa Cruz officer.

ECOPOL staff offices are located on four different embassy floors.

**Informal Recommendation 3:** Embassy La Paz should reconfigure the economic and political section's offices to consolidate operations.

ECOPOL is not fully aware of DRL grants in country.

**Informal Recommendation 4:** Embassy La Paz should require the economics and political section to reach out to the Bureau of Democracy, Human Rights, and Labor to become more informed about grant programs in country.

### Narcotics Affairs Section

Not all relevant NAS personnel have necessary contracting officer representative or grant officer representative training.

**Informal Recommendation 5:** Embassy La Paz should require narcotics affairs section personnel to have the necessary contracting officer representative and grant officer representative training.

The recently arrived NAS regional director in Santa Cruz is having trouble reestablishing procedures and his prerogatives as the permanent director in the office.

**Informal Recommendation 6:** Embassy La Paz should develop a series of memoranda defining the narcotics affairs section regional directors' authorities and spelling out operational procedures vis-à-vis their positions in the narcotics affairs section chain of command.

NAS is not fully aware of all G/TIP grants in country.

**Informal Recommendation 7:** Embassy La Paz should require the narcotics affairs section to reach out to the Office for Monitoring and Combating Trafficking in Persons office in Washington to become better informed about trafficking-in-persons grants in country.

The APO does not do enough reporting.

**Informal Recommendation 8:** Embassy La Paz should develop a reporting plan that increases American presence officer reporting output.

## Consular Section

The fraud prevention unit LE staff person has inadequate English language proficiency to fully meet the requirements of her position.

**Informal Recommendation 9:** Embassy La Paz should provide English language training for the consular section fraud prevention unit locally employed staff person so she may carry out the full responsibilities of her position.

## Financial Management

An increase in workload and realignment of LE staff among the voucher examiners has had a negative impact. There appears to be a divide between the accountants and voucher examiners.

**Informal Recommendation 10:** Embassy La Paz's incoming financial management officer should take a close look at the structure of the section and teambuilding exercises may be in order.

## Facilities Maintenance

According to 15 FAM 312, the SRPM at overseas posts has the oversight responsibility for all real property. The Foreign Affairs Manual also defines the SRPM as the senior administrative officer at post. For Embassy La Paz, the SRPM is therefore the management counselor, although he has not officially been designated as such in the designation of authority list.

**Informal Recommendation 11:** Embassy La Paz should revise its designation of responsibilities list to include the designation of the management counselor as the single real property manager.

## Human Resources

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**Informal Recommendation 12:** Embassy La Paz should intensify team building efforts within the human resources section, seeking outside trainers as needed.

Employees bidding on positions in La Paz are unaware that EFM positions are language designated.

**Informal Recommendation 13:** Embassy La Paz should update its post report to reflect that eligible family member positions are language designated and should make this information known to both the Family Liaison Office and the Overseas Briefing Center.

The process of both bringing an EFM employee onboard and processing their resignations appears to be disorganized and lacks timeliness.

**Informal Recommendation 14:** Embassy La Paz should develop written step-by-step procedures for both the employment and resignation of eligible family members to ensure that the processes are timely.

Supervisors, particularly American, view the CAJE system with animosity, especially when the CAJE process does not result in the promotion of their LE staff.

**Informal Recommendation 15:** Embassy La Paz should have the human resources officer dedicate more of his and his staff's time educating American supervisors on the computer-aided job evaluation process, seeking front office support if needed.

## Locally Employed Staff Morale

The Ambassador and DCM hold monthly town hall meetings at the chancery and USAID/NAS building for employees stationed in La Paz.

**Informal Recommendation 16:** Embassy La Paz should require that employees in the mission's branch offices attend the monthly town hall meetings on a rotating basis.

A small cadre of LE staff will not have sufficient time in the local social security system to maximize their benefits upon retirement at age 65. The embassy has not granted per Bolivian labor law three additional years of work after retirement age to these employees, although there may be benefit for them and the embassy.

**Informal Recommendation 17:** Embassy La Paz should develop written criteria such as health, family hardship, needs of the mission, etc. and use them to assess the merits of an employee's request to work until age 68.

The HR office has provided HR/OE the required documentation for their review, and the embassy is waiting for their response for a government-mandated salary increase. Should HR/OE authorize the 10 percent, the effective date could become an issue. Embassy transparency in announcing the effective date will help ease LE staff acceptance of the date.

**Informal Recommendation 18:** Embassy La Paz should notify locally employed staff of the effective date of the government-mandated salary increase as soon as possible after being notified by the Bureau of Human Resources that the increase has been approved.

The LE staff handbook dated September 2002 included post's disciplinary action policy, but it is not incorporated in the revised handbook dated January 2007.

**Informal Recommendation 19:** Embassy La Paz should incorporate the locally employed Staff Separation Guidebook (revised November 2007) available from Bureau of Human Resources, Office of Overseas Employment into its locally employed staff handbook.

LE staff professes a lack of awareness and understanding of the grievance process.

**Informal Recommendation 20:** Embassy La Paz should hold a series of workshops sponsored by the human resources section on the locally employed staff grievance process and include the branch offices.

## Locally Employed Staff Retirement

The local social security system (AFPs) could be nationalized at some future date, which could impact its viability.

**Informal Recommendation 21:** Embassy La Paz should review all documentation on the Foreign Service National Defined Contribution Plan available from Bureau of Human Resources, Office of Overseas Employment to ensure that locally employed staff have the possibility of joining the plan.

## Information and Information Security Management

Embassy La Paz does not distribute guidance on authorized usage of the unclassified pouch.

**Informal Recommendation 22:** Embassy La Paz should distribute and implement guidance regarding authorization of embassy personnel's usage of the unclassified pouch.

## Equal Employment Opportunity

There is insufficient public information on EEO complaints and other administrative procedures relevant to employee complaints concerning management rights and responsibilities.

**Informal Recommendation 23:** Embassy La Paz should issue a management notice that provides guidance on the criteria for filing an Equal Employment Opportunity complaint and information on other administrative procedures such as the grievance process that are available.

## Federal Women's Program

There is no designated alternate Federal Women's Program coordinator to be responsible for the program when the principle coordinator is absent.

**Informal Recommendation 24:** Embassy La Paz should designate an alternate Federal Women's Program coordinator to manage the Federal Women's Program when the principle coordinator is away from post.

## Management Controls

Unannounced verification of sub-cahier funds are not being conducted at least monthly when the advance amount is \$1,000 U.S. dollar equivalent or more and quarterly if the amount is less than \$1,000 U.S. dollar equivalent as required by 4-FAH-3 H-397.2-2 and 2-3.

**Informal Recommendation 25:** Embassy La Paz should conduct cash verifications of advances to sub-cashiers per Department regulations.

## PRINCIPAL OFFICIALS

<b>Position</b>	<b>Name</b>	<b>Arrival Date</b>
Ambassador	Philip S. Goldberg	09/06
Deputy Chief of Mission	Krishna R. Urs	07/06
Chiefs of Sections:		
Administrative (Management Officer)	Christopher A. Lambert	08/07
Consular	Cynthia A. Haley	01/08
Economic/Political	Michael A. Hammer	07/07
Public Affairs	Denise A. Urs	08/06
Narcotics Affairs Section	Joseph Manso	07/07
Regional Security Officer	Patrick J. Moore	10/07
Other Agencies		
Defense Attaché Office	John P. Ruedisueli (a.i)	09/06
Office of Defense Cooperation (MILGP)	James A. Campbell	08/06
U.S. Agency for International Development	Peter R. Natielo (a.i)	07/03
Peace Corps	Kathleen M. Sifer	05/08
Drug Enforcement Administration	Patrick P. Stenkamp	09/07
Department of Agriculture	Vacant <sup>4</sup>	

<sup>4</sup> U.S. direct-hire position is vacant but two Foreign Service nationals resident in Santa Cruz maintain operations.



## ABBREVIATIONS

A/OPR/OS	Office of Overseas Schools
ACS	American citizens services
AFP	Administradoras de Fondos de Pensiones (local retirement system)
APHIS	Animal Plant and Health Inspection Service
APP	American presence post
APO	American presence officer
CAJE	Computer aided job evaluation
CLO	Community liaison office
CN	Counternarcotics
DCM	Deputy chief of mission
Department	Department of State
DEA	Drug Enforcement Administration
DRL	Bureau of Democracy, Human Rights and Labor
ECOPOL	Economic-political section
EEO	Equal Employment Opportunity
EFM	Eligible family member
ELO	Entry-level officer
FELCN	Bolivia's Special Force for the Fight Against Narcotics Trafficking
G/TIP	Office for the Monitoring and Combating Trafficking in Persons
HR	Human resources
HR/OE	Bureau of Human Resources, Office of Overseas Employment
IAD	Integrated Alternative Development
IAHB	Interagency housing board

ICASS	International Cooperative Administrative Support Services
IM	Information management
INL	Bureau of International Narcotics and Law Enforcement Affairs
ISC	Information systems center
IV	Immigrant visa
LEWG	Law enforcement working group
LE	Locally employed (staff)
MILGRP	Military Group
MSP	Mission Strategic Plan
NAS	Narcotics affairs section
NIV	Nonimmigrant visa
OIG	Office of Inspector General
PD	Public diplomacy
RSO	Regional security officer
SRPM	Single real property manager
TIP	Trafficking in persons
USAID	U. S. Agency for International Development
WHA	Bureau of Western Hemisphere Affairs

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