



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

**Office of Inspections**

**Inspection of  
Embassy Berlin, Germany**

**Report Number ISP-I-11-65A, September 2011**

**Office of Inspector General**

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

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

### **PURPOSE AND SCOPE**

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

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

### **METHODOLOGY**

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

This was an inspection of Mission Germany but not of the internal operations of the many Department regional support centers based at Consulate General Frankfurt. The programs of those centers are generally controlled by bureaus in the Department and they will be inspected separately in the future.



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". The signature is fluid and cursive, with a large loop at the end.

Harold W. Geisel  
Deputy Inspector General

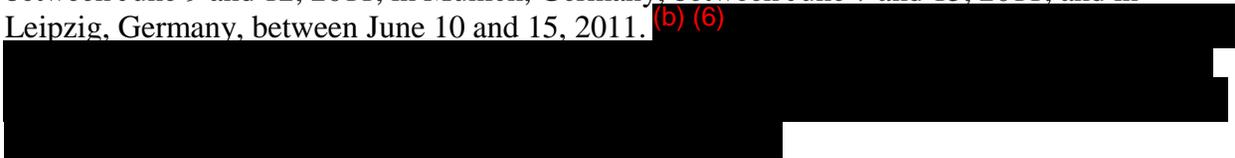
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## Key Judgments

- Mission Germany is advancing U.S. interests across a full spectrum of issues and is strengthening the U.S-German partnership. The relationship is on a sound footing that reflects our shared values and interests. The Ambassador's extraordinary public outreach efforts have played a key role in these accomplishments.
- Leadership problems within several sections of the embassy and at three of the consulates general have damaged morale and undercut performance. Some allegations of racial and sexual harassment within the mission have not been addressed effectively.
- Consulate General Dusseldorf and Consulate General Hamburg should be retained but downsized. Consulate General Leipzig should be closed.
- The embassy's section chiefs rarely visit the consulates general, leaving those staffs with insufficient oversight. The management section needs to give mentoring and more guidance to consulate officers handling management duties.
- The mission's economic and political reporting has kept Washington officials well-informed on key issues and helped them to formulate sound policy decisions.
- Consular operations are generally well run. The largest consular section in the country in Frankfurt should be downsized by three American officer positions.
- A major cut in the public diplomacy budget and staff in 2010 left staff morale problems, but the public affairs sections are adjusting by placing new emphases on social media and using local partners to pick up some traditional functions of Information Resource Centers.
- Interagency cooperation in law enforcement, commercial promotion, and political-military issues is strong and effective.
- The information management program meets the basic needs of a diverse customer base, but information managers need to provide better oversight and collaboration.

The inspection took place in Washington, DC, between April 18 and May 6, 2011; in Berlin, Germany, between May 9 and June 29, 2011; in Frankfurt, Germany, between May 17 and June 3, 2011; in Hamburg, Germany, between May 24 and 27, 2011; in Dusseldorf, Germany, between June 9 and 12, 2011; in Munich, Germany, between June 7 and 15, 2011; and in Leipzig, Germany, between June 10 and 15, 2011. (b) (6)



## Context

Mission Germany comprises the largest U.S. diplomatic presence in Europe, reflecting the strong, cooperative relationship between the two countries on an array of international issues, the continued presence of some 50,000 U.S. troops on German soil, extensive commercial, academic and other private-sector ties, and Germany's increasingly influential role in the European Union.

The country's importance was highlighted during the inspection by its center stage role addressing the debt crisis in Greece, a successful and highly publicized visit by the German Chancellor to Washington, Germany's agreement to provide development assistance to Libya once the situation there stabilizes, and its leading role in discussions over the future of nuclear power following the Fukushima disaster. Mission Germany's long agenda includes these issues and many more.

In addition to the embassy in Berlin, the United States maintains five consulates general, including Frankfurt, which serves as a platform for management support throughout Europe, Africa, and the Middle East. With more than 900 staff, Consulate General Frankfurt is larger than Embassy Berlin and most other embassies. Smaller consulates general are located in Dusseldorf, Hamburg, Leipzig, and Munich and a consular agency is located in Bremen. The mission's budget is the largest in Europe.

Mission Germany's priorities include expanding diplomatic, economic, and security cooperation; promoting U.S. commercial interests; providing consular services to visa applicants and approximately 185,000 U.S. citizens resident in Germany; and engaging in extensive public outreach, particularly to German youth born after the Cold War and to Germany's large Muslim population.

The inspection team focused on how well the embassy and the consulates general function as a team to advance these goals. The inspection team also addressed the costs and benefits of retaining five consulates general in Germany. Finally, the team focused on general management practices, including measures to maintain high professional standards of conduct.

This was an inspection of Mission Germany but not of the internal operations of the many Department regional support centers based at Consulate General Frankfurt. The programs of those centers are generally controlled by bureaus in the Department and they will be inspected separately in the future.

Mission Germany includes 756 U.S. direct-hire staff and 860 local staff at the embassy and consulates general. The ratio of Americans to local staff is unusual and is a result of 35 regional offices based in Frankfurt. Thirty U.S. agencies and subagencies are represented at the mission; the Department is the largest. The Departments of Defense, Homeland Security, and Commerce also maintain large offices in the mission.

## Executive Direction

Mission Germany excels in diplomatic achievement and public outreach but has been hindered by leadership and internal communications shortcomings. The mission could be even more effective if it addressed these issues.

Led by a tireless Ambassador with excellent diplomatic skills, Mission Germany is strengthening U.S. relations with Germany across the board. The Ambassador, backed by officers with extensive experience and keen understanding of Germany, has capitalized on President Obama's popularity among the German people. He has focused the embassy on a broad array of core diplomatic issues from increasing cooperation in Afghanistan and managing the negative fallout from Wikileaks to strengthening measures against terrorist financing and identifying common ground on contentious issues like Libya and data privacy. Embassy leadership has also identified and funded new areas of potential cooperation, including scientific collaboration on climate change and energy. Chancellor Merkel's successful visit to Washington during the inspection was emblematic of the key role the embassy is playing to further bilateral relations.

The Ambassador and the deputy chief of mission (DCM) have effectively worked through the interagency process to register diplomatic successes. Law enforcement cooperation is strong, with extensive informal communication as well as formal coordination meetings chaired by the DCM. The Ambassador and DCM work closely with senior U.S. military commanders in Germany as well as the embassy's large Defense attaché office, which arranged two visits by the Ambassador to German troops stationed in Afghanistan. Both visits lent credibility to the Ambassador's public remarks on the importance of Germany's presence there. The Ambassador has also devoted considerable effort to promoting U.S. commercial interests; several senior officers in the mission and in the Department described his efforts as among the best they had ever seen.

In addition to core diplomatic work, the Ambassador engages in a heavy schedule of public outreach, including speeches and public remarks to audiences that included political and business elites, high school students, journalists, and soldiers. Twenty-six percent of these were outside Berlin, reflecting his goal that public outreach cover the country. The five consuls general and a number of reporting officers also pursue a heavy schedule of public addresses—often in German.

The Ambassador's non-stop schedule and his style of work have contributed to a stressful front office. Despite a large front office staff of nine office management specialists, staff assistants, and protocol specialists, much of the embassy is geared to supporting the Ambassador's outreach activities, often at the expense of other important work. At the inspection team's suggestion, the front office staff is drafting new procedures designed to reduce the amount of time needed to effectively staff the Ambassador.

The DCM and the Ambassador work well together. The DCM chairs small daily staff meetings, many of which are devoted to positioning the Ambassador for success. He conducts many of the mission's senior-level demarches. The DCM is liked and appreciated by the

embassy staff, is accessible, and effectively synchronizes the embassy to the Ambassador's needs. The latter's needs are taxing, however, and consume too much of the DCM's time. Many problems identified by the OIG team might have been solved if the DCM had had more time to manage the mission. The Ambassador and the DCM agreed that the Ambassador needs to empower the DCM to spend more time attending to the internal management of the mission.

### **Communication Problems and Performance Issues**

Some of the most serious management shortcomings involved poor communication, both within the embassy and between the embassy and the consulates general. One serious communication breakdown involved an employee in Hamburg who had been engaging in verbal harassment, including racial epithets against coworkers for more than 3 years. Several American officers had been aware of the problem but they had not addressed it. This problem is discussed further in the section of the report on Equal Employment Opportunity (EEO).

Major policy issues were also the subject of communication breakdowns. The embassy decided to consolidate financial management operations from Frankfurt to Berlin but did not keep the consul general in Frankfurt aware of the status of those plans. The consul general learned about the final decision almost 2 weeks after it had been made in Berlin.

Consulate General Frankfurt failed to communicate with the embassy when it held a major ceremony honoring the employees who had supported evacuees from Embassy Cairo in early 2011. Although the embassy was unaware of the event, many consulate employees were pained by what they perceived to be a slight by the Ambassador in not participating in it.

The OIG team found leadership problems in Hamburg, Dusseldorf, and Leipzig. The embassy was unaware of the issues in Dusseldorf and Leipzig due to inadequate monitoring by embassy officials of morale conditions in the constituent posts.

One cause of poor communication between the embassy and the constituent posts has been an insufficient number of visits by front office leaders and section chiefs to the consulates general. The Ambassador has a busy schedule traveling around Germany and the applicable consul general accompanies him when he is in a consular district. However, the Ambassador rarely visits the consulates general and most staff members do not interact with him. The DCM makes fewer trips to the constituent posts; when he does, he spends the bulk of his time on outside calls. When he meets with the staff it is usually in town hall meetings; in such settings it is difficult to sense morale problems.

Most of the Department section chiefs in Berlin travel even less. In the year prior to the inspection, for example, the public affairs officer did not visit any of the consulates general even though they were experiencing morale problems following several reductions in force in 2010. In the previous year, the minister-counselor for political affairs visited Leipzig and Munich but not the other posts. Visits by section chiefs to Dusseldorf and Leipzig were especially infrequent.

The embassy needs to establish a schedule of regular visits by the DCM and embassy section chiefs to the consulates general. The frequency of visits should be guided by the functions at each post. The minister-counselor for management affairs, the regional security officer, and the public affairs officer should visit each consulate general at least two times per

year. The economic and political ministers-counselor should visit the smaller consulates general at least once per year, with more frequent visits to Frankfurt and Munich. The minister-counselor for consular affairs should make quarterly visits to Frankfurt and Munich. (These issues are addressed in the consular affairs section of this report.)

**Recommendation 1:** Embassy Berlin should establish and implement a schedule of regular visits by the deputy chief of mission and embassy section chiefs to the consulates general. (Action: Embassy Berlin)

A second serious management problem has been the ineffective handling of conduct and performance issues. In two cases, the OIG team prepared corrective evaluation reports on employees whose shortcomings had not been addressed in the employee evaluation reports they had received immediately prior to the inspection.

### **Leadership in the Consulates General**

Although the OIG team found leadership problems in Hamburg, Dusseldorf, and Leipzig, it found good leadership in Frankfurt and Munich. In the case of Consulate General Frankfurt, the consul general is assisted by a deputy principal officer in leading the largest constituent post in the world, with over 900 employees. Frankfurt is a regional support center for many functions for posts throughout Europe, the Middle East, and Africa. The fact that morale was high in such a large staff is a testament to the leaders.

Morale at Consulate General Munich was also high. It is a smaller post, with 91 employees, but the OIG team commended the consul general for the depth of his knowledge about the employees and the issues at this post.

### **Future of Consulates General in Germany**

The United States maintains five consulates general in Germany, more than the United States has in any other country in Europe. Missions Russia and Italy are the next largest with three each. Mission France has two consulates general plus four small American presence posts. The inspection team examined the missions performed by each consulate general, the associated costs, and whether lower-cost alternatives exist. The examination mirrored similar efforts by the Bureau of European and Eurasian Affairs and the embassy to identify potential savings in mission operations. An embassy study of the potential savings that would result from downsizing three of the consulates general was particularly useful.

The inspection team concluded that Consulate General Leipzig should be closed at the earliest opportunity and that Consulate General Dusseldorf and Consulate General Hamburg should be kept open but significantly downsized. U.S. Government-owned property in Hamburg should be sold as the consulate general is downsized. These recommendations will result in an annual savings of approximately \$4.7 million, not counting the sale of property or reductions in U.S. direct-hire staffing.

### *Consulate General Frankfurt*

Consulate General Frankfurt is larger than all but a handful of U.S. embassies and is even larger than Embassy Berlin. Some 85 percent of the staff work in offices that primarily provide regional administrative and communications support. Seven law enforcement agencies have offices in Frankfurt, most with extensive regional responsibilities throughout Europe. The remainder of the consulate general's staff focuses on bilateral issues, including providing full consular services, promoting U.S. trade and investment, analyzing political trends, covering economic developments at Frankfurt-based banks and financial institutions, and engaging in extensive public outreach. The consulate general is a key component of the U.S. diplomatic presence in Germany.

### *Consulate General Munich*

Consulate General Munich has a staff of 34 Americans and 57 local staff. Its consular district includes Munich—Germany's third largest city—and the state of Bavaria. The post provides consular services throughout southern Germany, reports on political and economic developments in the politically influential state of Bavaria, and works closely with U.S. military commanders to address issues related to the presence of approximately 20,000 U.S. troops in Bavaria. The consulate general also hosts a large Foreign Commercial Service office that works with established industrial concerns as well as new high-tech firms to promote U.S. exports and inward investment. The number of export successes reported from Munich this year was second only to Frankfurt. The consulate general also manages the participation of a large, Cabinet-level U.S. delegation in Munich's annual security conference, which is attended by government and private-sector leaders from around the world. Thirty-two countries maintain consulates general in Munich, including China, France, the United Kingdom, Japan, and Iran. These factors justify a continued U.S. presence in Munich.

### *Consulate General Dusseldorf*

Consulate General Dusseldorf has had a disjointed history. The post opened in 1951 and closed in 1987 for budgetary reasons. After the decision by the German Government to move the capital from Bonn to Berlin, the rationale for Dusseldorf (which is close to Bonn) became more compelling, and the consulate general reopened in 1994 under the leadership of the Foreign Commercial Service. In 2006, Department officers resumed leadership of the consulate general.

The consulate general is located in the German industrial heartland, 113 miles from Frankfurt, with a primary mission to promote U.S. commercial interests. It is staffed by three American officers, including one from the Foreign Commercial Service, and 18 local staff, six of whom are with the Foreign Commercial Service. Seventeen countries maintain consulates general in Dusseldorf, including Canada, France, the United Kingdom, and Japan—all focused on commercial issues. China has eight separate trade promotion offices in the city.

Much of the consulate general's trade promotion revolves around 12 global trade fairs held annually in Dusseldorf and neighboring cities. Exhibitors at these large fairs target markets around the globe, not just Germany. Consulate General Frankfurt has a large staff devoted to commercial promotion, but they made a convincing case that it would be difficult to assist U.S.

exhibitors at these trade fairs from Frankfurt. An on-the-ground presence is necessary. In addition to trade promotion, the consulate general does economic and political analysis of developments in North Rhine-Westphalia, the most populous German state. The consulate general engages in outreach programs with the region's large Muslim population. The inspection team found commendable performance in all three areas, but it is the commercial function that most justifies maintaining a continued diplomatic presence in Dusseldorf. Reporting could easily be scaled back or supported by Berlin or Frankfurt, which is scheduled to add a second reporting officer in 2012. Successful minority outreach could continue even with a smaller staff.

Dusseldorf's 2011 operating budget was \$3 million, excluding U.S. salaries and other centrally funded expenses. The OIG team believes that Consulate General Dusseldorf should be retained but with a smaller footprint. The United States does not own property in Dusseldorf, so no sale of property is required as part of the downsizing.

**Recommendation 2:** Embassy Berlin, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources, should downsize Consulate General Dusseldorf with a view toward reducing annual operating expenses by \$1 million. (Action: Embassy Berlin, in coordination with EUR and DGHR)

### *Consulate General Hamburg*

Consulate General Hamburg is located in Germany's second largest city and largest port, approximately 180 miles from Berlin. It is the largest of Germany's three small consulates general, with a staff of five officers and 16 local staff. Another 11 Department of Homeland Security officers are stationed in nearby Bremerhaven but are not considered part of the consulate general's staff. The Foreign Commercial Service ended operations in Hamburg in 2007. The Department discontinued consular services there the same year. Thirty-four countries have an official diplomatic presence in the city, including China, France, India, Iran, Japan, and Russia.

The consulate general's primary missions are to report on political and economic developments (including piracy and terrorism), conduct public outreach, and support export promotion. The consulate general spends considerable time on outreach programs to Muslims and other minorities. The inspection team looked at performance in each of these areas. While reporting was extensive—more than 20 cables covered local elections in March 2011—some of the most important cables were written by a political officer on temporary duty from Berlin; others were of limited value. The consulate general actively engages in commercial promotion, a fact noted with appreciation by Department of Commerce officials in Washington. The key has been an active consul general who maintains close contact with Department of Commerce officials elsewhere in Germany and who regularly attends trade fairs and other promotional events.

The consulate general's operating expenses in 2011 were approximately \$4 million. This figure does not include the salaries of Department officers, language training, and other centrally funded expenses. Offices occupied by the consulate general are U.S. Government-owned and are substantially underused as a result of staffing cuts over the years. The U.S. Government also owns the consul general's residence.

The inspection team concluded that Hamburg's importance as a major port and its political influence in the city justify a continued U.S. diplomatic presence, but with a smaller footprint. One potential model is a "consulate lite" template prepared by Embassy Berlin that would reduce the American staff from five employees to two and local staff from seventeen to five. This and other models should be considered as part of the downsizing effort.

A Bureau of Overseas Buildings Operations (OBO) estimate from April 2009 put the net value of the Hamburg consulate offices at \$10.5 million.

**Recommendation 3:** Embassy Berlin, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources, should substantially downsize Consulate General Hamburg with a view toward achieving savings of \$2 million annually in operating expenses. (Action: Embassy Berlin, in coordination with EUR and DGHR)

**Recommendation 4:** The Bureau of Overseas Buildings Operations, in coordination with Embassy Berlin and the Bureau of European and Eurasian Affairs, should sell the U.S. Government-owned consulate general offices in Hamburg and lease office space for Consulate General Hamburg. (Action: OBO, in coordination with Embassy Berlin and EUR)

### *Consulate General Leipzig*

Consulate General Leipzig was opened in 1992, shortly after German reunification. The only U.S. diplomatic post (other than Berlin) located in the former East Germany, the consulate general was conceived as providing the United States with a window into eastern Germany, a role that is less vital now than it was 20 years ago. Russia is the only other country that maintains a consular presence in Leipzig.

The consulate general has a staff of three Americans and 12 local staff—all Department employees. No other U.S. agency is present at post. The consulate general provides reporting on political issues in eastern Germany and serves as a useful platform for public diplomacy programs aimed at audiences less familiar with Americans and American values than their counterparts in other regions in Germany. Although both functions have value, they could be handled by the large reporting and public diplomacy staffs based at Embassy Berlin, 93 miles away.

Consulate General Leipzig had an operating budget of \$2.7 million in 2011, not counting U.S. salaries and other centrally funded expenses. The inspection team concluded that the consulate general's importance is insufficient to justify this expense given Embassy Berlin's nearby location.

**Recommendation 5:** The Bureau of European and Eurasian Affairs, in coordination with Embassy Berlin and the Office of Management Policy, Rightsizing, and Innovation, should develop and implement a plan to close Consulate General Leipzig at the earliest practical opportunity. (Action: EUR, in coordination with Embassy Berlin and M/PRI)

Downsizing Consulates General Hamburg and Dusseldorf and closing Consulate General Leipzig will require the embassy and the consulates general in Frankfurt and Munich to assume additional reporting and public diplomacy responsibilities. The downsizing effort will also

require Mission Germany to redefine its support and coverage of the provinces covered by these posts.

**Recommendation 6:** Embassy Berlin should prepare a written plan outlining how it will provide management support and reporting and public affairs coverage when Consulate General Leipzig is closed and Consulates General Dusseldorf and Hamburg are downsized. (Action: Embassy Berlin)

### **Rightsizing**

Embassy Berlin is scheduled to submit a rightsizing report by December 2011. The last report was completed in fall 2007. In early 2011, based on guidance the Department sent worldwide, the embassy eliminated positions that had been vacant for more than 1 year. This report will also address the vacant space the mission currently has in the Clayallee annex in Berlin and at Consulate General Hamburg.

All agencies proposing to add a position overseas must complete what is known as a National Security Decision Directive-38 (NSDD-38) proposal which delineates why the position is needed and whether it will be located in the chancery or other Department-run facility or in the field. All NSDD-38 requests to Mission Germany are vetted by a working group headed by the minister-counselor for management to determine the effects and the pros and cons that the position would have on the mission and its objectives. The Ambassador plays an effective role reviewing NSDD-38 requests. He has turned down three requests and has said that two others will probably be denied. He has approved other positions that the embassy determined to be necessary for national security or other reasons.

Operations in Consulate General Frankfurt, which had been scattered throughout numerous buildings in the city, were consolidated into one large facility in 2005. This building, a former military hospital complex purchased and remodeled at a cost of \$79.7 million, was designed as both a bilateral consulate general and a hub for agencies with regional responsibilities. The facility is nearing capacity, although some space remains available. The Ambassador, looking at ways to increase occupancy in the Clayallee annex in Berlin, has suggested that some regional agencies could be located in Berlin rather than Frankfurt. The OIG team believes that all regional offices should remain in Frankfurt given the excellent facilities there and the fact that Frankfurt is a major airport hub.

The embassy has eliminated 29 local staff positions and instituted a hiring freeze in anticipation of future budget constraints. During this inspection, the team determined that several other positions should be eliminated, reprogrammed, or transferred to another embassy. These recommendations should save approximately \$3.3 million.

The political section in Embassy Berlin has three office management specialists: two are Foreign Service while one is a locally hired American with a security clearance. The inspection team concluded from interviews with section staff and a review of their duties that the section should eliminate one Foreign Service office management specialist position when the incumbent's tour is completed in 2013. This would bring the section's support staff in line with the larger economic section, which has only two office management specialists. Eliminating this entry-level position will save an estimated \$567,000.

**Recommendation 7:** Embassy Berlin, in coordination with the Bureau of Human Resources, should eliminate position 10073002, FP-06, office management specialist when the incumbent's tour is completed in 2013. (Action: Embassy Berlin, in coordination with DGHR)

Mission Germany has two information management officers: one in Embassy Berlin and the other in Consulate General Frankfurt. Information management officers are normally responsible for oversight of a mission's information management program. Having two officers in one mission who are designated as information management officers is undermining communication and collaboration within the mission and with outside entities. The latter are often unclear as to which officer has overall responsibility. The mission would be better served by having one information management officer based in Berlin. Eliminating the position in Frankfurt would save approximately \$550,000.

**Recommendation 8:** Embassy Berlin, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources, should abolish information management officer position number 55233001 in Consulate General Frankfurt and realign the information management staffing in Frankfurt. (Action: Embassy Berlin, in coordination with EUR and DGHR)

Consulate General Frankfurt's political-economic section is staffed by one American reporting officer and three full-time local specialists. A second American reporting officer is due to be assigned to the section in 2012. The OIG team discussed with the consul general the need to reduce, through attrition, one of the three local staff positions in the political-economic section once the second officer is in place.

The financial management center consolidation (discussed in the resources management portion of this report), which occurred during this inspection, reduced the number of employees supervised by the FS-01 financial management officer in Frankfurt. The consolidation also reduced the complexity of the financial management officer's job and the amount of duties. This position could be eliminated, saving \$550,000, or reprogrammed.

**Recommendation 9:** Embassy Berlin, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources, should reprogram or eliminate, upon the departure of the incumbent, the FS-01 financial management officer position in Consulate General Frankfurt. (Action: Embassy Berlin, in coordination with EUR and DGHR)

The consular section in Frankfurt is the largest in Germany, with an FE-OC consular section chief, an FS-01 visa chief, an FS-02 American citizens services chief, an FS-02 regional federal benefits officer, and three FS-03 officers. The latter manage the nonimmigrant visa, immigrant visa, and passport units. The regional federal benefits officer has responsibilities for federal benefits programs in several European countries. Therefore, that position should not be considered as part of the core group of six managerial positions. The OIG team consulted with the Bureau of Consular Affairs about consular staffing in Frankfurt and concluded that two consular manager positions should be eliminated. Eliminating these positions will result in an estimated savings of \$1.1 million.

**Recommendation 10:** The Bureau of Consular Affairs, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources, should eliminate two mid-level consular officer positions from the consular section in Frankfurt and create a plan for how the grade levels of the remaining positions should be realigned. (Action: CA, in coordination with EUR and DGHR)

Seven consular officers are assigned to the nonimmigrant visa unit for a workload that was 48,303 cases in FY 2010. That ratio of officers to workload is higher than the ratios in other busy nonimmigrant visa operations. The staffing issues in Frankfurt relate more to two factors: staffing gaps created when officers do not arrive as scheduled because they are unable to pass the German language test in the Foreign Service Institute and need to be extended in their language training and a highly seasonal workload with the heaviest demand in the spring and summer. One officer observed that: "The section is staffed for the 2 peak months, including LE staff, and is underemployed for the rest of the year."

Staffing needs for the peak season can be addressed through other means, such as temporary duty employees. The consular section in Frankfurt has been providing temporary duty support to other posts in recent years, an indication that the section in Frankfurt is overstaffed. Eliminating one entry-level position from Frankfurt's consular section would result in a savings of \$551,000.

**Recommendation 11:** The Bureau of Consular Affairs, in coordination with the Bureau of Human Resources, should eliminate an entry-level officer position from the consular section in Frankfurt. (Action: CA, in coordination with DGHR)

Although this inspection did not look at the regional offices, one position stood out. The information resources officer sits in public affairs but is a regional officer who answers to the Bureau of International Information Programs. The officer's area of operations covers Germany, the Baltics, and Switzerland. Following the restructuring of the public affairs section due to budget cuts and the earlier closure of the Amerika Haus library/cultural centers, there is no strong reason for leaving that regional position in Germany. The bureau is considering moving this regional position to Russia. Although the regional officer contributes to teacher and librarian training and is a source of advice to the Germany public affairs staff, the OIG team does not see her continued location in Berlin as the best use of resources. Transfer of this position would result in a better use of \$551,000.

**Recommendation 12:** The Bureau of International Information Programs, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources, should review and transfer the information resource officer position in Berlin to another embassy where a realigned country support portfolio would be a better use of that position. (Action: IIP, in coordination with EUR and DGHR)

## Security

A separate annex to this report discusses Embassy Berlin's strong security measures. However, there needs to be more contact between the Ambassador and regional security management, including improved oversight of the Marine detachment in Berlin. A formal

recommendation in the security annex calls for better coordination between Embassy Berlin and the regional Marine commandant in Frankfurt.

American staff in several sections told inspectors that the embassy's escort policy frequently required them to interrupt their work simply to escort visitors to the chancery. The issue, discussed more fully in the classified annex to this report, is under review.

### **First- and Second-Tour Program**

The DCM is responsible for mentoring first- and second-tour personnel. He has met with them to discuss issues such as bidding for onward assignments and the Department's evaluation process, and the Ambassador has hosted several brainstorming sessions with them. The front office also seeks to include first- and second-tour personnel in social events hosted by the Ambassador and the DCM. However, the program falls short of goals outlined in the embassy's written professional development program, which calls for training in drafting, delivering official *démarches*, performing control officer duties, and other basic Foreign Service skills.

First- and second-tour personnel assigned to the consular section work in the Clayallee annex 45 minutes away from the chancery. Most have little opportunity to develop broader skills. Embassy Berlin maintains a roster of first- and second-tour personnel in Germany but it is not updated regularly. The inspection team advised the human resources office to keep the list current and to establish a blog that would allow the employees in the program to communicate more easily with each other and with mission management.

**Recommendation 13:** Embassy Berlin should revise and implement its professional development program for first- and second-tour personnel with a view toward creating a more systematic program and increasing participation by officers and specialists who work outside the chancery and at the consulates general. (Action: Embassy Berlin)

## Policy and Program Implementation

### Political and Economic Reporting and Advocacy

Embassy Berlin has a large economic section that covers economic issues such as the crisis over the euro as well as global issues. The smaller political section focuses on domestic political developments and to a lesser extent on foreign affairs and political-military issues. Embassy reporting is supplemented by reporting from the mission's five constituent posts. Berlin reviews all economic and political reporting before transmission. Only rarely are reporting cables subject to front office clearance; in most cases final clearance is appropriately delegated to heads of sections or their subordinates.

Both sections are still feeling the effects of Wikileaks, which resulted in the resignation of a senior German foreign policy official and has made contacts less willing to share information. Washington analysts and Berlin-based officers alike agree that the quality of reporting has fallen off since the Wikileaks disclosures. To protect information, the embassy has markedly increased its use of captions that restrict distribution—to the frustration of some Department officers who cannot readily retrieve them. Embassy reporting often omits the names of contacts in favor of generic descriptions like “a party official” or a “ministry contact.” This protects individual contacts but has decreased the credibility of some reporting and made it difficult for analysts to assess its importance.

### *Economic and Global Affairs*

The economic section comprises two units. The economic policy unit covers macroeconomic and financial issues, trade and energy, and transportation. The global affairs unit has a broad portfolio that includes terrorism and law enforcement, nonproliferation, climate change, science, and trafficking in persons. The section generally works well with the constituent posts. The economic minister-counselor recently initiated a monthly video conference for all economic reporting and trade promotion officers and staff. This effort should further improve coordination.

The economic section has produced excellent work, particularly its coverage of the financial crises in Greece and other indebted European countries. Washington analysts across agencies described it as some of Europe's best reporting on the issue. The section's work benefits from a close working relationship with the staff at Consulate General Frankfurt, where the European Central Bank is headquartered. Officers from Berlin and Frankfurt are in frequent contact, and reporting reflects not only the views of the European Central Bank and other Frankfurt-based financial institutions but also the German political leadership and the Ministry of Finance based in Berlin. The embassy and the consulate general supplement formal reporting with frequent email exchanges with Washington-based analysts at the Department and the Department of the Treasury. Nearly all Washington analysts interviewed by the inspection team knew and respected the American and German staff members responsible for covering the issue and were in regular contact with them.

The cooperation extends to resources as well. The DCM directed the economic section to give up an office management specialist position in exchange for the Department assigning a second reporting officer to Consulate General Frankfurt to strengthen economic reporting there.

While the embassy reports extensively on the euro crisis, it does not have a strong voice in shaping policy. Twice during the inspection a senior official from the Department of the Treasury met with ranking German officials in the Ministry of Finance and the chancellor's office, but did not allow the Ambassador or other embassy representatives to attend. Relations between embassy officers and their Treasury counterparts are stronger at the working level.

The global affairs unit, described by one Washington official as consistently "wonderful and proactive," received high marks for its work on terrorism and other law enforcement issues, including supporting the Ambassador's successful efforts to secure German agreement on a terrorist financing measure in 2010. Department officials also cited the unit for its work combating trafficking in persons, including conducting independent investigations, hosting conferences, and focusing new attention on domestic servitude.

In conjunction with colleagues from the political section, the global affairs unit has also pursued an innovative effort to reach out to the European Parliament in Strasbourg, which influences many of the issues in the unit's portfolio. The Ambassador conceived and inaugurated the effort with a reception for German members of the parliament in 2010. The global affairs unit has followed up with two visits to Strasbourg, the second of which included colleagues from Brussels and the agricultural attaché from Berlin. Officers involved say the visits have offered an opportunity for in-depth discussions with German members of the European Parliament and provided useful insights into parliamentary views. The effort is an excellent example of creative and effective advocacy.

The economic section is adequately staffed and does not require additional personnel. One change is necessary, however. The second-tour officer who covers science—including climate change, renewable energy, and health—is assigned to the section for only 1 year; the other year of his tour he will be assigned as a front office staff aide. There is widespread agreement within the section that the portfolio is too large and complex to be covered effectively by an officer on a 2-year rotational assignment. The minister-counselor for economic affairs has correctly identified this as a problem to be fixed and has identified three alternatives. The OIG team believes he is on the right track to resolving this issue.

### *Political Section*

The political section is staffed by experienced officers with keen understanding of Germany and excellent language skills. Washington consumers gave section reporting high marks, particularly reporting on domestic political developments such as a series of local elections this year that weakened Chancellor Merkel's ruling coalition. The section has also done a good job working with Department of Defense colleagues on issues related to German deployments in Afghanistan and potential reductions in U.S. forces stationed in Germany. Information sharing and coordination on political-military issues in general is strong, even though there are no formal coordination meetings. Foreign affairs reporting focuses on Europe and the Middle East, including timely reports on Iran and German views of the Arab spring. Reporting on other issues—Germany's relations with China, for example—is not so strong.

The section has an unwieldy organizational structure, which consists of two units with overlapping portfolios: internal and external, and political-military and external. The structure is confusing to Washington officials as well as to local staff, some of whom report to two supervisors. Moreover, the section has a deputy political counselor who does not have a specific portfolio; the larger economic section gets by without one. Nearly everyone interviewed by the inspection team agreed that the section should be reorganized into three coherent units.

**Recommendation 14:** Embassy Berlin should reorganize the political section into three coherent units: internal, external, and political-military, and assign the deputy political counselor to head one of them. (Action: Embassy Berlin)

The section also needs to coordinate domestic political reporting more effectively. At a reporting officers' conference in October 2010, the consulates general were instructed to increase their domestic political reporting. The result was a flood of cables on local developments that did not provide a coherent picture of their national import. One consulate general wrote two dozen cables on a single local election. Comments on the same event were contradictory, one terming it a bellwether development, another saying it was too early to gauge its effect. Many reporting officers and staff at the consulates general said they did not know who was in charge of coordinating political coverage. Others noted that they were expected to clear their reporting with the embassy but that Berlin rarely sought their input.

**Recommendation 15:** Embassy Berlin should name an officer to coordinate missionwide political reporting and require that officer to hold monthly strategy sessions that include officers and staff from the consulates general. (Action: Embassy Berlin)

In reviewing political section expenses, the inspection team was struck by the number of newspaper and magazine subscriptions the section continues to receive, even though many are available online. The section this year is spending close to \$25,000 on subscriptions, compared to \$12,000 for the larger economic section. If spending on subscriptions were reduced, perhaps some of the savings could be used to fund needed travel, particularly by political-military officers.

***Informal Recommendation 1:*** Embassy Berlin should review the political section's subscription expenses with a view toward reducing them by at least 50 percent.

### ***Common Issues***

The sections do not meet regularly with the Ambassador to discuss key issues or strategize on how to cover them. Officers in both sections said their work would benefit from regular contact and guidance from the Ambassador.

***Informal Recommendation 2:*** Embassy Berlin should require that the Ambassador meet regularly with the staffs of the economic, global affairs, and political sections to discuss strategy and provide guidance. Representatives from the Department of Defense, the Foreign Commercial Service, and other agencies should be invited to participate as appropriate.

Both sections produce daily “squibs,” essentially press summaries and other small items that reach Washington at the opening of business. Both products are well-read and appreciated; however, both sections spend an inordinate amount of time producing them. In some cases, one-paragraph press summaries drafted by local staff are cleared by three different U.S. officers. The result is that officers in both sections are tied to their desks many mornings working on “squibs.” Input from constituent posts is rare.

***Informal Recommendation 3:*** Embassy Berlin should review how daily political and economic “squib” reports are produced with a view toward simplifying the process and encouraging input from constituent posts.

Both sections use email extensively to communicate with the Department. The OIG team found numerous instances where the sections had failed to include the Germany desk in the Bureau of European and Eurasian Affairs on important communications; in a number of cases the desk learned of important developments from other offices.

***Informal Recommendation 4:*** Embassy Berlin should take greater care to assure that the Germany desk in the Department is copied on all relevant email messages.

German staff members at the embassy and the constituent posts are experienced and provide keen political and economic insights. Many have excellent government and private-sector contacts. Some, however, have difficulty writing in English, leading American supervisors to spend inordinate amounts of time editing their work.

***Informal Recommendation 5:*** Embassy Berlin should initiate an in-house English writing program to assist local staff members who need to improve their writing skills and/or provide them adequate time to take online writing courses offered by the Foreign Service Institute.

## **Public Affairs Section**

The Department’s strategy paper “Public Diplomacy: Strengthening U.S. Engagement with the World” calling for deploying public diplomacy resources in line with current priorities led to the decision to reduce the public diplomacy budget for Germany. The public affairs section, with 42 local staff and eight officers countrywide, plus a regional information resources officer, remains the largest in Europe despite cuts that reduced its budget from \$10.3 million to \$7.3 million in FY 2011. The cutback resulted in the loss of 16 local staff positions countrywide and the effective closure of Information Resource Centers at the embassy and at the five consulates general. The educational advisor position in Frankfurt was also eliminated.

The section is adjusting to the cutbacks by realigning its remaining positions and identifying priorities, including building up social media capabilities. It is also addressing morale problems among remaining staff. The recent cutback was one of several realignments that have affected public affairs operations; cutbacks in prior years led to the closure of six Amerika Haus centers that housed libraries and cultural centers and significantly reduced student advising by mission staff.

Public affairs officers are stationed in Berlin, Frankfurt, Munich, and Leipzig but not in Dusseldorf or Hamburg. As noted earlier in this report, Embassy Berlin needs to do a better job of coordinating its efforts with the consulates general.

The FY 2012 Mission Strategic and Resource Plan contains two public diplomacy objectives: to foster greater support for U.S. policies among decisionmakers and the German public, and to increase understanding among young Germans—ages 15 to 35—of U.S. values, culture, and history. Performance indicators are based on German opinion as reflected in the German Marshall Fund's Transatlantic Trends Survey; for media opinion, the public affairs section tracks editorial commentary. As do other posts, Mission Germany contributes to the Department's Mission Activity Tracker.

The public affairs section has a minimal relationship with the International Broadcasting Bureau Germany Transmitting Station located in the Consulate General Frankfurt consular district. The OIG team prepared a separate concurrent report on the transmitting station.

### *Outreach*

The Ambassador leads the mission in pursuing active outreach campaigns. He is an effective public diplomacy engine and pursues a nonstop schedule of public speaking engagements. From June 2010 through June 2011, he made 288 appearances in which he presented a speech or delivered public remarks. The most frequent topics were Afghanistan, including Germany's role; dealing with global economic challenges; the U.S.-German relationship; and the future of diplomacy, including the impact of Wikileaks.

The public affairs section has devoted considerable programming to support Germany's continued troop presence in Afghanistan. This is one of the mission's highest priorities, but it is not supported by the majority of Germans. These programs focus on social and civic progress in Afghanistan made possible by the presence of North Atlantic Treaty Organization troops and on the threats posed to women, girls, and religious minorities by the Taliban and Al Qaeda. The goal is to help Germans understand the importance of Germany's military role in Afghanistan.

The Ambassador has twice visited German troops in Afghanistan and followed up with effective public speaking engagements and press interviews. The public affairs staff has also facilitated tours by German journalists to Afghanistan and sponsored tours by Afghan speakers to Germany. During the inspection, a member of the OIG team observed Afghan civil society participants as they met with media representatives in Wiesbaden and Mainz. The public affairs sections in Berlin and the consulates general are essential to supporting these speaker tours. The favorable press coverage that results is an indicator of program success.

Cultural programs have also been part of the effort, including a photography exhibition by National Geographic entitled "Journeys in Afghanistan." The exhibition will travel in Germany for 18 months. In Munich, more than 7,000 visitors attended it.

The heavy outreach program has strained public affairs resources. Although the public affairs staff was told do less with less, requests for their support—from preparing remarks to escorting tours of the embassy—have not abated. For example, the former country coordinator for the Information Resources Center has been assigned front office speechwriting duties but

retains other responsibilities as well. While the section has attempted to maintain or expand its level of support to the front office with fewer resources, doing so has taken a toll on the staff. Officers and local staff repeatedly told the OIG team that they did not know how long they could continue this way. An ongoing effort by front office staff to make tasking procedures more efficient would help reduce the burden on public affairs and other sections.

***Informal Recommendation 6:*** Embassy Berlin should require that the Ambassador's staff assistant review, with relevant section heads or their representatives, the requests for speaking engagements by the Ambassador with an eye toward maintaining a balance that fits well within the mainstream of thematic and audience targets, as set forth in the Mission Strategic and Resource Plan.

The public affairs section supports a variety of other outreach programs.

*Minorities and Youth.* Key audiences are young people and immigrants, including those of Turkish background. The Ambassador has been a catalyst in getting the public affairs section and the consulates general to find officers who understand and can communicate with the country's significant Turkish minority. The consul general in Dusseldorf, for example, speaks Turkish and her minority outreach programs have been praised by the Department. Youth outreach is designed to reach a sector of the population with no strong identification to the Marshall Plan, the Berlin airlift, or the role U.S. troops in Germany played in guaranteeing Germany's freedom. The goal is to create links between youth in Germany, including immigrant youth, and the United States. Examples include a pilot exchange program that sent 14 high school-age youth from minority backgrounds to the United States for 2 weeks of homestays and community service; a visit by two Department-sponsored sports envoys who conducted soccer clinics with primarily immigrant girls in five cities over the course of 1 week; and performances, workshops, and exchanges of the Berlin-Bronx Connection, a hip-hop group made up of Americans and Germans, the latter primarily immigrants.

*Ambassador's Town Hall Meetings.* In the past year, the Ambassador has held 29 town hall meetings in 19 cities, with up to 700 youth in attendance at a time. Audience interaction is the initial indicator of traction, but there is also favorable press coverage and follow-on student interest in U.S. programs. In addition, when the Ambassador mentions his Facebook page at town hall meetings, there is a surge in the number of his Facebook fans. The OIG team's interaction with German-American Institute directors and others outside the embassy community confirmed the success of these town hall meetings.

*Meet US.* Meet US is an outreach program initially designed to increase the exposure of young Germans from the former eastern states to Americans. In recent years, it has become a countrywide initiative. Under the program, public affairs and other mission officers, Fulbright scholars, and American expatriates provide their own experiences on a number of American life topics and how Americans perceive Germans. The mission held 172 Meet US events around the country in the 12 months before the inspection. An OIG team member observed and participated in one Meet US event at a Berlin high school featuring the topic of American diversity.

*Speakers Program.* Embassy Berlin invites experts on a wide variety of topics to tour Germany and makes them available to the constituent posts for programming. Each public affairs section also takes advantage of targets of opportunity when it learns that prominent Americans

will be in Germany on their own programs. In addition, Fulbright fellows and alumni and mission staff are called on to supplement the speakers program. Some consulate staff noted that the public affairs section in Berlin has not always shared that information in a timely fashion. The public affairs section intends to use that feedback to improve communication.

*Bicycle Tours by Consuls General in Leipzig and Frankfurt.* The consuls general in Leipzig and Frankfurt have done multiple bicycle tours of several days through less traveled parts of their districts. Each consul general conducted one such tour during the inspection. In Leipzig, the consul general programmed 20 events during her 3-day tour. The tours have resulted in positive local press and created new contacts among local officials, schools, and communities. Some local mayors bicycle a distance along with them.

*Social Media Strategy:* The mission uses Facebook, YouTube, Picassa albums, and Twitter. Although Consulate General Frankfurt's Facebook page is only in English, the embassy and other constituent posts use both English and German. Two consulates general have created new social media positions and Embassy Berlin has redefined an existing position to include a strong emphasis on social media. Social media is used to amplify interest in events such as U.S. participation in the Women's World Cup soccer tournament that began during the latter stages of the inspection. The consulates general are learning from each other's best practices. They distribute social media contact cards at various events and quickly upload news of events to their Facebook accounts using smart phones. The visiting advisor to the Secretary for innovation told the public affairs section in Berlin in April 2011 that its use of social media was ranked as one of the 10 best among U.S. embassies. A particularly strong point was the embassy's success in generating online interaction. Facebook fans currently range from a few hundred to about 1,500, well outside the Department's top 20 social media posts, whereas Embassy Jakarta, which is in a league by itself, has nearly one million fans. The public affairs section believes that Facebook has been slow to catch on in Germany but sees growth in the future.

One consequence of the cutbacks in staffing was that the public Web sites of three of the consulates general were taken down by the Bureau of International Information Programs for several months at the beginning of 2011, after those consulates general lost staff who had been trained in the Department's standard Internet Web site content management system. There was also confusion about the role Embassy Berlin was going to play. The Web sites use an application called the content management system; when this was upgraded, the three consulates general did not have properly trained staff.

The consulates general requested Web site support from the public affairs section in Berlin, but Berlin did not provide it. Although all Web sites were functioning at the time of the inspection, the smaller posts struggled with the burden. An alternative would be for the consulates general to feed content to Berlin and have the Berlin webmaster handle the technical part of putting content on the Web sites. The embassy, which has a local position dedicated for its Web site, decided against that approach. It had considered having consulate pages on the one embassy Web site, which the OIG team believes would be too restrictive. By centralizing the Web site function, specialists would be able to focus on social media, where the upside potential merits the focus. This may require adding or rededicating a full- or part-time position to cover the additional work that would be required in Berlin.

**Recommendation 16:** Embassy Berlin should centralize Internet Web site management at the embassy, with the constituent posts providing content but with a central webmaster unit being responsible for the technical proficiency of the content management system and servicing multiple Web sites. (Action: Embassy Berlin)

### *Media Engagement*

Germany's decentralized media environment reflects the federal nature of the country. Of the country's 12 most important media outlets, only one is headquartered in Berlin. Major media outlets are located in Frankfurt, Munich, and Hamburg, and the consulates general there play an important supporting role in terms of media engagement.

The public affairs section's Mission Activity Tracker files are replete with successful press placements, whether interviews with the Ambassador, coverage of events and initiatives, or opinion pieces carried on editorial pages. All are evidence of strong media contacts by the public affairs sections throughout the country. The public affairs section also coordinated closely with the Ambassador and the DCM to respond quickly and effectively to the Wikileaks issue.

### *Partner Organizations*

With the loss of Amerika Haus and the Information Resource Centers, Mission Germany relies on 10 German-American Institutes and 10 America At Your Library host libraries as partners for programming and other services. The German-American Institutes conduct student programs, educational advising, and teacher seminars, and provide access to public affairs-supplied research databases, especially for English teachers and students of American studies. An estimated half of their programming comes from public affairs section speakers and exhibits. Other good quality programming is developed at the local initiative of the directors of the German-American Institutes. However, in terms of actual dollar equivalent transfers, 70 percent or more of budgets come from the state legislatures. Up to 20 percent is from companies, while about 5 percent comes from public affairs grants, with any balance coming from renting out office space and facilities. Grant support from the public affairs sections, especially for special purchases, is warmly received. It is a good investment.

The German-American Institute in Heidelberg receives 216,000 visitors a year, including 123,000 to its library. The Munich German-American Institute includes a 500-seat auditorium that the consul general and the Ambassador have used for public diplomacy events. The institutes are valuable assets. Unfortunately none are located in the former East Germany, the primary reason an Afghanistan photography exhibit is not scheduled to be exhibited in the east.

Consulate General Frankfurt has a facility built by the Department as a multipurpose center for public diplomacy and training. The public affairs section uses it only once or twice per month because of security requirements that call for escorts (see the section on security in Executive Direction). Public affairs staff members in Frankfurt also state that clients generally do not find the consulate compound welcoming. Similar issues inhibit public programs at other constituent posts.

**Recommendation 17:** Embassy Berlin should require security and public diplomacy officers to prepare a joint report on steps that could be taken to facilitate holding public diplomacy programs at the embassy and constituent posts. (Action: Embassy Berlin)

*Successor to Windows on America.* Windows on America was a public-private partnership exchange program initiated several years ago. It has since run out of funds. A replacement program called Young Talents was piloted in the fall of 2010 using public affairs funds. Like Windows on America, it is designed to reach youth in disadvantaged and immigrant communities and includes a community service component. However, after 10 months the Department still has not given legal clearance for the embassy—and especially the Ambassador—to proceed with a major fundraising effort.

*Eastern Germany Teachers Visitor Program.* The Eastern Germany Teachers Visitor Program was developed in 2003 by Consulate General Leipzig with embassy support. It is a public-private partnership that attempts to fill the gap that eastern German teachers of English and American studies have regarding U.S. experience and knowledge. Many teachers who taught Russian in East Germany were retained but converted to being English-language teachers after reunification. The Ambassador assists with fundraising. Some U.S. company sponsors have links with local German schools. Consulate General Leipzig believes that the program is still valuable although differences between the east and west in Germany are gradually fading.

### *Exchanges*

Fulbright, which operates 29 programs with two-way exchanges of scholars and students, is the mission's core exchange partner and is the world's largest binational commission in terms of participants. The Fulbright student and scholar programs had an FY 2010 budget of more than \$10.8 million. Since 1996, 70 percent of the funding comes from the German Government, making Germany the largest European contributor to the Fulbright program. The Bureau of Educational and Cultural Affairs has expressed concern that its annual contribution to the program of approximately \$2.7 million may be in jeopardy in the current budget climate. There is concern in the Department as well as in the embassy and among Fulbright Commission staff in Berlin about how the German Government would react to a reduction in Department funding.

The relationship between the embassy and the Fulbright Commission is good. Both the Ambassador and the DCM strongly support the program and participate in Fulbright events. The PAO is the board chairman for Fulbright and the cultural affairs officer is the treasurer. Credit for the success of the program is shared between the embassy and the Fulbright Commission, as well as organizations like the Fulbright Alumni Association and the Association of Friends and Sponsors (individuals and large corporate sponsors).

The Fulbright Commission actively supports diversity programs, which help provide young German Muslims with a different view of the United States than they may receive elsewhere. A diversity program conceived by the U.S.-German Fulbright Commission sends additional minority students with funds it has raised in Germany. It is one of the few exchange organizations in Germany that focuses on immigrant minorities. Diversity program alumni have formed their own organization with assistance from the Fulbright Alumni Association. The program has been copied by several other Fulbright Commissions in Europe.

*The Challenge of the Bologna 2010 Agreement.* The Bologna 2010 Agreement among European Union countries changed the degree process in Europe and has made it more difficult for students to take time from their studies to do a year of undergraduate or graduate work in the United States. The change has made it harder to recruit German students for the Fulbright exchange program. In response, the commission is trying to get undergraduates to do a semester in the United States and trying to work out arrangements for several German universities to pair up with select American universities to offer joint degrees. The stakes are important. Ten years ago the United States was the number one study abroad country for German students. Today it is fifth, behind the Netherlands, the United Kingdom, Austria, and Switzerland. The overall trend, which is driven by such things as cost and changing personal preferences, as much as by structural impediments such as the U.S. visa process or the Bologna Agreement, may not be reversible.

*American Teaching Assistants.* There are 140 American teaching assistants in Germany under the Fulbright program, the largest such group in the world. The program includes a diversity program in which 20 teaching assistants are sent to schools with minority programs. The German states pay for half of the 20 in the diversity program as an add-on to the regular teaching assistant program.

*International Visitor Leadership Program.* The mission operates a large and proven International Visitor Leadership program that includes a number of minority slots. Under the program, there were 42 visitors in FY 2010, and 52 in FY 2009. In FY 2010, 37 visitors were candidates from the consulates general; in FY 2009, 41 were from the consulates general. There were 45 voluntary visitors in FY 2010. Visitor programs cover a variety of themes that are mission priorities.

*Alumni.* There are over 180,000 alumni in Germany from programs supported by the Bureau of Educational and Cultural Affairs. Alumni include the Vice Chancellor and Foreign Minister, three other current federal ministers, seven past presidents and chancellors, and two current political party leaders. Alumni have active state chapters and host events that mission staff attend.

## **Consular Affairs**

Consular operations in Germany are generally well run under the supervision of the minister-counselor for consular affairs in Berlin; however, the OIG team identified several issues that need to be fixed. Consular sections in Berlin, Frankfurt, and Munich provide full consular services. The consular agent in Bremen and Leipzig provide limited American citizen services.

Over the past 15 years, consular operations in Germany have continuously been realigned due to changing workloads and more efficient services. When the consular sections in Hamburg and Leipzig closed, Embassy Berlin assumed responsibility for services in their consular districts, including supervision of the consular agent in Bremen. Consulate General Frankfurt assumed responsibility for consular services in Dusseldorf's consular district.

The OIG team has concluded that consular staffing in Germany needs to be adjusted again and is recommending that two mid-level consular officer positions and one entry-level

consular officer position be eliminated from Consulate General Frankfurt (see discussion under Rightsizing earlier in this report).

### *The Role of the Minister-Counselor for Consular Affairs*

The minister-counselor for consular affairs coordinates consular operations countrywide, advises the Ambassador on consular issues, conducts liaisons at high levels with the German Government, sits on the country team, and represents consular operations countrywide. This officer regularly communicates with the consular chiefs in Frankfurt and Munich. The role of the minister-counselor for consular affairs in Germany is different than in many other countries, where the consular sections in the capitals are among the largest consular operations in those missions. In those missions, the ministers-counselor are in daily contact with a significant percentage of the consular staff in the mission.

The consular section in Frankfurt has 94 employees, whereas the consular section in Berlin has 19 employees. Therefore, the minister-counselor for consular affairs is not located with most of the employees. This setup makes it imperative that the minister-counselor travel regularly to Frankfurt and Munich to meet with staff to conduct training and mentoring and to review operations, including consular management controls.

**Recommendation 18:** The Bureau of Consular Affairs, in coordination with Embassy Berlin, should provide sufficient funding to enable the minister-counselor for consular affairs to visit Consulates General Frankfurt and Munich four times per year for several days at a time on each visit. (Action: CA, in coordination with Embassy Berlin)

The consular section chiefs in Berlin, Frankfurt, and Munich and the minister-counselor for consular affairs communicate regularly by telephone and email, but coordination would benefit from digital videoconferencing, which is available at all posts in Germany.

**Recommendation 19:** Embassy Berlin should schedule monthly videoconferences to coordinate consular operations and promote standardized operations in Mission Germany. (Action: Embassy Berlin)

While most sections of the embassy have held a countrywide conference in recent years, the consular sections have not. Such conferences are excellent tools for building teamwork and enhancing communications.

**Recommendation 20:** Embassy Berlin, in coordination with the Bureau of Consular Affairs, should organize and fund a countrywide consular conference on an annual basis. (Action: Embassy Berlin, in coordination with CA)

Integration of the three sections is enhanced by assigning countrywide roles to officers at all three posts. The consular chief in Munich is the machine readable visa fee coordinator for the mission. The visa chief in Frankfurt coordinates visa processing and the Frankfurt American citizen services chief is the countrywide children's issues coordinator. Issuance of certain nonimmigrant visa categories is also reserved to specific posts, except in emergencies. All diplomatic visas are issued in Berlin, while all treaty trader and investor visas are adjudicated in Frankfurt. Frankfurt is the sole immigrant visa issuing post in Germany. The assistant regional

security officer for investigations (ARSO-I) in Frankfurt is responsible for consular fraud investigations throughout Germany. This position is currently filled by a temporary duty officer who arrived about 5 weeks before the start of this inspection.

Although the responsibilities are countrywide, the temporary duty ARSO-I has not traveled to Berlin and Munich and these posts do not regularly call on her services. The ARSO-I has focused on law enforcement contacts and has conducted very little training for consular employees. The previous ARSO-I visited Berlin and Munich to assist with cases, but provided little formal training.

**Recommendation 21:** Embassy Berlin should direct the assistant regional security officer-investigator in Consulate General Frankfurt to create a plan for quarterly visits to Berlin and Munich to establish working relationships and promote understanding of the function. (Action: Embassy Berlin)

**Recommendation 22:** Embassy Berlin should direct the assistant regional security officer-investigator in Consulate General Frankfurt and the relevant fraud prevention staff to conduct fraud prevention training at least once per year in Berlin, Frankfurt, and Munich. (Action: Embassy Berlin)

### *American Citizens Services in Germany*

The consulates general in Hamburg and Dusseldorf do not provide consular services. Berlin consular staff visit Hamburg quarterly to provide routine consular services and Frankfurt schedules outreach visits to Dusseldorf. Officers in Leipzig have consular commissions and provide limited American citizen services, including emergency assistance. These activities are discussed further below. Hamburg and Dusseldorf officers do not respond to consular duty calls but rather refer callers to Berlin and Frankfurt. The officers in those consulates general need to be prepared to respond to emergencies in the same way that duty officers who are not consular have to respond.

**Recommendation 23:** Embassy Berlin should issue standard operating procedures specifying the responsibilities of the duty officers in Hamburg, Dusseldorf, and Leipzig to respond to requests for emergency services by American citizens. (Action: Embassy Berlin)

Consular operations in Germany benefit from excellent cooperation from German authorities at the federal and state level, but it is an ongoing challenge for consular officers and staff to maintain working relationships with police and authorities in all of the 16 German federal states. This issue is especially important given the large number of Americans living in or visiting Germany and the decentralized federal nature of the German governmental system.

**Recommendation 24:** Embassy Berlin should develop a comprehensive plan for consular employees in Berlin, Frankfurt, and Munich to include visits to German state officials and institutions in combination with prison visits and outreach programs. (Action: Embassy Berlin)

Over 85 Americans are incarcerated in Germany in facilities widely dispersed across the country. It is time consuming and costly to travel to each of them on the prescribed schedule. These visits, however, are an absolute requirement per 7 FAM 463 a. Time and funds could be

saved by performing a “circuit ride” to more than one facility when consular officers make these visits. Mission travel funds must be made available.

**Recommendation 25:** Embassy Berlin should allocate sufficient travel funds to consular sections to allow for travel, including extended trips, to visit American citizen prisoners as prescribed by Department regulations. (Action: Embassy Berlin)

Consulate General Leipzig is not formally authorized to provide consular services. However, an officer (with a consular commission) is providing limited consular services, including notarials and passport applications. The consulate general has an automated consular cash receipt systems computer and sends its receipts to the financial management section in Berlin. It has also been active in providing emergency assistance to Americans who come to their attention. Neither the minister-counselor for consular affairs nor the consular section chief in Berlin are providing direct supervision of consular operations in Leipzig. In addition, the hours spent providing consular services and the number of consular actions performed are not being reported in the Berlin consular package.

The OIG team did not get a clear answer as to why this small operation was allowed to continue providing limited consular services when the stated policy of the mission has been to consolidate all consular operations in Germany into Berlin, Frankfurt, and Munich. Providing consular services in Leipzig creates additional responsibilities for the consular managers in Berlin, who need to provide oversight. Americans can easily travel from Leipzig to Berlin by train in one hour.

**Recommendation 26:** Embassy Berlin, in coordination with the Bureau of Consular Affairs, should close the small consular operation in Consulate General Leipzig. (Action: Embassy Berlin, in coordination with CA)

The mission makes good use of social media, including Facebook and YouTube, drawing on the skills of several tech-savvy entry-level officers. The consular section in Munich produced a YouTube video warning visitors of the dangers during Oktoberfest that was well received. More could be done to use these media but the mission needs to be careful to keep all information on Web sites and other media sites current and correct.

**Recommendation 27:** Embassy Berlin should assign a consular employee as a media coordinator and create a missionwide consular media program, with regular input from all consular sections in Mission Germany. (Action: Embassy Berlin)

Consular staff members, particularly in American citizens services, are often away from their sections performing their duties and are unable to receive emails. This problem leads to wasted time and poor communication and was particularly noticeable during Consulate General Frankfurt’s support of the Embassy Cairo evacuation. Guidance in 7 FAM 1815 recommends that consular employees who need to be prepared to respond to emergencies be equipped with personal digital assistants.

**Recommendation 28:** Embassy Berlin should provide personal digital assistants for employees in the American citizens services units of the consular sections and for the managers of those sections in Berlin, Frankfurt, and Munich. (Action: Embassy Berlin)

### *Consular Section in Berlin*

The strong Berlin consular section is led by an FS-02 consular chief and an FS-03 American citizens services chief. The section's capable staff comprises three entry-level officers, several German and American local employees, and eligible family members (EFM). The consular section is located in the Clayallee annex, approximately 45 minutes by car or public transport from the chancery.

The section is further isolated from the other sections in the Clayallee annex because the hardline divides the building in half. Consular officers and staff seldom see or interact with other staff in the building or join in activities at the chancery, creating morale problems for the employees. They do not get much sense of being part of a larger mission. The nonimmigrant and American citizens services units are further divided on separate floors. Workspace is adequate and officer oversight of printing operations and cashiering is compliant with Department regulations. Access to the section is restricted to consular employees.

The interview windows in the Berlin nonimmigrant visa unit are poorly designed and provide little privacy. OBO has a proposal to restructure the hardline and create new booths. This proposal is awaiting funding. The microphones in the section frequently malfunction and local maintenance staff has been unable to correct the problems.

**Recommendation 29:** The Bureau of Overseas Buildings Operations, in coordination with the Bureau of Consular Affairs and Embassy Berlin, should fund and replace the interview windows in the nonimmigrant visa unit in Berlin. (Action: OBO, in coordination with CA and Embassy Berlin)

**Recommendation 30:** Embassy Berlin, in coordination with the Bureau of Consular Affairs, should fund and install a new, modern microphone system for the nonimmigrant visa unit in Berlin. (Action: Embassy Berlin, in coordination with CA)

The consular section in Berlin absorbed the consular work previously performed by Consulate General Hamburg as well as oversight of the Bremen consular agency without additional staffing. Berlin's ability to meet the demand for nonimmigrant visa appointments during peak periods is barely adequate. As noted above, applicants have not been willing to travel to Frankfurt or Munich, where waiting times are shorter.

Berlin's consular operations are also impacted by difficulties in hiring replacements for local staff, including summer temporary hires. Emphasis on hiring American family members has adversely affected the language capabilities of the local staff, and several current employees speak little or no German.

**Recommendation 31:** Embassy Berlin should provide guidance to consular managers in Berlin to ensure that job vacancy announcements for locally-hired positions properly reflect the language requirements of those jobs. (Action: Embassy Berlin)

The Berlin consular chief supervises the consular agent in Bremen. The agency recently moved to new quarters near the airport. The agency provides passport acceptance and notarial services as well as some emergency assistance. The Bremen consular agency is a valuable

consular asset for Mission Germany. The agent is frequently asked to represent the United States at official functions and public events in the Bremen area. The agent has a computer and can access her Department computer account remotely; however, she did not have access to the embassy SharePoint site, which hindered her ability to receive and retrieve information. She was also not included on most embassy distribution lists for management notices. These problems were fixed once the OIG team brought them to the attention of the consular managers in Berlin.

### *Consular Section in Frankfurt*

The consular section chief in Frankfurt is fully involved in the day-to-day operations of the section and takes an active part in visa and passport adjudication and management. An exceptional team of experienced, well-trained, and dedicated local staff deserve much credit for the section's performance, as is the case in all three consular units in Germany.

Consulate General Frankfurt has been asked to provide temporary duty personnel for other posts and is frequently at the center of global consular operations such as the evacuation of American citizens from Cairo and the return of American citizen minors transiting from other countries and needing assistance.

The consulate general has been designating one entry-level officer in the consular section as the "designated control officer" on a rotating basis. This officer is responsible for acting as the control officer for congressional delegations and high-level visits to Frankfurt and also for transporting accommodation funds to congressional delegations transiting Frankfurt. Depending on the number of visits, this tasking can occupy 25 to 75 percent of the officer's time. In FY 2010, 912 officer hours were spent on this duty. It is inappropriate to use a consular position in this way. The Bureau of Consular Affairs is, in effect, paying for an officer position that is being used in great part as a control officer. These duties should either be shared among the American employees at the consulate general who have to serve as duty officers, or it should be performed by an EFM.

**Recommendation 32:** Embassy Berlin should coordinate with Consulate General Frankfurt to create a new roster system for "designated control officers" that includes all employees who serve as duty officers. Alternatively, Embassy Berlin should create and fund an eligible family member position to perform this duty. (Action: Embassy Berlin)

Frankfurt has a number of innovative programs in place that improve the section's efficiency. First among these is the passport pilot program. Base acceptance agents in Germany take applications for tourist passports from military applicants and their families and send them directly to the National Passport Center for processing as if they were domestic applications. In the past, the consular section in Frankfurt adjudicated such applications. The pilot program reduces the passport workload in Frankfurt by approximately 18,000 cases per year and has been very successful. As a result of this program, Frankfurt has eliminated two local staff positions and will eliminate one more through attrition later this year. Frankfurt staff carefully oversee the military passport acceptance agents, especially because the turnover is higher than with domestic agents.

**Recommendation 33:** The Bureau of Consular Affairs, in coordination with Embassy Berlin, should make the passport pilot program in Germany permanent and consider expanding it to other posts with significant military passport workloads. (Action: CA, in coordination with Embassy Berlin)

In addition to the passport pilot program, Frankfurt has developed a computer planning matrix that allows the nonimmigrant visa unit to balance the number of appointments made available each day based on the number of officers and staff available and the complexity of the visa categories. This allows the workload to be leveled and best utilizes resources. This program appears to have potential for broader application.

***Informal Recommendation 7:*** Embassy Berlin should coordinate with Consulate General Frankfurt to report on the consulate general's visa appointment program to the Bureau of Consular Affairs for possible development and broader use.

Frankfurt enjoys excellent cooperation and coordination with the other agencies at post whose operations are involved with the consular section. This is especially true of the visa security unit of the Department of Homeland Security. The unit is colocated with the visa unit of the consular section, and consular officers adjudicating visa applications make use of the broad local knowledge of the Department of Homeland Security officers.

The Frankfurt fraud prevention unit's daily operations are headed by an experienced local employee, particularly in document screening. Unfortunately, the unit is not realizing its potential as it has struggled to coordinate its functions with those of the ARSO-I position. The ARSO-I has published a standard operating procedure for referring cases to either the fraud prevention unit or the ARSO-I, but it has yet to be agreed on by both units. The ARSO-I and the fraud prevention unit local staff disagree on which unit should maintain contacts with the police, although the memorandum of understanding between the Bureaus of Diplomatic Security and Consular Affairs states that they are not exclusive to either unit. At the same time, however, the fraud prevention unit has not completed tasks that are uniquely its own, particularly validation studies. Consular managers and the regional security officer need to cooperate to resolve the outstanding issues between the units.

**Recommendation 34:** Embassy Berlin, in coordination with the Bureau of Consular Affairs and the Bureau of Diplomatic Security, should require the consular section and regional security office in Frankfurt to produce standard operating procedures for the fraud prevention unit in the consular section and the assistant regional security officer-investigator. (Action: Embassy Berlin, in coordination with CA)

Many entry-level officers complained about the fact that, on busy days with many appointments, the consular managers require them to keep interviewing through the lunch hour until they are finished. The officers believe it would be more reasonable to have afternoon appointment hours or to have reduced numbers during lunchtime to allow officers to take staggered lunch breaks.

**Recommendation 35:** Embassy Berlin should require that the consular managers in Consulate General Frankfurt work out an appointment schedule on busy days that will allow consular officers to take their lunch breaks at normal times. (Action: Embassy Berlin)

### *Consular Section in Munich*

Consulate General Munich has a strong consular section. Led by an FS-02 section chief and staffed by three entry-level officers and a local staff of 14, it provides nonimmigrant visa and American citizens services to Bavaria. With two major U.S. military bases, the consular district has the largest number of American citizens resident in the consular district, and Munich is the most popular tourist destination in Germany. The section benefits from strong support from the consul general.

Munich has a strong consular outreach program that includes the annual “Newcomers’ Festival.” This event brings together all the U.S. agencies that provide services to American citizens, as well as a number of German offices with which the Americans interact. The consulate general also holds events with local schools and on U.S. bases. The section distinguished itself during the travel disruptions early in 2010, when volcanic ash from Iceland blanketed much of Europe and caused thousands of flight cancelations and stranded travelers for extended periods. The consular staff did an excellent job working with German officials and the airlines to help those in need.

Local staffing would be adequate if it was at full strength. However, two employees have been on extended sick leave, one for over 18 months. One EFM position in the passport unit is unfilled. The absence of these employees has made it difficult for Munich to expand its share of the countrywide consular workload.

The consular section in Munich needs two new interview windows. The current windows are shared by the nonimmigrant visa and American citizens services staff, one unit in the mornings and the other in the afternoons, limiting appointments for each. Space is available for the additional windows. Space is not available in the waiting room, which seats 40 people. Expanding the waiting room would be excessively expensive so the most cost-effective way for Munich to increase its work capacity is to add the windows. Although the mission has established with OBO a requirement for the additional windows, OBO has not yet funded the requirement.

**Recommendation 36:** The Bureau of Overseas Buildings Operations, in coordination with the Bureau of Consular Affairs and Embassy Berlin, should fund and construct two additional consular windows in the consular section in Munich. (Action: OBO, in coordination with CA and Embassy Berlin)

## Resource Management

Agency	U.S. Direct-Hire Staff (Auth)	U.S. Local-Hire Staff (Auth)	Foreign National Staff (Auth)	Total Staff	Total Funding FY 2010
State – D&CP <sup>1</sup>	177	9	143	329	\$29,126,052
State – ICASS	27	55	405	487	\$65,408,600
State – Public Diplomacy	10	0	63	73	\$10,352,080
State – Diplomatic Security	17	0	14	31	\$14,629,928
State – Marine Security <sup>2</sup>	81	0	0	81	\$841,507
State – Representation	0	0	0	0	\$197,300
State – OBO	5	1	4	10	\$10,052,051
Foreign Commercial Service	5	0	28	33	\$3,499,752
Foreign Agricultural Service	2	0	5	7	\$630,020
Federal Bureau of Investigation	11	0	0	11	\$748,316
Drug Enforcement Administration <sup>3</sup>	7	0	0	7	
Department of Homeland Security <sup>4</sup>	69	4	10	83	\$3,044,561
Department of Defense <sup>5</sup>	45	0	16	61	\$5,608,466
Internal Revenue Office	5	0	10	15	\$1,576,610
Federal Aviation Office	28	2	4	34	\$4,740,951
General Services Administration	4	1	0	5	\$890,000
IBB PROGRAMS	2	0	19	21	\$13,479,694
State – Regional Procurement Support Office	4	1	26	31	\$5,375,849.00
State – Regional Support Center <sup>6</sup>	57	3	21	81	\$2,691,540
State – Regional Information Management Center	139	5	4	148	\$4,146,262
State – Regional Diplomatic Courier Division	34	4	9	47	\$1,200,000
State – Regional ESC Seabees	21	2	3	26	\$228,713
State-RMO	1	0	0	1	\$107,705
JVSC	8	1	0	9	\$257,541
<b>Totals</b>	<b>759</b>	<b>88</b>	<b>784</b>	<b>1631</b>	<b>\$177,196,072</b>

<sup>1</sup> includes RIMC FY 2010 budget

<sup>2</sup> includes staff and funding of DOD-U.S. Marine Corps

<sup>3</sup> DEA Frankfurt stated that they had been advised that DEA throughout the Europe and Africa region has only been providing the ICASS figures to OIG. Due to the complexity of DEA's budgeting process and regional responsibilities, it is requested that OIG directly contact the DEA Office of Inspections at DEA Headquarters in Arlington, VA for further information or guidance.

<sup>4</sup> only reflects DHS-TSA (Berlin/Frankfurt) funding. All other DHS subagencies requested that the Department's OIG contact DHS OIG for funding details (various emails on file)

<sup>5</sup> includes DAO, ODC, DIAL, DASSO, USAITC and DLA Civil Troop Support staff and funding. Note that regional U.S. Marine Corps staff and funding are included in Marine Security

<sup>6</sup> does not include RSC Regional/FSC funding.

## Management Overview

Mission Germany's management section is headed by an experienced management counselor. Berlin, Frankfurt and Munich have management officers, while Hamburg, Leipzig, and Dusseldorf have officers for whom management is a part of their duties. The section provides adequate service in most areas. However, International Cooperative Administrative Support Services (ICASS) customer satisfaction scores for Embassy Berlin are below the bureau and worldwide averages. While customer satisfaction scores for Consulate General Frankfurt are also below average, they are on an upward trend. The human resources operation is not performing well, and inspectors received numerous complaints about it. The situation, discussed in detail in the Human Resources section of this report, brought down the customer satisfaction survey averages for Berlin and Frankfurt.

The minister-counselor for management affairs has taken a number of steps to coordinate management operations throughout the mission. Berlin sends a weekly "week ahead" email of upcoming embassy and consulate activities. A biweekly management digital video conference includes all the consulates general. The minister-counselor talks regularly with the management officers in Frankfurt and Hamburg and with the other consulates general as needed. There is also an annual Mission Germany management conference attended by the American officers and many of the local management staff from the consulates general.

While telephone calls and digital video conferences allow employees to exchange ideas and ask questions, personal visits can provide a good view into how the consulates general are really operating. As is the case with the embassy's other section chiefs, the minister-counselor for management affairs has rarely visited the consulates general. The embassy has not established any mentoring programs and consulate management officers rarely visit Berlin or Frankfurt for consultations. The local employees handling information management and human resources echoed the complaint about a lack of support from the embassy. The consulates general have experienced local staff, but they require guidance from their American supervisors.

The problems reported at some of the consulates general, which are described in the Executive Direction and EEO sections of this report, could have been avoided or ameliorated with more oversight, guidance, and attention. The OIG team informally set up a mentoring relationship between the second-tour management/political/economic officer in Dusseldorf and the FE-OC management officer in Frankfurt, but the embassy should have already arranged such a relationship and should have established a formal mentoring program.

**Recommendation 37:** Embassy Berlin should develop and implement a program to mentor and support officers with management responsibility in Consulates General Dusseldorf, Hamburg, and Leipzig. (Action: Embassy Berlin)

## Financial Management

The financial management offices in Berlin and Frankfurt provide good service to ICASS users, including those at the consulates general in Dusseldorf, Hamburg, and Leipzig. Financial management officers in Berlin and Frankfurt are capable, knowledgeable, and interested in identifying efficiencies. Local staffs are well trained and follow Department regulations and internal operating procedures.

The cashier monitor based at the Charleston Financial Service Center conducted a detailed analysis and review during a 2010 site visit. No material discrepancies were found. The two offices implemented the recommendations from the review to improve operations.

At the end of June 2011, as this inspection was ending, the Berlin and Frankfurt financial management offices were finalizing their consolidation into a single operation. Beginning in July 2011, financial management services will be centralized at the embassy. Under this restructuring, the Frankfurt financial office will shrink from 18 to 6 local employees and be recharacterized as a customer service center. Berlin will increase its staffing by three, to a total of 31. The consolidation is expected to save an estimated \$700,000 annually.

The International Broadcasting Bureau has a long-standing issue regarding its failure to receive value-added tax reimbursements for official expenses at its two transmitting stations in Lampertheim and Biblis. A recommendation regarding this topic has been issued for action by Embassy Berlin in the concurrent inspection of the International Broadcasting Bureau's operations in Germany.

### *eVoucher*

The staffing reductions, cost savings, and efficiencies the mission is gaining with the financial management center consolidation could not have been possible without an innovative electronic voucher program called eVoucher that allows the financial management staff to manage the entire voucher process. The program, developed by Embassy Berlin, saves time and facilitates the review and approval of vouchers, including certification. The program is used to process an estimated 51,000 voucher strip codes annually, the largest workload of any embassy worldwide. The eVoucher program is discussed in detail in the Information Management section of this report.

The eVoucher application also allows the financial unit to easily transfer part of its vouchering to post support units in Charleston, Bangkok, and Sofia. Mission Germany outsources about 30 percent of its workload to these units, which have a lower per-transaction cost. The mission anticipates that this percentage will gradually increase each year. All travel vouchering will be transferred to post support units by the end of 2011.

One unresolved issue with eVoucher involves medical information and patient privacy. The health unit forwards medical services invoices to the financial management office for processing and payment, but it is unclear whether the financial management staff should have access to this information. The financial management officer has addressed this issue by having health unit staff certify via memo that treatment was provided rather than including medically sensitive information in the voucher. The financial management staff does not have the legal expertise to decide the correct procedures and additional guidance is needed.

**Recommendation 38:** The Office of Medical Services, in coordination with the Bureau of Resource Management, the Office of the Legal Advisor, and Embassy Berlin, should issue standard operating procedures on the handling and protection of medical documents. (Action: MED, in coordination with the RM, L, and Embassy Berlin)

## *Cashiering*

After conducting management reviews in 2010, Berlin financial officers were able to reduce cashiering services in Dusseldorf, Hamburg, and Leipzig. The Class B cashiers at each consulate general were designated as subcashiers, and their total cumulative cash advance of \_\_\_\_\_ was reduced to \_\_\_\_\_. Cashiers also stopped performing accommodation exchange services. Officers continue to perform required cash counts, but the complexity and frequency are greatly reduced.

Similar management reviews need to be performed in Frankfurt, which has two cashiers, and in Munich, which has one. Both consulates general still provide in-house accommodation exchange services. Financial officers stated that Frankfurt provides accommodation exchange mainly because of all the regional staff and visitors; previous attempts to reduce accommodation exchange services were met with opposition. While the financial officers believe that this function could be outsourced, it would only produce cost savings if it led to the elimination of a cashier position, which costs \$100,000 annually. Outsourcing accommodation exchange to a local bank would cost an estimated \$50,000 to \$60,000 per year. Installing an automated teller machine on the compound would cost about \$34,000 per year.

Munich's small staff is insufficient to interest a bank or to justify the cost to outsource accommodation exchange or the installation of automated teller machine. An alternative would be to require officers to establish local bank accounts as their colleagues in Berlin have done.

A review of cashiering is also needed in Berlin, which has two cashiers. The cashiers provide accommodation exchange only to official visitors. A local bank with a branch in the embassy handles accommodation exchange for American personnel assigned to Berlin.

**Recommendation 39:** Embassy Berlin should conduct a management review of cashiering operations to determine whether cashiering services can be reduced and whether outsourcing accommodation exchange and using automated teller machines would be beneficial and cost effective. (Action: Embassy Berlin)

In Munich, the Class B cashier provides full cashiering services, but his position is graded one level lower than comparable positions in Berlin and Frankfurt.

**Informal Recommendation 8:** Embassy Berlin should review the position description for the Class B cashier's position in Consulate General Munich, revise any inaccuracies, and reclassify the position.

## *International Cooperative Administrative Support Services*

The ICASS program functions well. Each of the parent agencies has a representative on the ICASS council. Relations among agencies are collaborative, professional, and productive. ICASS meetings are held regularly and detailed minutes are taken. The ICASS council has adopted the Department's uniform performance standards.

In addition to ICASS council meetings, the mission holds ICASS budget committee meetings where agencies with multiple entities can voice concerns about budget, staffing, and

other related issues. Missionwide resource issues are usually resolved in these committee meetings before advancing to the ICASS council.

## **Human Resources**

The Berlin and Frankfurt human resources offices serve a diverse number of agencies and American and local staff members. ICASS scores were below the worldwide averages and the averages for the Bureau of European and Eurasian Affairs. In OIG questionnaires and interviews, mission staff complained about customer service, the length of time to hire local staff, hiring decisions, and family member employment opportunities.

The Berlin management officer is acting as the senior human resources officer and manages a staff of 11 local employees. The senior FS-01 position in the office has been vacant since June 2010; it will be filled in August 2011 by an FS-01 economic-coned officer with minimal human resources experience. In Frankfurt, the mid-level FS-02 and FS-03 positions were filled with entry-level officers after the Department ceded these positions to the entry-level division. Together they supervise a staff of 11. Both have a human resources background but have never served overseas. Mission Germany is too large and complex to assign officers with minimal human resources experience to these positions.

A year ago, ICASS scores for American personnel were good. The lower scores coincide with the assignment of a first-tour officer to the Berlin human resources office in 2009-2010 as well as the departure of the senior human resources officer in Frankfurt. (b) (6)



Mission Germany instituted a local employee hiring freeze in FY 2011 in anticipation of future budget cuts. The financial management officer will only fund positions that are critical to operations. This hiring freeze is a primary source of frustration for mission supervisors. The mission has already eliminated 29 local staff positions. There are 24 local staff and 13 EFM positions that the embassy does not plan to fill because of a lack of funding. Two consular local staff positions are frozen due to pending litigation, while two other consular local staff positions remain vacant because of long-term illnesses.

A number of supervisors complained about the time it takes to hire local staff. If the process goes smoothly, it takes 3 to 5 months to bring a new employee on board. Under German labor law, employees can be required to provide their current employer with up to 7 months notice prior to quitting, which can also delay a new employee's start date. Publicizing the ICASS service standards and keeping customers better informed as to the status of their hiring requests should reduce the number of complaints.

## ***Workload and Organization***

The majority of human resources services are centralized in Berlin, which is responsible for human resources policy, position control, performance management, litigation, the locally employed staff handbook, and compensation. Frankfurt is responsible for the awards program, some position classification, and German social security payments. American and local staff

services, employee relations, payroll, position descriptions, and recruitment are performed at both locations. Both offices use a locally developed software program to track local and American personnel data.

The senior human resources position, which was moved to Consulate General Frankfurt 5 years ago, has been moved back to Berlin, while both mid-level positions are now located in Frankfurt. The workload allocation of the three American human resources officers, however, is not clearly defined, and lines of authority are unclear. Embassy management has asked the Office of Resource Management and Organization Analysis for assistance in resolving its organizational problems. This office is scheduled to conduct an onsite analysis of the human resources operations in summer 2011 and to make appropriate recommendations.

### *Performance Evaluations*

Although the human resources office has a reminder system, late performance evaluations continue to be a problem. From June 2009 through June 2011 evaluations for 549 local staff were late. The human resources office estimates that each year about 80 within-grade-increases are not processed on time because of late evaluations. Delays in preparing, submitting, and processing evaluations adversely affect the staff, as salary increases are not retroactive. The mission is not complying with Department guidance (State 168910 dated June 17, 2003) regarding timely evaluations.

**Recommendation 40:** Embassy Berlin should establish and enforce procedures that will provide timely completion of performance evaluations for all locally employed staff, including holding supervisors formally accountable for this responsibility in their work requirements and evaluations. (Action: Embassy Berlin)

### *Position Descriptions*

Position descriptions for locally employed staff are not current. The human resources office began a comprehensive review of the mission's 780 position descriptions at the beginning of FY 2010; about half have been updated. According to 3 FAH-2-H441.4 B., American supervisors are responsible for ensuring that positions under their direction are accurately described. Guidance in 3 FAH-2 H-443.1 charges both the supervisor and American human resources officer with ensuring that position descriptions are up-to-date. The human resources officer is also responsible for administering an annual review in which all positions in each organizational unit are examined for accuracy.

**Recommendation 41:** Embassy Berlin should complete its missionwide review of all local staff position descriptions, revise those that are inaccurate, and reclassify the affected positions. (Action: Embassy Berlin)

### *Locally Employed Staff Handbook*

The locally employed staff handbook is out-of-date. The last update was done in 2007, and local labor laws have changed since then. Guidance in 3 FAM 7224 requires that handbooks be kept current and explain conditions of employment, ethical standards, and disciplinary

processes. Absent accurate policies and procedures, American and local staff may disseminate and work with incorrect information that could lead to poor decisions and possible lawsuits.

**Recommendation 42:** Embassy Berlin, in coordination with the Bureau of Human Resources, should update its locally employed staff handbook to reflect current conditions of employment, ethical standards, and disciplinary processes, including terminations, by January 1, 2012. (Action: Embassy Berlin, in coordination with DGHR)

### *Customer Service*

Mission employees complained about poor customer service from both the Berlin and Frankfurt human resources offices. American and local staff told the OIG team about receiving inaccurate information and said that local staff does not always answer emails or phone calls. The human resources staff does not provide timelines for projects or for the hiring process. American officers do not provide explanations for delays or the reason why some requests are turned down. The duties of the mission's three American human resources officers have not been explained to customers, leaving them uncertain as to which officer should be consulted. Several human resources employees said they were understaffed and are frequently asked questions that can be easily researched by customers.

**Informal Recommendation 9:** Embassy Berlin should include in its new employee orientation a session on frequently asked personnel questions and answers and post these on the mission's human resources intranet site.

**Informal Recommendation 10:** Embassy Berlin should include customer service as an element in human resources staff position descriptions and performance evaluations.

The mission has a total of 102 local employees in Consulates General Munich, Hamburg, Dusseldorf, and Leipzig. Each consulate general has a local employee who, in addition to other duties, is responsible for providing human resource services. These employees have received inadequate training in human resources procedures and policies and applicable German law. Therefore, they frequently need to contact Berlin or Frankfurt for guidance. Employees told inspectors that staff from the human resource sections in Berlin or Frankfurt has visited the consulates general only when there has been a reduction in force. While the four consulates general do not require full-time human resources support, employees working there should have the opportunity afforded their colleagues in Berlin and Frankfurt of being able to speak in person with a human resources specialist.

**Recommendation 43:** Embassy Berlin should develop and implement a regular schedule of visits by human resources staff to Consulates General Dusseldorf, Hamburg, Leipzig, and Munich. (Action: Embassy Berlin)

### *Eligible Family Members*

Several issues involving employment opportunities and benefits for EFM's warrant attention.

Employment opportunities for EFMs are limited, with only 16 percent of EFMs working within the mission. With a hiring freeze now in effect and budget constraints expected to continue through FY 2012, this percentage will decrease as EFM positions are not filled once they become vacant.

Another 18 percent of EFMs are hired on the local economy. This rate could be higher if more attention was paid to identifying EFM employment opportunities outside the mission. The mission had a global employment advisor based in Berlin who spent approximately 50 percent of her time assisting EFMs with finding work. However, that position description was rewritten and the local employee responsible for this task now spends only 5 percent of her time on EFM employment issues, which is insufficient to assist EFMs with their job searches. Furthermore, the type of jobs and the opportunities available in Berlin are different than in Frankfurt, Hamburg, and Munich. Berlin, as Germany's culture capital, relies heavily on tourism, while the other cities are more business-oriented. Sixty percent of EFMs live in Frankfurt. The Frankfurt area also has the largest concentration of U.S. companies, international organizations, financial institutions, schools, and military bases with job opportunities for EFM employment. These factors suggest that both Berlin and Frankfurt need a staff member to assist EFMs.

**Recommendation 44:** Embassy Berlin should modify a human resources assistant position in Berlin and another in Frankfurt to include global employment advisor responsibilities. (Action Embassy Berlin)

Despite Department approval of four expanded professional associate positions, the mission has filled only three of the four positions. These positions—the equivalent to entry-level Foreign Service officer positions—are centrally funded and do not adversely affect mission budgets. Embassy Berlin has filled its two positions; Consulate General Frankfurt has filled one of its two slots. All three filled positions required only rudimentary German. The position description for Frankfurt's second position, however, requires fluency in German. The consulate general has been unable to find an EFM who meets that requirement. It will be difficult to find an EFM who has the required language proficiency, as it can even be hard for Foreign Service officers receiving 36 weeks of intensive German training to reach this level.

*Informal Recommendation 11:* Embassy Berlin should review the requirements for Consulate General Frankfurt's unfilled professional associate position as well as the language requirement listed in the position description to ensure that it is accurate.

In some instances, supervisors fail to provide EFMs with evaluation reports within the appropriate time frame or do not complete them at all. EFM evaluations are not tracked with the same regard as American officers and local staff. (b) (5)



**Recommendation 45:** Embassy Berlin should follow the same guidelines for preparing, tracking and sending reminder notices for eligible family member evaluations as for locally employed staff. (Action: Embassy Berlin)

Department guidelines do not currently require supervisors to complete performance evaluations for EFMs. This confusion is even found in the mission's human resources office,

where one supervisor left his position without preparing evaluations for seven EFMs. OIG teams have also found this problem at other inspected posts. This lack of clarity may affect the 2,687 EFMs employed worldwide. It is a detriment to EFMs not to receive an evaluation and impacts their prospective employment.

**Recommendation 46:** The Bureau of Human Resources should issue policy guidance and standard operating procedures to Embassy Berlin for performance management of eligible family members. (Action: DGHR)

Because they are hired under differing salary schedules and differing authorities, EFMs receive lower salaries than local staff performing comparable duties. They accrue 4 hours of annual leave and sick leave per pay period while their counterparts receive 6 weeks' vacation and unlimited sick leave. The salaries of EFMs from foreign affairs agencies include Washington, DC, locality pay but not the cost-of-living adjustment their spouses receive. Spouses from non-foreign affairs agencies receive neither locality pay nor the cost-of-living allowance. London and Tokyo have been granted an exception to the rule that employed EFMs are ineligible for cost-of-living allowances.

**Recommendation 47:** Embassy Berlin, in coordination with the Bureau of European and Eurasian Affairs, should request an exception for eligible family members in Germany to Department regulations limiting cost-of-living allowances to Foreign Service officers. (Action: Embassy Berlin, in coordination with EUR)

### *Locally Employed American Citizen Tax Issues*

Mission Germany pays the employer portion of mandatory medical insurance directly to its local employees as part of their salary. They, in turn, are responsible for paying both the employer and employee shares to their insurance company. The Department reports these insurance stipends as income on tax forms provided to the approximately 138 local-hire American citizens each year. Because this information is provided on the employees' W-2 form, American employees hired locally are taxed on both the employee and employer contributions for medical insurance. In the United States, medical contributions are normally made through payroll deduction. This option is unavailable at an overseas diplomatic mission. Local-hire Americans believe they should not be taxed on the employer portion of their medical insurance since they have to pay it directly to the insurance company. They have pressed the embassy on this issue since 2000 without resolution.

**Recommendation 48:** Embassy Berlin, in coordination with the Bureau of Human Resources, the Bureau of Resource Management, and the Office of the Legal Adviser, should issue an authoritative ruling on whether it is possible to provide the employer portion of mandatory medical insurance in a way that distinguishes it from salary income. (Embassy Berlin, in coordination with DGHR, RM, and L)

### *Overtime*

Facing budget constraints, the embassy issued a management notice barring overtime pay and directing supervisors to offer compensatory time instead. As outlined in 3 FAM 3133.5, entry-level officers and specialists who work overtime have the right to choose whether they

receive overtime pay or compensatory time. The embassy's ruling appears inconsistent with rights spelled out in the FAM. At the OIG team's suggestion, the embassy has requested guidance from the Department.

**Recommendation 49:** Embassy Berlin should follow Department regulations regarding the payment of premium compensation to eligible specialists and entry-level officers and should issue a management notice to that effect. (Embassy Berlin)

## **Language Training**

The Department has wisely devoted considerable resources to providing German language training to officers assigned to Mission Germany. The political section alone has six officers with 4/4 proficiency or above, and two with 3/3 proficiency. The economic section has two officers with 4/4 proficiency or above, and four with 3/3 proficiency. All use German extensively in professional settings, including public speaking. Interviews with officers across the spectrum—from law enforcement to consular to public diplomacy—confirmed that professional language skills are essential to operating effectively in Germany.

Most political, government, and business elites speak English well, but they prefer to conduct business in German. In this respect, Germany differs from many other Western European countries where English is commonly and easily used in professional settings.

The Foreign Service Institute recently extended basic German training from 30 to 36 weeks, which should help to address a number of concerns the inspection team heard about the time allotted to German language training being too short. The embassy views language training as essential and takes a keen interest in it. It recently completed a training survey with other German posts and plans to forward the findings to the Foreign Service Institute.

## **General Services**

The general services office provides adequate levels of support to its customers. The ICASS customer satisfaction survey and OIG questionnaire results approximated worldwide and regional bureau averages. The prospect of budget cuts has created a difficult atmosphere in which to operate and plan. General services offices are feeling the effect of the missionwide hiring freeze, which some local staff fear is a prelude to another reduction in force. Nonetheless, OIG inspectors found that by and large, general services staff members at the embassy and constituent posts are performing their duties effectively.

The planned July 2011 implementation of the Integrated Logistics Management System (ILMS) is a potential watershed for general services offices missionwide as it will unite procurement and property management into one application. Automation of these two major components of the supply chain should impose greater procedural discipline and reduce variation and errors. OIG team recommendations pertaining to receiving and billing should result in further improvements that enhance internal controls and conform to prescribed supply chain practices. ILMS also will create, for the first time, a software platform that is common to the two procurement offices that provide services to the consulates general, Embassy Berlin, and the regional procurement services office located in Frankfurt.

Mission use of eServices (the Department standard for submitting requests for administrative services and measuring performance against universal standards) is spotty. Service provider confidence in eServices is not high. The mission's establishment of customer service centers in Berlin and Frankfurt is intended to facilitate delivery and yet represents an additional bureaucratic layer. Incomplete fielding and system shortcomings produce insufficient statistics with which to judge service delivery against the Department's universal standards. Mission Germany therefore looks forward to the successor application to eServices.

General services operations at the consulates general function soundly on the whole. In Frankfurt, officers have assessed assets and processes, reengineering some of them to increase effectiveness. Moving the receiving point to a more sensible location, digitizing records in SharePoint, eliminating leased warehouse space, and eliminating redundant positions through attrition are examples of these cost-saving measures. Munich has taken an exemplary approach to eliminating the need for a U.S. direct-hire general services officer, instead empowering a seasoned local staff member to act in that capacity. The result is a well-functioning, compact, cross-trained unit that provides services that earned very high ratings on ICASS and OIG surveys. The three small consulates general have experienced and knowledgeable local employees. Due to the small size of their staffs, the employees are cross-trained in all aspects of general services operations.

### *Customs and Shipping*

In addition to customs clearances and shipment of household effects, unaccompanied baggage, and vehicles, Embassy Berlin's customs and shipping unit is responsible for additional services including vehicle registration, driver licenses, and weapons permits. The office also administers a missionwide insurance contract for government and privately owned vehicles. Working with the European Logistical Service Office in Antwerp, the unit coordinates shipments based on the most appropriate method, whether International Through Government Bill of Lading or Direct Pack Method. Shipments are generally split evenly between the two methods. The unit also annually handles 15 to 20 shipments via military channels, which it coordinates with military headquarters at Stuttgart.

The consulates general conduct customs and shipping operations equally well. Some, such as Frankfurt, are taking advantage of tools like SharePoint to organize and store files and correspondence more efficiently. The smaller consulates general receive customs and shipping support from either Berlin or Frankfurt.

### *Property Management*

Embassy Berlin's property management office operates efficiently, observing proper procedures, exercising proper internal controls, and maintaining adequate separation of duties. The most recent nonexpendable property inventory showed a shortage of 19 percent, well within the Department's limit of 1 percent of total value.

Spot checks of residential inventory records indicated good accountability, as employees routinely sign their individual inventories and return them to the property unit. Compliance with this basic requirement is attributable to the unit's effective reminder system. Property disposal is

also well documented, with proper signatures and adequate oversight. An OIG inspector selected five nonexpendable items at random and the warehouse staff located each one.

Consulate General Frankfurt has made significant efforts to improve its property management program, from paring down its warehouse needs to strengthening its information technology equipment accountability to automating some of its business processes. Changes to its logistics management—particularly disposal of unserviceable/unneeded inventory and more rational ordering of furniture—have allowed Consulate General Frankfurt to return to the landlord about 45 percent of its off-site warehouse space. It plans to return the remainder of the space in fall 2012 and consolidate holdings in a U.S. Government-owned facility on the Siedlung compound. This plan should save about 300,000 euros annually in warehouse lease costs. In another effort to trim costs, the office has also modified the use of contract labor that augments the five-person warehouse moving crew, using them more judiciously and on an as-needed basis.

The Frankfurt assistant general services officer responsible for property management has implemented changes that increase efficiency and improve accountability. For example, the process for assigning responsibility and charges for lost property—most often cellular phones—is now handled electronically using eForms, with both the employee responsible for the loss and his/her supervisor signing the form. Routing the form electronically has reduced the time needed to administer this procedure from 2 months to about 3 days. The consulate general also has taken a different tack on disposing items, doing due diligence and developing a business case that justifies donation of many items to a charity. Combined with its disposal of items via online auction, the consulate general has the means to dispose of unneeded items as efficiently as possible while minimizing costs to the U.S. Government.

There are several areas for improvement. An estimated 25 percent of employees have not signed residential inventories despite reminders sent by unit staff. One employee was late 206 days, and counting, in returning his signed inventory.

**Recommendation 50:** Embassy Berlin should develop and implement a plan that requires Consulate General Frankfurt employees to sign residential inventories in a timely manner. (Action: Embassy Berlin)

Proper receipt of goods and services, a critical step in the supply chain management process, requires further improvement. The assistant general services officer sensibly moved the central receiving point from the off-site warehouse to the consulate compound where most goods and services eventually wind up. Receiving faces another challenge. Both the regional procurement office and Embassy Berlin provide procurement services, and each uses a different automated system to which the receiving clerk has no access. The clerk instead relies on hardcopy purchase orders they send him as notification of incoming shipments. This is an imperfect system that bypasses normal channels and weakens property accountability. Mission Germany's transition to ILMS will provide a common automated system that yields a better receiving process.

**Recommendation 51:** Embassy Berlin should implement a plan that provides the Consulate General Frankfurt receiving clerk with access to procurement data that enables proper receiving of goods and services. (Action: Embassy Berlin)

Consulate General Munich manages its property program efficiently, relying on a small staff augmented by contract labor as needed. Annual inventory documentation was complete. A spot check of 10 residential inventory files showed that they were all signed by employees, thereby establishing correct accountability. The consulate general maintains storage space in a building on the International Broadcasting Bureau property that is deemed more expensive to dispose of than to retain.

Property management at the three smaller consulates general appears to run well. Receiving reports and other paperwork is in order and inventories are completed on time. However, the annual inventories are reconciled by the same person who does the actual inventory, which represents a management vulnerability. With such small staffs, it is difficult for the consulates general to maintain proper separation of inventory duties. None of the consulate staff involved was aware that this could present a problem.

**Recommendation 52:** Embassy Berlin should develop and implement a plan to provide assistance to the smaller consulates general to ensure that inventories are recorded and reconciled by different mission staff members. (Action: Embassy Berlin)

### *Travel and Visitor Support*

The embassy's travel and visitors office provides adequate service, particularly its management of numerous important visits, its administration of a multipost travel management contract, and its processing of thousands of visas annually for mission and other U.S. Government personnel who travel internationally from Germany. The embassy issued two business class airline tickets during the 12 months prior to the OIG inspection. Both were properly processed and documented.

Embassy Berlin provides visa services for U.S. Government entities located in Germany, including the regional offices in Frankfurt and two major military commands in Stuttgart. The workload is about 3,000 visas annually, with military personnel comprising 60 percent of that total. Information is posted to a SharePoint site for download, completion, and forwarding to the embassy for processing.

Consulate General Frankfurt shoulders a heavier visitor workload than Berlin due in large part to its proximity to three U.S. military bases. It provides logistical support for over 300 visits per year that generate about 5,700 hotel night stays annually. The office also administers the E2 Solutions travel application, which includes 550 account holders; coordinates E-Country Clearance requests; and oversees the consolidated billing account against which travel expenses are charged.

### *Housing*

Embassy Berlin has improved its housing pool with the acquisition of more residences for mid-level employees and apartments for those who prefer to live downtown. Employees are generally satisfied with their housing assignments. Examination of records indicates that the interagency housing board functions in accordance with Department guidance. The embassy has been a longtime participant in OBO's Rental Benchmark Initiative and consistently maintained its "green" status.

After having outsourced management of its short-term lease properties for years, the embassy conducted a cost-benefit analysis that indicated in-house administration would be less expensive. The embassy housing office deemed automation as the key to minimizing the staff needed to manage the leasehold inventory and developed its own application, the Housing Office Management Entry System, to track contracts, utilities, and rent payments. Planned capabilities include generating management reports and maintaining historical repair data, and unit dimensions to facilitate contractor make-ready solicitations. The housing office inaugurated the application in April 2011.

As the embassy increases its residential short-term lease inventory, it faces a continuing challenge in using the OBO model lease with local landlords, in large part due to their reluctance to accept the two-page disputes resolution clause required by the Contracts Dispute Act of 1978. German posts therefore submit a waiver request for each lease, which is routinely granted. Obtaining a blanket waiver would be more efficient.

***Informal Recommendation 12:*** Embassy Berlin should request a blanket waiver from the Bureau of Overseas Buildings Operations pertaining to the disputes resolution clause of the residential model lease.

Consulate General Frankfurt manages a housing program that includes 372 U.S. Government-owned apartments clustered on the Siedlung compound, as well as short-term lease residences. Embassy Berlin assists with payment of leases and with managing utilities agreements and payments. In accordance with 15 FAM 261.1, the Frankfurt housing board gives first consideration of Siedlung housing to U.S. direct-hire employees of foreign affairs agencies and the Defense Intelligence Agency. To provide flexibility and still maintain fair cost sharing, the post allows non-foreign affairs agency personnel to occupy government-owned quarters if the agency offsets costs incurred by the displaced foreign affairs agency employee who must be housed in a short-term lease residence.

Frankfurt's housing assignment process generally adheres to Department guidance, but one appeal stood out as improperly adjudicated by the Bureau of European and Eurasian Affairs. The Frankfurt housing board, the consul general, and the DCM denied the appeal, but the appellant pursued the case further with the bureau's executive office. Rather than fulfilling the 15 FAM 212.4-2 guidance of consulting OBO and determining whether the issue warranted consideration by the Washington interagency housing board, the regional bureau executive directorate overturned the consulate general's previous decisions and granted the appeal. That the executive director was the reviewing officer on the employee evaluation report of the appellant created the appearance of a conflict of interest.

Spot checks of housing files at all Mission Germany posts indicated general compliance with Department guidance and mandatory security and safety inspections were properly documented. Consulate General Munich, however, has been using emails instead of written records to document housing board minutes. Such written records are required by 15 FAM 212.3.

***Informal Recommendation 13:*** Embassy Berlin should require Consulate General Munich to document the proceedings of its interagency housing board meetings in written records.

Consulate General Munich's housing program generally works well and employees are satisfied with residences, most of which are located near the consulate compound. German Government stimulus program funding paid for a comprehensive \$3.4 million renovation project completed in June 2011. The Marine security guard quarters occupy the ground floor of one of the three buildings.

### ***Procurement***

Embassy Berlin and Consulate General Munich maintain their own procurement operations. The remaining consulates general rely on the embassy and/or the regional procurement services office in Frankfurt for procurement services. While this model consolidates certain administrative functions and minimizes duplication, several glitches exist. The regional procurement office uses ILMS Ariba as its automated system but none of its clients have access to ILMS so the office sends hardcopy receiving reports for users to complete in order to document receipt of the goods and services. The upcoming implementation of ILMS in Germany should help eliminate inefficiencies that now exist.

The embassy's supply chain management processes do not include a mechanism for the financial management office to advise the procurement office of final payment on purchases. The procurement office therefore cannot properly close out purchase orders and retire records, per the guidance contained in Chapter 2 of the Department's Overseas Contracting and Simplified Acquisition Guidebook.

**Recommendation 53:** Embassy Berlin should develop and implement a procedure so that the procurement office is notified of final payments in order to properly close out purchase orders. (Action: Embassy Berlin)

A spot check of procurement files in Berlin and Munich showed adequate attention to detail. Most files were complete. Sole source justifications in Berlin, particularly for software development procurements, could be strengthened by including more detail, including supporting statements from the requesting office.

***Informal Recommendation 14:*** Embassy Berlin should include a full and written explanation for the contract file for sole source acquisitions of commercial items per the Overseas Contracting and Simplified Acquisition Guidebook.

Mission Germany posts participate in a Bureau of European and Eurasian Affairs-sponsored program that seeks to minimize warehousing needs by outsourcing expendable supplies and using just-in-time delivery of furniture. Nevertheless, the mission still orders large quantities of furniture that require storage, particularly in Berlin and Frankfurt. Payment by other agencies into the furniture pool drives some of these purchases, as those funds must be obligated by a certain date. In addition, agencies are eager to liquidate their financial obligations. The ICASS Service Center has a mechanism by which other agency funds are converted to ICASS

funds, allowing more time for them to be obligated. Using this mechanism should allow other agencies to adopt just-in-time furniture delivery and reduce warehousing expenses.

***Informal Recommendation 15:*** Embassy Berlin should use the International Cooperative Administrative Support Services Service Center's mechanism for processing furniture pool collections and reallocating them to the constituent posts' International Cooperative Administrative Support Services allotment as a means to increase transparency, rationalize furniture purchases, and reduce warehousing.

### ***Media Support Office***

The 2004 OIG report recommended elimination of in-house printing operations, to the extent practicable. Embassy Berlin has pared down staffing in its media support office from five to three local employees. It also recently completed a cost-benefit analysis that justified the continued existence of the office. As printing is clearly a commercially available service, the media support office warrants periodic examination to determine whether it is more efficient than outside commercial services.

### ***Motor Vehicle Operations***

Motor pool operations have been trimmed in recent years. The mission now relies on a smaller cadre of in-house chauffeurs, particularly in Berlin and Frankfurt, and outsources as much as possible to commercial taxi services. Embassy Berlin has five drivers on staff; Consulate General Frankfurt has six. The motor pools provide adequate driving, vehicle maintenance, and fuel management services, though some areas such as driver training and safety require improvement.

Embassy Berlin's operations are efficient, with well-defined processes, accurate documentation, and sound management. The section converted from its own automated system to WebPASS vehicle registration and management but considers it a step backwards. It therefore looks forward to the release of the replacement software and has participated in the development working group. In the meantime, the dispatcher uses WebPASS augmented by his own spreadsheets. Requests are received via eServices about 50 percent of the time.

Drivers frequently exceed the 10-hour limit on daily duty time set by paragraph F7 of the Department's Motor Vehicle Safety Management Program for Overseas Posts, thereby increasing the risk of fatigue-related accidents. In 2010, for example, Berlin drivers exceeded the limit 308 times, with front office drivers accounting for 280 of them. The smaller consulates general in Hamburg and Dusseldorf, each of which has one driver, also exceed the 10-hour limit on daily duty time. Consulate General Leipzig, which also has one driver, adheres to the 10-hour rule. All three consulates general contract with outside drivers as needed.

**Recommendation 54:** Embassy Berlin should develop and implement a plan to ensure missionwide adherence to the Department's limit of 10 hours for a driver's daily tour of duty. (Action: Embassy Berlin)

Although Embassy Berlin adheres in general to Department motor vehicle guidance, it has not updated its vehicle policy memorandum as required by 14 FAM 432.5. An April 2008

policy statement addressed motor pool operating procedures and referred to a mission motor vehicle policy, but these documents do not fulfill the annual update requirement.

**Recommendation 55:** Embassy Berlin should update and publish its vehicle policy memorandum. (Action: Embassy Berlin)

Consulate General Frankfurt's motor pool provides generally adequate services and has improved recordkeeping, particularly with inventory and vehicle usage data. However, Smith System driver training, which is addressed elsewhere in this report and for which the motor pool is responsible, has lagged and should be resumed. In addition, expendable supplies are stored in open shelves in the garage and are subject to pilfering.

**Recommendation 56:** Embassy Berlin should require Consulate General Frankfurt to store its expendable automotive parts and supplies securely to prevent theft. (Action: Embassy Berlin)

A spot check of a dozen trip tickets in Frankfurt indicated that passengers are not signing these documents, undermining accountability.

***Informal Recommendation 16:*** Embassy Berlin should require Consulate General Frankfurt to complete trip tickets for motor pool trips, including passenger signatures where appropriate.

Consulate General Munich's motor pool is well run, thanks in large part to a local employee with significant experience and knowledge in vehicle operations and maintenance. He uses WebPASS to the maximum extent possible and has developed a custom checklist for mechanics that combines Diplomatic Security, manufacturer, and Department safety requirements. All three local motor pool staff are master mechanics and can complete repairs and services that normally would be outsourced. Dispatching and maintenance records are in order.

## **Facilities Management**

The relatively spacious and functional space throughout the mission belies ongoing significant challenges to the effective maintenance, improvement, and disposition of facilities and real estate in Germany. Among these challenges are: absence of continuity and personnel turmoil in key facilities management positions in Berlin and Frankfurt; lack of appropriate technical local staff to support the new chancery building; need for multimillion dollar investment for renovation and upgrades of facilities in Berlin and Frankfurt; and proper disposition of unneeded real estate.

These and other issues described below exist within the context of personnel challenges. The senior facilities manager position has been filled with annuitants since November 2009. While that is a reasonable stopgap measure, it does not promote stable and consistent leadership. A permanent senior facilities manager is scheduled to arrive in August 2011. The embassy continues to seek local qualified and capable technicians to maintain chancery systems. Electricians, ventilation and air conditioning technicians and building automated system specialists have been especially difficult to recruit.

Embassy Berlin occupies three buildings in the city: the downtown chancery building, the office building annex on Clayallee, and the general services complex on Curtiusstrasse. The latter two are about 30-45 minutes by car from downtown, which presents a challenge to communication and coordination.

The chancery building on Pariser Platz was commissioned in 2008. Funding and security considerations resulted in the elimination of one floor and the basement, as well as reduction of the footprint of the building. The loss of the basement and one floor significantly affected the facility. Systems that originally were to be located in the basement had to be moved, with detrimental effects. For example, the backup generator was installed on the roof and produced significant vibrations that required a dampening system to correct. Redesign of systems, such as heating, ventilation, and air conditioning, appears to have caused problems as well, with components located in areas that are difficult to access for maintenance or repair.

The building continues to have nagging ventilation, air conditioning, and pressurization problems. Since 2008, employees have submitted 221 work requests to adjust the temperature in their work areas. The embassy and OBO have separate contracts with a U.S.-based company to assess, maintain, and repair the system. The contractor, in Berlin for a regular visit during the OIG inspection, explained some of the challenges in correcting deficiencies in the system. He cited a dirty water system that required repeated flushing and cleaning to ensure constant flow of water used to cool air in the system. He also cited the location of air registers and the forced cold air as factors that discomfort some employees. The contractor has adjusted the system, including increasing the temperature of heating cores during the winter. Complaints appear to have tapered off, but the OIG team still heard complaints regarding the cold temperature and its effect on employees' health.

The chancery facilities manager cited the lack of as-built drawings as a major problem in addressing ventilation-related problems. OIG team inquiries to OBO revealed that it had sent a partial set of drawings to Embassy Berlin in January 2010, during the transition between one temporary duty facilities manager and another. The embassy contacted OBO for the rest of the drawings during this inspection. The lack of as-built drawings has hindered proper maintenance and repair of the chancery. The condition will worsen over time if changes continue to be made without being accurately depicted in updated plans. Moreover, the inaccurate drawings will result in additional maintenance and repair costs as technicians navigate using a flawed map.

**Recommendation 57:** The Bureau of Overseas Buildings Operations, in coordination with Embassy Berlin, should provide the embassy with complete and accurate as-built drawings of the chancery building. (Action: OBO, in coordination with Embassy Berlin)

The facilities staff has faced change management challenges as well, particularly with local employees who are unaccustomed to buildings that rely solely on air conditioning and that do not have windows that open to allow fresh air to circulate. The local staff also was unaccustomed to chlorinated water, which is used in drinking fountains and taps throughout the building. The facilities manager conducted air and water testing that has indicated no health hazards, but some staff remain unconvinced. Many employees also are unaware of efforts to address ventilation-related deficiencies and the prognosis for resolving them in the longer term. The facilities management office could do a better job communicating with its customers and updating them on these issues.

***Informal Recommendation 17:*** Embassy Berlin should disseminate to its staff the latest information on assessment of drinking water quality and efforts to address heating, ventilation, and air conditioning deficiencies.

Most chancery work spaces consist of cubicles with 64-inch-high partitions that do not afford privacy, particularly for those who regularly discuss sensitive or personal information, e.g., human resources section staff. Moreover, cubicles are not segregated by section, so the human resources section cubicles are adjacent to economics section cubicles. Options to ensure privacy include raising selected partitions or identifying reasonably available meeting rooms for discussions.

**Recommendation 58:** Embassy Berlin should design and adopt means to facilitate greater workspace privacy, particularly for the human resources office. (Action: Embassy Berlin)

The Marine security guard quarters are in a short-term lease property under an agreement with the Government of Germany that expires in 2014. A private firm has purchased and plans to develop the property, so the embassy does not expect to be able to renew the lease. The embassy has been unable to identify an alternative property that meets space, location, security, and cost considerations. As an alternative to a leased property, the embassy has explored with OBO an option to reconfigure top-floor space in the Clayallee building as a Marine house. This option would make better use of U.S. Government-owned property and eliminate a recurring lease cost, currently about \$160,000, that will certainly increase with a new short-term lease.

**Recommendation 59:** Embassy Berlin, in coordination with the Bureau of Overseas Buildings Operations, should develop and implement a plan to convert the top floor of the Clayallee building into the Marine security guard detachment quarters. (Action: Embassy Berlin, in coordination with OBO)

The embassy and OBO are developing plans to renovate the Clayallee building at an estimated cost of \$43 million. In the meantime, a roof repair funded through ICASS was underway during the OIG inspection. According to the embassy, planning for the roof repair started before the building became U.S. Government-owned. The embassy believes it had permission from OBO to use almost \$700 million in ICASS funds to pay for it, but neither OBO nor the embassy has documentation on the agreement.

Consulate General Frankfurt's facilities management section is now fully staffed with its authorized U.S. direct-hire complement. Local staffing is relatively lean and the loss in January 2011 of a key senior journeyman has left a gap that the facilities manager very much would like to fill. The position, however, is affected by the missionwide hiring freeze. The facilities manager also anticipates a shortage in cleared American escorts, as the three incumbents will depart Frankfurt soon and it is unclear if those positions will be filled. In spite of personnel challenges, the section functions well. With routine maintenance and repair funding now being allotted based on square footage of space, Frankfurt now receives about 72 percent of the mission total and is therefore more satisfied on that front.

Despite the original intent of a turnkey operation at the Frankfurt consulate compound, the Department has spent about \$24 million in further improvements as part of a four-phase

project that began in 2009 and is expected to continue for another 12 to 18 months. The total cost could reach between \$45 million and \$50 million. Much of the work consists of infrastructure improvements, such as expanding the sprinkler system, improving elevators, and installing air conditioning.

### **Safety, Health, and Environmental Management**

The safety, health, and environmental management programs in Berlin and Frankfurt have languished. Managers made efforts to improve the programs in fall 2010, but need to put more emphasis on the program to sustain the improvements. The embassy resurrected its safety, health, and environment committee, which met in January 2011 for the first time since 2007. In accordance with 15 FAM 933.2 a., the committee should meet at least twice a year, with the DCM chairing. Lack of attention also has caused training to slip. Berlin, Munich, and Leipzig do not have a trained local staff assistant post occupational safety and health officer. Hamburg, Leipzig, Munich, and Dusseldorf do not have trained U.S. direct-hire safety and health officers.

Many aspects of driver training, safety, and qualifications in Frankfurt require attention. The consulate general has been without a Smith System driver safety trainer for years. In addition, Consulate General Frankfurt maintains a self-drive program that includes local and U.S. direct-hire employees, but there is no system to verify licensing, driver training, and medical fitness of the drivers as required by the Department's Motor Vehicle Safety Management Program. Embassy Berlin has provided Smith training to Consulates General Leipzig and Hamburg drivers but has yet to provide training to the full-time and incidental drivers in Consulate General Dusseldorf.

**Recommendation 60:** Embassy Berlin should implement the Department's Motor Vehicle Safety Management Program, to include Smith System driver training and monitoring all driver qualifications throughout the mission. (Action: Embassy Berlin)

Consulate General Frankfurt employees were cited for speeding violations 105 times between January 2010 and May 2011. In February 2011, the consulate general created a database to track these violations and has made 35 entries thus far. U.S. direct-hire employees comprise the vast majority of violators, with a few agencies and offices accounting for the majority of the tickets. The consulate general does not have a policy that prescribes remedial training and/or corrective action in cases of poor driving behavior.

**Recommendation 61:** Embassy Berlin should implement a plan to monitor traffic violations committed by employees and to administer appropriate training and corrective action to repeat offenders. (Action: Embassy Berlin)

The American citizen services waiting room has only one means of egress. The deficiency was not noted in OBO inspections. Occupational safety and health standards (29 C.F.R. §1910.36(b)(1)) require that at least two exit routes must be available in a workplace to permit prompt evacuation of employees and other building occupants during an emergency.

**Recommendation 62:** Embassy Berlin, in coordination with the Bureau of Overseas Buildings Operations, should bring the Consulate General Frankfurt American citizen services waiting room into compliance with fire egress standards. (Action: Embassy Berlin, in coordination with OBO)

Consulate General Munich maintains a satisfactory safety and health program as exemplified by its driver training program, its detailed documentation, and its efforts to close out the most recent OBO inspection report. The Smith System trainer maintains proper records that show whom he has trained and when refresher training is due. Accident reports also are in good order. An OIG inspector reviewed with the general services specialist the online status of the latest OBO safety and health report and found all deficiencies closed out.

### **Information Management and Information Security**

Mission Germany's information management program is adequate and meets the basic information technology and communication needs of a diverse customer base. The program can benefit, however, from improved collaboration and closer oversight by the information managers. The program is structured so that all the decision points and major information systems are located in Embassy Berlin. The program consists of computer, mail, pouch, radio, and telephone support for the embassy and the five consulates general.

Inadequate collaboration between the embassy and the consulates general has weakened the quality of guidance and support provided to the posts. It has also created uncertainty in missionwide initiatives such as the consolidation of switchboard operations. In addition, the lack of closer oversight by the information managers has resulted in deficiencies in areas such as local software development, information technology contingency planning, information technology configuration, and change management. Other deficiencies include the absence of adequate planning for the emergency and evacuation radio program, telephone equipment configuration, and the Department's regionalization programs support.

The information management officer recognized some of the deficiencies before the start of this inspection and initiated corrective measures before the OIG team arrived. The information management officer has also defined communication, collaboration, and improved customer service as the office's top priorities.

### ***Consulate Support***

Out of the five consulates general, only Frankfurt and Munich have direct-hire information management staff. Consulates General Hamburg, Leipzig, and Dusseldorf depend on Embassy Berlin for guidance and support. Leipzig and Dusseldorf have one local computer operator each assigned to provide onsite information management support. In addition to their primary duties, these local employees also have other collateral duties that range from subcashiering to mail distribution and human resources duties.

The sole local staff computer operators in Hamburg, Leipzig, and Dusseldorf have learned to be self-reliant in order to keep the critical systems operational and assist users with computer problems. During this OIG inspection, the local employee computer operator in Hamburg resigned, leaving the consulate general without onsite computer support. The embassy

plans to provide support remotely and does not plan to replace that employee. To date, Embassy Berlin has not provided a detailed and standardized plan for supporting the consulate general.

**Recommendation 63:** Embassy Berlin should create and implement a detailed plan to provide information management support to Consulate General Hamburg from Berlin, including how the embassy will support routine services as well as emergencies. (Action: Embassy Berlin)

Embassy Berlin, which supports Leipzig, and Consulate General Frankfurt, which supports Dusseldorf, have not provided the oversight and mentoring necessary for the success of the local staff computer operators. This lack of oversight and training has limited the effectiveness of the information systems in these posts. Indicative of these deficiencies, a Department OpenNet workstation, with a Bureau of Consular Affairs image, was mistakenly connected to an Internet-only network. While the Department allows for older OpenNet workstations to be used on the Internet network, the workstation must first be re-imaged and any Department specific applications removed. Using an OpenNet workstation on the Internet-only network exposes the security of the Department's sensitive-but-unclassified computer system to outsiders.

Neither Embassy Berlin nor Consulate General Frankfurt have been conducting routine visits for consultations or operational reviews. Visits to Leipzig and Dusseldorf are usually made to address immediate issues or to familiarize newly arrived information management staff with consulate operations. While the local staff computer operators have been able to maintain and keep the essential business systems operational, these employees have been reluctant to ask for any technical assistance or mentoring beyond solving an immediate problem.

**Recommendation 64:** Embassy Berlin should create and implement standard operating procedures for formal information management consultations and operational review visits by Embassy Berlin and Consulate General Frankfurt personnel to Consulates General Leipzig and Dusseldorf. (Action: Embassy Berlin)

The OIG team concluded that the two local computer operators solely supporting the information technology systems at Consulates General Leipzig and Dusseldorf do not have adequate training to manage the Department's OpenNet system. Having a trained information technology staff is imperative for effectively maintaining the Department's systems.

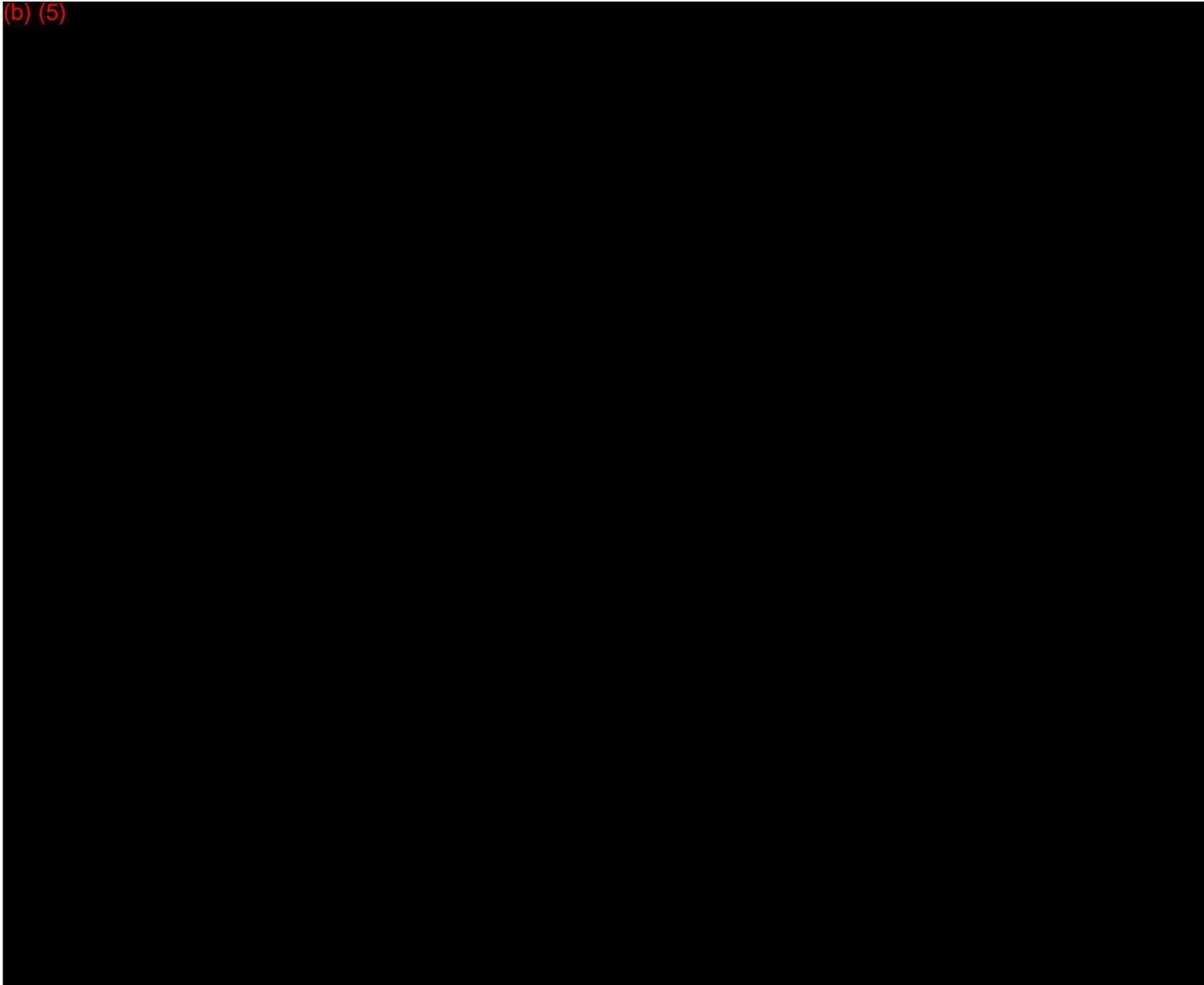
**Recommendation 65:** Embassy Berlin should develop information technology training plans for the locally employed computer operators at Consulates General Leipzig and Dusseldorf. (Action: Embassy Berlin)

### *Local Software Development*

Mission Germany has several locally developed applications that have been adapted by the Department and other embassies around the world. Two examples are the Contact Management Database application, which is used by several posts to track contacts and was developed by the mission in collaboration with the Frankfurt Regional Support Center, and eVoucher, which was recently adopted for Department-wide use by the Bureau of Information Resource Management. (b) (5)

The applications were designed and developed by a local contractor, who has worked for the mission and the regional support center for more than 20 years, without close government oversight or adherence to the standard system development life cycle (SDLC) process. Recently, Embassy Berlin realized that the contractor's security clearance had expired. This problem was quickly corrected during the inspection.

(b) (5)



Failure to conduct thorough testing and design review of the eVoucher application before deployment has led the mission to spend a considerable amount of financial and human resources to address significant performance issues. Since 2009, network bandwidth, routers, and encryption devices were upgraded to address performance issues with the application.

**Recommendation 66:** Embassy Berlin should develop, document, and implement a system development life cycle process for locally developed applications. (Action: Embassy Berlin)

**Recommendation 67:** Embassy Berlin should create and implement a standard operating procedure for software developer contractor oversight and systems access control. (Action: Embassy Berlin)

The Federal Information Security Management Act of 2002 requires that all Federal systems undergo a thorough certification and accreditation process to ensure that adequate security controls are in place to protect the information processed by the system. The Bureau of Information Resources Management's information assurance office is the designated certifying and accrediting office for the Department. All applications that store personally identifiable information and privileged medical data must be certified and accredited before becoming operational.

**Recommendation 68:**

(b) (5)



(b) (5)



**Recommendation 69:** (b) (5)



***Local Information Technology Change Control Board***

Embassy Berlin has a missionwide local information technology change control board. The board is ineffective, however, in controlling and documenting hardware and software changes throughout the mission. The lack of control has resulted in over 50 printer models on the Berlin network and the installation of locally developed applications without proper vetting. The board is not involved in the review and approval of local software development efforts nor was it

included in the plan to transfer eVoucher application ownership from the embassy to the Bureau of Information Resource Management.

Additionally, the roles and responsibilities of the members are not defined or documented. The board charter names the consulates general as voting members but does not cover their roles and responsibilities in vetting products and liaising with the users. Some users expressed concerns to the OIG team about delays in communication with the local change control board and lack of clarity as to who should be contacted for updates.

The functions of the local change control board are discussed in 5 FAH-2 H-412.9. At a minimum, the goal of the board is to identify and track hardware and software assets placed on the Department's network for effective change management. Further, it has to be done collaboratively throughout the mission.

**Recommendation 70:** Embassy Berlin should establish and implement standard operating procedures for the local information technology change control board and define the roles and responsibilities of the consulates general. (Action: Embassy Berlin)

### ***Regionalization Program Support***

Mission Germany does not have a service-level agreement with the Bureau of Information Resource Management outlining requirements to host and support the Department's regionalization programs such as NexGEN and data-off-shoring. These programs require 24/7 support and server room capacity planning for space, power, and air conditioning/cooling. The NexGEN project, or regional communication hub hosted in Frankfurt, is going global in summer 2011 and will support over 50 posts. The data-off-shoring program is still in the concept phase, but Consulate General Frankfurt has been named to host and support the infrastructure. Information managers there were unclear as to what services and staff will be required to support these programs or which cost center should be used to cover expenses.

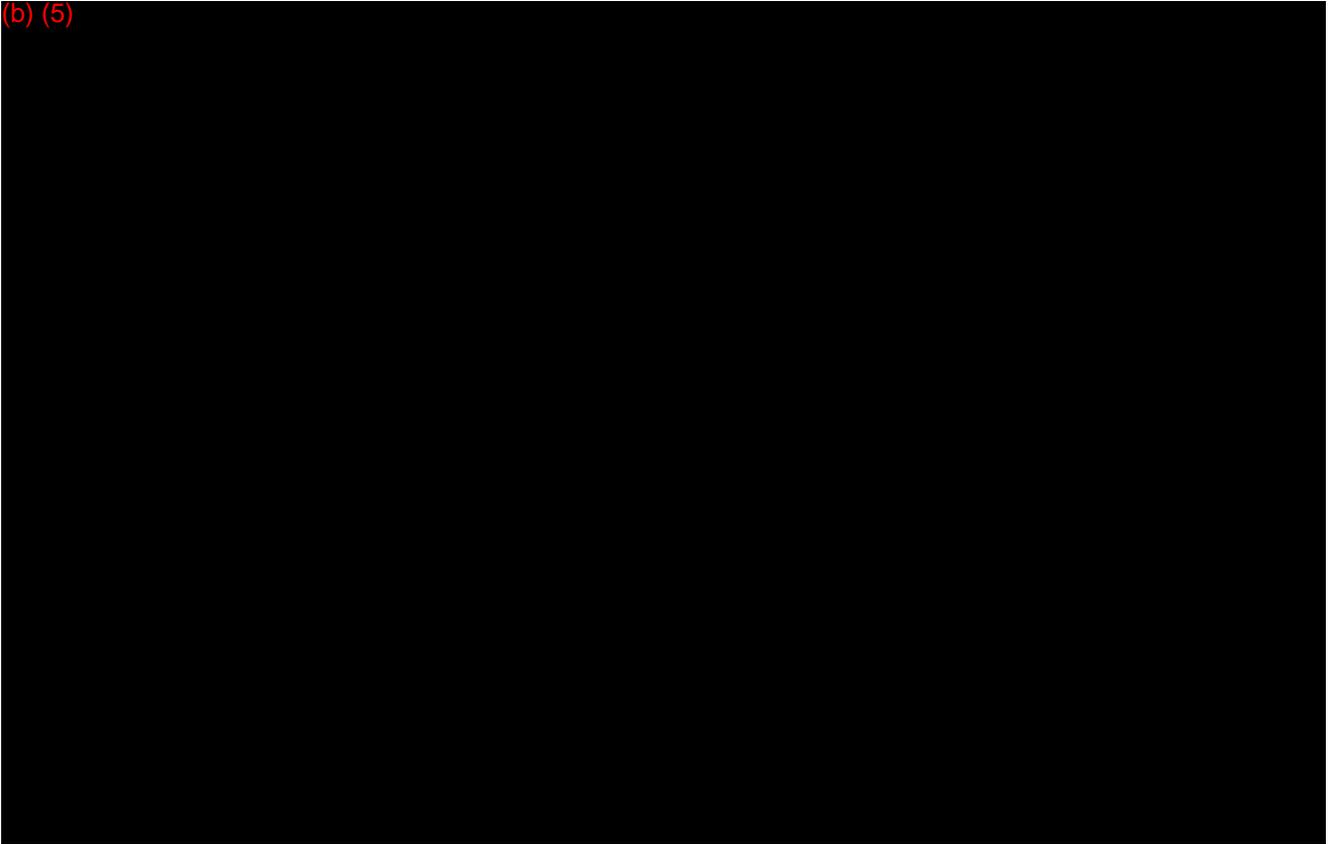
Although centralized monitoring and support is provided by the Department, NexGEN infrastructure components receive local operations support from Frankfurt's information service center. Since the pilot installation in 2010, the service center staff has assisted the Bureau of Information Resource Management with troubleshooting network latency problems and outages.

The information service center staff is paid with ICASS funds, and its primary task is to support the ICASS customers that rely on the consulate general's sensitive-but-unclassified network. Using ICASS positions to support non-ICASS programs is not in line with the basic principles of cost distribution in ICASS as referenced in 6 FAH-5 H-312. These support activities also compete with the staff's primary responsibilities.

**Recommendation 71:** Embassy Berlin, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Information Resource Management, should develop and implement a service-level agreement with the regionalization program owners. The agreement should outline expected services, resources, and cost centers to support regionalization programs. (Action: Embassy Berlin, in coordination with EUR and IRM)

**Recommendation 72:**

(b) (5)



**Recommendation 73:** (b) (5)



**Recommendation 74:** (b) (5)



### *Telephone Switchboard Consolidation*

Embassy Berlin, working with the Bureau of Information Resource Management, has procured telephone equipment to centralize mission telephone operations in Berlin, providing telephone service 24 hours per day for the mission.

As of the time of the inspection, however, the embassy did not have a plan in writing to that effect. No delivery or installation date has been established for the centralized operation.

When this new equipment is installed, Berlin expects to manage all incoming calls to the embassy and all consulates general from one location. While centralizing telephone operations should save money and improve operating efficiencies, the embassy has not collaborated with the consulates general, adequately planned for the consolidation, or established performance and service-level goals. These goals should incorporate the five constituent posts' current and future telephone needs and establish criteria for after-hours calls, staffing needs, and possible reductions-in-force.

Planning has not been completed due to competing priorities within the information management section. (b) (5)



**Recommendation 75:** Embassy Berlin should develop and implement service-level goals for consolidating telephone operations to ensure that the business requirements of the consulates general are being satisfied. The service goals should assign responsibilities and detail after-hours support, contingency plans, and familiarization training on consulate general requirements.(Action: Embassy Berlin)

### *Consulate General Frankfurt Telephone Network*

Consulate General Frankfurt's telephone network was overbuilt with needless redundancies and excessive capabilities. The equipment is distributed in six frame rooms, which makes maintaining and supporting the telephone equipment problematic. The primary telephone equipment vendor no longer supports much of the telephone equipment Frankfurt uses. Consequently, Frankfurt's telephone staff is unable to receive the necessary training to troubleshoot the equipment, receive vendor assistance with technical problems, or acquire spare parts.

In 2005, when the consulate general moved to the current facility, some of the old telephone switches from the former U.S. military hospital were retained. In addition, designing and setting up the telephone rooms and purchasing equipment for the Frankfurt operation seems to have occurred over a number of years without a strategy. The telephone staff stated that much of the documentation necessary to understand and support the network was either never prepared

or never turned over to the staff. These deficiencies have made maintaining and supporting Frankfurt's telephone system increasingly problematic.

**Recommendation 76:** Embassy Berlin, in coordination with the Bureau of Information Resource Management, should perform an engineering study to establish requirements for consolidating the multiple telephone rooms and eliminating redundant and non-functioning telephone equipment. (Action: Embassy Berlin, in coordination with IRM)

Proper temperature control is a critical component in maintaining the operation of Consulate General Frankfurt's telephone system. Several of Frankfurt's telephone equipment rooms have large, ceiling-mounted air conditioning units that are outdated and inoperable. Since it is no longer possible to get spare parts or find qualified technicians to repair the units, the consulate general has installed several smaller, portable air conditioning units to maintain an adequate temperature. Without reliable and adequate air conditioning, the telephone equipment will overheat, resulting in equipment failure.

**Recommendation 77:** Embassy Berlin, in coordination with the Bureau of Overseas Buildings Operations, should evaluate and fulfill the climate control requirements of each of Consulate General Frankfurt's telephone equipment rooms to ensure proper temperature control. (Action: Embassy Berlin, in coordination with OBO)

Uninterruptible power supply systems support the telephone rooms as a backup power supply in the event of an electrical power outage. Consulate staff is unable to assess whether the units work, however, due to the age of equipment, the absence of documentation, and the lack of batteries. Furthermore, telephone personnel cannot safely evaluate the units because of dangerous voltage/current in the units themselves.

**Recommendation 78:** Embassy Berlin, in coordination with the Bureau of Overseas Buildings Operations, should evaluate the condition of the uninterruptible power supply systems, ensure that they are operational, and schedule regular maintenance. (Action: Embassy Berlin, in coordination with OBO)

### ***Residential Telephone Landlines***

All U.S. direct-hire employees residing in U.S. Government quarters are required to maintain and pay for a landline telephone. OIG interviews and survey data show that employees are unhappy with the residential landline requirement, the related cost, and the service provided. Mission employees told inspectors that they do not understand why they are required to have and pay for the landlines and why the service is limited to a specific vendor.

***Informal Recommendation 19:*** Embassy Berlin should issue a management notice to explain the residential telephone policy.

### ***Unclassified Server Room Power Supply Panels***

Power supply panels that supply the unclassified server rooms in the Berlin chancery and Clayallee facility and at the consulate general in Munich are not labeled to indicate the equipment served by the panels. Marking power supply panels assists systems staff in isolating

power issues and in systems availability planning. The information management staff was unaware that the supply panels were not marked.

***Informal Recommendation 20:*** Embassy Berlin should label the unclassified power supply panels in the Berlin chancery and Clayallee facility and at the consulate general in Munich to indicate the equipment served by the panels.

## Quality of Life

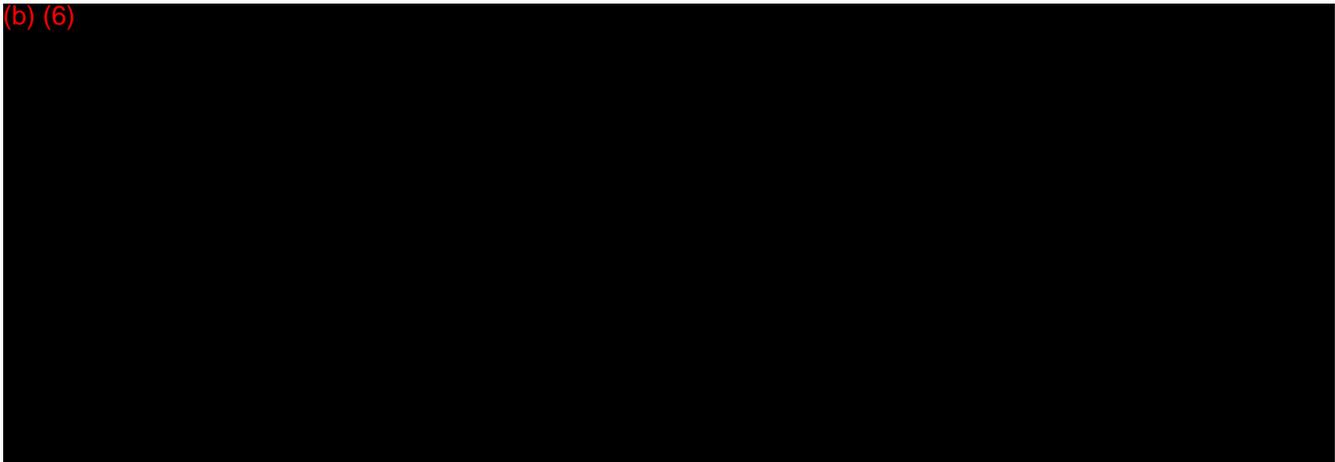
### Equal Employment Opportunity and the Federal Women's Program

Mission Germany is neither sufficiently attentive nor proactive in dealing with EEO and harassment issues. Mission leadership told the OIG team that 10 EEO and harassment complaints had been filed against the mission within the past year, four of which were referred to the Office of Civil Rights. The OIG inspectors interviewed several other employees who reported that they too had been harassed by supervisors or coworkers but had not filed complaints. Despite the formal complaints, the embassy had a gap of 3 months between EEO counselors, no EEO material was posted anywhere in Embassy Berlin's three office buildings or on the mission's SharePoint site, nor was any attempt made to recruit local employee EEO liaisons at the embassy or any of the consulates general. Consulate General Frankfurt has an active EEO program, but the EEO counselor there was unaware that she was also responsible for the consulates general in Munich and Dusseldorf until shortly before this inspection.

Reports of harassment are most prevalent at Embassy Berlin and Consulate General Hamburg. The harassment reported in Berlin most often revolves around gender or sexual orientation. Three of the Berlin complaints were referred to the Office of Civil Rights. In addition, several employees in different sections told OIG inspectors that actions by their supervisors had created a difficult and stressful work environment. In some cases, these actions had been reported up the chain of command but were not discussed in the supervisors' annual evaluations. The OIG team left one corrective employee evaluation to correct this specific situation.

The Berlin EEO counselor, who was appointed in September 2010, attempted to provide training to embassy staff in fall 2010 but was told by the previous human resources officer that training was unnecessary. The DCM directed that training to begin in January 2011. A second group of sessions was held in March 2011, with additional training for interns and summer hires in May and June 2011. The EEO counselor provided training in person in Berlin and by video conference to the four smaller consulates general. The Frankfurt EEO counselor provides training to the staff there. While the DCM stated in two mission staff announcements that EEO training was mandatory, it appears that less than 50 percent of the mission staff has attended this training.

(b) (6)



Mission Germany's locally employed staff handbook states: "The U.S. Mission is committed to providing a workplace that is free from sexual and discriminatory harassment...All U.S. Mission employees, including but not limited to staff, supervisors, and senior officials, are required to comply with this policy...Employees who have been found to have...discriminatorily harassed [other employees] will be subject to discipline or other appropriate management action." The handbook details potential disciplinary actions, ranging from an oral reprimand to dismissal for cause.

**Recommendation 79:** Embassy Berlin should discipline staff who violate the embassy's anti-discrimination policies in accordance with the locally employed staff handbook. (Action: Embassy Berlin)

As noted, Embassy Berlin did not post EEO-related material in any of its three office buildings, nor was information available on the mission's SharePoint site. The management office posted EEO information in all three embassy buildings only after inspectors raised this issue. EEO material was posted on the SharePoint site several weeks later, after it was brought to the attention of the DCM. Embassy Berlin has yet to create a page on its intranet SharePoint site for EEO and related information. Consulate General Frankfurt has posted a video discussing EEO issues on its SharePoint site.

The Office of Civil Rights offered to provide training to Mission Germany in fall 2010, when it was conducting regional training in Frankfurt. The Berlin human resources officer at the time declined the offer. The number of complaints filed with the mission's EEO counselors, as well as other cases uncovered by the inspectors, demonstrates that this training is needed.

**Recommendation 80:** Embassy Berlin, in coordination with the Office of Civil Rights, should request and fund training on Equal Employment Opportunity and harassment issues to be conducted by the Office of Civil Rights at the embassy and all consulates general. (Action: Embassy Berlin, in coordination with S/OCR)

Mission Germany has two American EEO counselors serving a total of 1,616 employees in the embassy and five consulates general. The management office had proposed two additional EEO counselors for Embassy Berlin with additional responsibility for the four smaller consulates general. The Office of Civil Rights approved these appointments during this inspection. The EEO duties are performed in addition to the counselors' regular work, which limits the amount of time they have to visit the consulates general, counsel employees, and provide information. Recruiting local employee EEO liaisons at each of the consulates general and the three embassy sites would provide mission staff with better access to information and assistance. The Department strongly encourages but does not require missions to have local employee EEO liaisons. The DCM, at a missionwide town hall meeting during this inspection, stated that they were seeking volunteers to serve as local employee EEO liaisons. Appointing and training a sufficient number of local employee liaisons would help to send the message that Mission Germany takes EEO-related issues seriously.

***Informal Recommendation 21:*** Embassy Berlin should recruit, appoint, and train local employee Equal Employment Opportunity liaisons, using the materials on the Office of Civil Rights Web site, at all consulates general and the three embassy buildings.

Despite attempts from management, the embassy's Federal Women's Program has been inactive. Although management suggested several ways to help the coordinator publicize the program, they were never completed. The current coordinator is departing Berlin in summer 2011. The embassy is seeking a replacement.

## **Community Liaison Office**

### ***Embassy Berlin***

Inspectors received numerous complaints about the community liaison office (CLO) in Berlin, including a poor sponsorship program for incoming employees, lack of programs and events, and poor support for embassy families. Berlin is an international and cosmopolitan city, but English is not as widely spoken as in other major European cities, and inspectors were told that adapting to life here can be difficult. The ICASS customer satisfaction scores for CLO are below bureau and worldwide averages and significantly lower than in the past 3 years.

Embassy Berlin has two co-CLO coordinators with offices in the chancery and Clayallee. Due to budget issues, the hours of the co-CLO coordinators have been cut from 30 to 16 hours each, for a total of 32 hours per week. Embassy management has proposed staffing each office 2 days a week. The current co-CLO coordinators, both of whom left during this inspection, objected to this proposal, as it did not allow any time during which the two co-CLO coordinators would be in the office at the same time. Without an overlap of even a few hours, it will be extremely difficult for them to coordinate activities and ensure that the office runs efficiently.

The incumbent meets regularly with the DCM, both to keep him informed about community morale and to alert him to any possible issues involving divorce, abuse, or mental health concerns that would require his attention as the family advocacy officer. The CLO meetings with the DCM are attended by a member of the embassy management team; however, in accordance with 3 FAM 1812.3-5, the family advocacy team, which is responsible for coordinating and reporting family advocacy issues, is composed of the family advocacy officer, Foreign Service medical officer, and the regional security officer. The regulations specify that other persons may be included on a case-by-case basis at the discretion of the family advocacy officer following consultation with those officers.

**Recommendation 81:** Embassy Berlin should require that meetings between the community liaison officer and the deputy chief of mission, to discuss family advocacy issues, be held in accordance with Department regulations. (Action: Embassy Berlin)

The CLO staff had planned to do a survey to determine the needs of the mission community in 2010. Instead, a short survey asking what could be done better was handed out to newcomers. It did not provide the type of information the CLO felt was needed. With regular turnover in staff, surveys of community needs done after the summer transfer season ends are an important tool for improving office operations.

***Informal Recommendation 22:*** Embassy Berlin should do a survey of the embassy community to be used in planning how the community liaison office can best meet the needs of the embassy community.

### ***Consulate General Frankfurt***

Due to its status as a regional hub, Consulate General Frankfurt's employee community is different than that of Embassy Berlin. Frankfurt has a large percentage of employees who are overseas for the first time or for whom this will be their only overseas tour. A number of employees spend up to 60 percent of their time traveling. These factors make the Frankfurt CLO a key player in consulate general operations. Its 2011 ICASS customer satisfaction scores are higher than both the bureau and worldwide averages and significantly higher than any time in the past 5 years. All three members of the CLO staff reported that they receive good support from the consulate general front office and management section.

Consulate General Frankfurt has one full-time community liaison officer and two part-time assistants who each work 20 hours per week. One assistant is scheduled to leave in summer 2011. Budget concerns make it uncertain whether the position will be filled.

### **Commissary and Recreational Association**

#### ***Berlin Community Support Association***

The Berlin Community Support Association, located in the Clayallee annex, has produced a profit in only one of the past 10 years. The cumulative net loss for the past decade is \$578,000. The association remains an ongoing concern solely due to interest income generated from a \$2.2 million investment from the liquidation of association assets when the embassy moved from Bonn to Berlin. Even with this income, the cumulative net loss is \$141,000. The DCM has given the association a deadline of January 2012 to break even.

The board of directors and the current supervisory general services officer have taken steps to increase income. They have downsized to a store with a sandwich counter, catering, a library, a visa photo machine, vehicle rentals, and Armed Forces Network cable TV service. The new general manager has improved operations and doubled store sales in the past 6 months, but this still is not enough to make the association profitable given the high labor costs of the association's five employees. The general manager believes that selling logo items at the chancery—where approximately 80 percent of the U.S. direct-hire employees and most of the temporary duty staff work—would be a profitable venture. Management declined her request because the business plan was not sound.

There is tension among the board of directors, management, and the association staff because of the association's financial state. The inspectors counseled management and the board of directors to contact other embassies for ideas on how to make the association profitable. For example, the association does not charge membership dues like most associations.

In January 2011, the Office of Commissary and Recreational Affairs conducted a detailed review of operations. Their report identified 31 operational and financial deficiencies. The board of directors, in conjunction with the general manager, have started to review and resolve

identified deficiencies. The commissary and recreation staff has given them until the end of 2011 to correct all deficiencies.

### ***Frankfurt Community Support Association***

The Frankfurt Community Support Association is separate from the Berlin association. Unlike Berlin, the Frankfurt association has been profitable. The association conducts its business activities at two locations. At the Siedlung housing compound, business activities include a cafeteria and bar, fitness center, childcare, and quick shop with movie rentals. Business activities at the consulate general compound include a hotel for official visitors, retail shop, visa photo machine, gift shop, shuttle service, and barber. The Frankfurt association has a staff of 61. From 2007 through 2009, the association realized a profit. In 2010, it lost \$86,000 due to renovation costs and hotel cancellations related to the volcanic eruption in Iceland. The general manager expects to realize a profit in 2011.

In December 2010, the Office of Commissary and Recreational Affairs reviewed operations and identified 10 management control deficiencies. The association has addressed most of these deficiencies.

### **Overseas Schools**

The schools available to the mission's dependent children are adequate, with parents in Berlin, Frankfurt, and Munich having more choices than those at the smaller consulates general. In fact, mission children in Frankfurt attend five different schools. Special needs access, which is the single largest issue for the Office of Overseas Schools, can be problematic, though most German schools will accommodate mild or moderate cases. Additional options for special needs children exist in Frankfurt and Berlin.

(b)(5)(b)(6) charges a capital assessment fee of 5,500 euros to students for each of their first and second years (total of 11,000 euros), but none for the third year and beyond. Assuming each child attends at least 2 years, an exchange rate of US \$ 1.45= 1 euro, and if the number of students is unchanged (b)(5)(b)(6) the fees would total \$2,360,600. Most consulate children attend for no more than 3 years, while German students often attend for their entire school career. The transient nature of U.S. Government-sponsored students translates into higher turnover and higher capital fees compared to longer-term students. A consulate employee, who is a member of the school board, estimates that consulate students comprise about 16 percent of the total school population but contribute about 30 percent of the capital assessment fees.

**Recommendation 82:** Embassy Berlin, in coordination with the Office of Overseas Schools, should request and attempt to negotiate relief from disproportionate U.S. Government payments of (b)(5)(b)(6) capital assessment fees. (Action: Embassy Berlin, in coordination with A)

## **Health Unit**

### ***Embassy Berlin***

The Embassy Berlin health unit is led by an experienced Foreign Service nurse practitioner and staffed by two nurses and an administrative assistant. The unit is supported by the regional medical office in Consulate General Frankfurt. Records are well-maintained and up-to-date and medicines are properly stored and accounted for. While ICASS customer service scores dropped in 2011 and are now below bureau and worldwide averages, inspectors heard few complaints about the services they provide. Medical services in Germany are generally excellent.

The health unit operates out of offices in both the chancery and the Clayallee annex which are open on different days. Because the Office of Medical Services has yet to develop and implement an online system for keeping medical records, all patient information is maintained in paper files. The staff organizes the files so that they are kept at the location the patient most often uses. For instance, files for embassy families may be kept at Clayallee, near where most families live. As employees and families can visit either location, they may be seen at one location while their files are across town. In addition, while both offices have a stock of medicines, vaccines are kept in the chancery as the unit only has one refrigerator in which to store them. The staff has developed procedures to mitigate these problems, but they are not entirely successful. The staff is looking forward to the day when the Office of Medical Services releases an electronic medical record system.

### ***Consulate General Frankfurt***

Frankfurt hosts the regional medical office that supports Germany and seven other European missions, as well as Consulate General Frankfurt. The office has a staff of 10, including the regional medical officer, psychiatrist, and technologist. ICASS customer service scores have been above bureau and worldwide averages for several years. Inspectors received few complaints about the service the office provides.

The unit's records are well-maintained and up-to-date. Medicines are properly stored and accounted for. The staff in charge of ordering supplies also keeps detailed records. However, the individual ordering the supplies does not have a government-issued purchase card and uses the one issued to the administrative assistant. According to guidance in the Department's Worldwide Purchase Card Program Manual, only the person to whom the purchase card is issued can use it. The medical staff was unaware of this prohibition and immediately changed their procedures to become compliant.

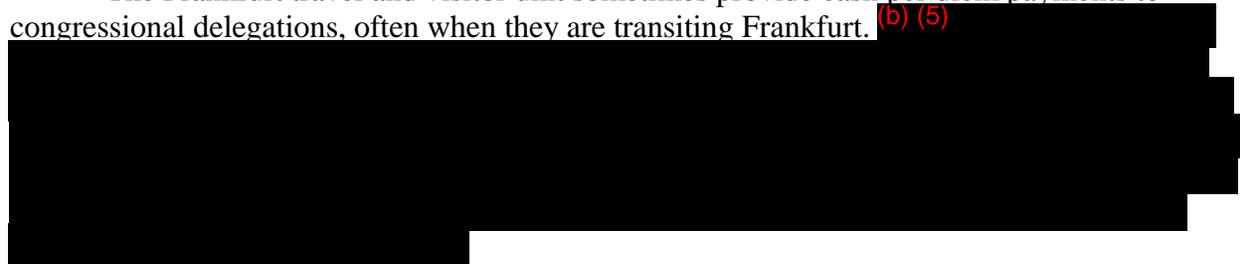
## Management Controls

Internal controls in the mission's management sections are generally sound. The sections strive to separate duties as much as possible, but it is a challenge to do so at the smaller consulates general. The 2010 Mission Statement of Assurance on management controls did not report any vulnerabilities or deficiencies. Notwithstanding the overall good condition of management controls, the OIG team found some areas for improvement.

The receiving point in Berlin serves as the designated billing office for most procurement actions. This setup is contrary to the requirement that the financial management office serve in this capacity. It also weakens internal controls by consolidating functions that should be separated.

**Recommendation 83:** Embassy Berlin's financial management office should assume the role and responsibilities of the embassy's designated billing office. (Action: Embassy Berlin)

The Frankfurt travel and visitor unit sometimes provide cash per diem payments to congressional delegations, often when they are transiting Frankfurt. (b) (5)



**Recommendation 84:** (b) (5)



At Consulates General Dusseldorf and Leipzig, the local employees who report time and attendance for all consulate employees also report it for themselves. This is a management control weakness as it provides no oversight for the time and attendance records of these employees. The inspectors were unable to determine if this situation exists in other consulates general or in the embassy.

**Informal Recommendation 23:** Embassy Berlin should revise its procedures to ensure that the mission timekeepers do not report their own time and attendance.

Management controls on vehicle refueling are noteworthy. The mission takes advantage of safeguards built into the Army and Air Force Exchange Service program with a private company, which the embassy and consulates general use for both government-owned and privately-owned vehicles. The process calls for the filling station clerk to check the credit card against the license plate of the vehicle and insert the card into the reader. The driver must input a personal identification number, the odometer reading, and the vehicle license plate number. The driver also gets a receipt from the station, which he gives to the dispatcher for input into the vehicle database and reconciliation with the monthly invoice.

### ***Grants Management***

The public affairs section manages all of the \$1.2 million in grants issued by the mission. Embassy Berlin has three officers with grants warrants and four local employees who provide grants management support. Three of the consulates general have public affairs officers with grants warrants, while each consulate general has a public affairs local employee who handles grants management support. The staff involved in grants management are well-trained and all files complete and well-documented.

Some local staff complained that they have to do as much work for small grants of a few hundred dollars as for those over \$10,000. The consulate staff handling grants management was unaware of fixed obligation grants, which are described in Grants Policy Directive 35 of the Office of the Procurement Executive. The fixed obligation grants agreement is less complicated and the closeout requirements less cumbersome; a memorandum from the grants officer representative can serve as the closeout documentation.

***Informal Recommendation 24:*** Embassy Berlin should review the merits of using fixed obligation grants in at least some of smaller grants awards and provide guidance to the grants staff.

### **Consular Management Controls**

Apart from the issue of ensuring oversight of consular management controls in the small American citizens services operation in Consulate General Leipzig (discussed in the Consular Affairs section of this report), the OIG team did not find any significant consular management control issues.

## List of Recommendations

**Recommendation 1:** Embassy Berlin should establish and implement a schedule of regular visits by the deputy chief of mission and embassy section chiefs to the consulates general. (Action: Embassy Berlin)

**Recommendation 2:** Embassy Berlin, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources, should downsize Consulate General Dusseldorf with a view toward reducing annual operating expenses by \$1 million. (Action: Embassy Berlin, in coordination with EUR and DGHR)

**Recommendation 3:** Embassy Berlin, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources, should substantially downsize Consulate General Hamburg with a view toward achieving savings of \$2 million annually in operating expenses. (Action: Embassy Berlin, in coordination with EUR and DGHR)

**Recommendation 4:** The Bureau of Overseas Buildings Operations, in coordination with Embassy Berlin and the Bureau of European and Eurasian Affairs, should sell the U.S. Government-owned consulate general offices in Hamburg and lease office space for Consulate General Hamburg. (Action: OBO, in coordination with Embassy Berlin and EUR)

**Recommendation 5:** The Bureau of European and Eurasian Affairs, in coordination with Embassy Berlin and the Under Secretary for Management, should develop and implement a plan to close Consulate General Leipzig at the earliest practical opportunity. (Action: EUR, in coordination with Embassy Berlin and M/PRI)

**Recommendation 6:** Embassy Berlin should prepare a written plan outlining how it will provide management support and reporting and public affairs coverage when Consulate General Leipzig is closed and Consulates General Dusseldorf and Hamburg are downsized. (Action: Embassy Berlin)

**Recommendation 7:** Embassy Berlin, in coordination with the Bureau of Human Resources, should eliminate position 10073002, FP-06, office management specialist when the incumbent's tour is completed in 2013. (Action: Embassy Berlin, in coordination with DGHR)

**Recommendation 8:** Embassy Berlin, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources, should abolish information management officer position number 55233001 in Consulate General Frankfurt and realign the information management staffing in Frankfurt. (Action: Embassy Berlin, in coordination with EUR and DGHR)

**Recommendation 9:** Embassy Berlin, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources, should reprogram or eliminate, upon the departure of the incumbent, the FS-01 financial management officer position in Consulate General Frankfurt. (Action: Embassy Berlin, in coordination with EUR and DGHR)

**Recommendation 10:** The Bureau of Consular Affairs, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources, should eliminate two mid-

level consular officer positions from the consular section in Frankfurt and create a plan for how the grade levels of the remaining positions should be realigned. (Action: CA, in coordination with EUR and DGHR)

**Recommendation 11:** The Bureau of Consular Affairs, in coordination with the Bureau of Human Resources, should eliminate an entry-level officer position from the consular section in Frankfurt. (Action: CA, in coordination with DGHR)

**Recommendation 12:** The Bureau of International Information Programs, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources, should review and transfer the information resource officer position in Berlin to another embassy where a realigned country support portfolio would be a better use of that position. (Action: IIP, in coordination with EUR and DGHR)

**Recommendation 13:** Embassy Berlin should revise and implement its professional development program for first- and second-tour personnel with a view toward creating a more systematic program and increasing participation by officers and specialists who work outside the chancery and at the consulates general. (Action: Embassy Berlin)

**Recommendation 14:** Embassy Berlin should reorganize the political section into three coherent units: internal, external, and political-military, and assign the deputy political counselor to head one of them. (Action: Embassy Berlin)

**Recommendation 15:** Embassy Berlin should name an officer to coordinate missionwide political reporting and require that officer to hold monthly strategy sessions that include officers and staff from the consulates general. (Action: Embassy Berlin)

**Recommendation 16:** Embassy Berlin should centralize Internet Web site management at the embassy, with the constituent posts providing content but with a central webmaster unit being responsible for the technical proficiency of the content management system and servicing multiple Web sites. (Action: Embassy Berlin)

**Recommendation 17:** Embassy Berlin should require security and public diplomacy officers to prepare a joint report on steps that could be taken to facilitate holding public diplomacy programs at the embassy and constituent posts. (Action: Embassy Berlin)

**Recommendation 18:** The Bureau of Consular Affairs, in coordination with Embassy Berlin, should provide sufficient funding to enable the minister-counselor for consular affairs to visit Consulates General Frankfurt and Munich four times per year for several days at a time on each visit. (Action: CA, in coordination with Embassy Berlin)

**Recommendation 19:** Embassy Berlin should schedule monthly videoconferences to coordinate consular operations and promote standardized operations in Mission Germany. (Action: Embassy Berlin)

**Recommendation 20:** Embassy Berlin, in coordination with the Bureau of Consular Affairs, should organize and fund a countrywide consular conference on an annual basis. (Action: Embassy Berlin, in coordination with CA)

**Recommendation 21:** Embassy Berlin should direct the assistant regional security officer-investigator in Consulate General Frankfurt to create a plan for quarterly visits to Berlin and Munich to establish working relationships and promote understanding of the function. (Action: Embassy Berlin)

**Recommendation 22:** Embassy Berlin should direct the assistant regional security officer-investigator in Consulate General Frankfurt and the relevant fraud prevention staff to conduct fraud prevention training at least once per year in Berlin, Frankfurt, and Munich. (Action: Embassy Berlin)

**Recommendation 23:** Embassy Berlin should issue standard operating procedures specifying the responsibilities of the duty officers in Hamburg, Dusseldorf, and Leipzig to respond to requests for emergency services by American citizens. (Action: Embassy Berlin)

**Recommendation 24:** Embassy Berlin should develop a comprehensive plan for consular employees in Berlin, Frankfurt, and Munich to include visits to German state officials and institutions in combination with prison visits and outreach programs. (Action: Embassy Berlin)

**Recommendation 25:** Embassy Berlin should allocate sufficient travel funds to consular sections to allow for travel, including extended trips, to visit American citizen prisoners as prescribed by Department regulations. (Action: Embassy Berlin)

**Recommendation 26:** Embassy Berlin, in coordination with the Bureau of Consular Affairs, should close the small consular operation in Consulate General Leipzig. (Action: Embassy Berlin, in coordination with CA)

**Recommendation 27:** Embassy Berlin should assign a consular employee as a media coordinator and create a missionwide consular media program, with regular input from all consular sections in Mission Germany. (Action: Embassy Berlin)

**Recommendation 28:** Embassy Berlin should provide personal digital assistants for employees in the American citizens services units of the consular sections and for the managers of those sections in Berlin, Frankfurt, and Munich. (Action: Embassy Berlin)

**Recommendation 29:** The Bureau of Overseas Buildings Operations, in coordination with the Bureau of Consular Affairs and Embassy Berlin, should fund and replace the interview windows in the nonimmigrant visa unit in Berlin. (Action: OBO, in coordination with CA and Embassy Berlin)

**Recommendation 30:** Embassy Berlin, in coordination with the Bureau of Consular Affairs, should fund and install a new, modern microphone system for the nonimmigrant visa unit in Berlin. (Action: Embassy Berlin, in coordination with CA)

**Recommendation 31:** Embassy Berlin should provide guidance to consular managers in Berlin to ensure that job vacancy announcements for locally-hired positions properly reflect the language requirements of those jobs. (Action: Embassy Berlin)

**Recommendation 32:** Embassy Berlin should coordinate with Consulate General Frankfurt to create a new roster system for “designated control officers” that includes all employees who

serve as duty officers. Alternatively, Embassy Berlin should create and fund an eligible family member position to perform this duty. (Action: Embassy Berlin)

**Recommendation 33:** The Bureau of Consular Affairs, in coordination with Embassy Berlin, should make the passport pilot program in Germany permanent and consider expanding it to other posts with significant military passport workloads. (Action: CA, in coordination with Embassy Berlin)

**Recommendation 34:** Embassy Berlin, in coordination with the Bureau of Consular Affairs and the Bureau of Diplomatic Security, should require the consular section and regional security office in Frankfurt to produce standard operating procedures for the fraud prevention unit in the consular section and the assistant regional security officer-investigator. (Action: Embassy Berlin, in coordination with CA)

**Recommendation 35:** Embassy Berlin should require that the consular managers in Consulate General Frankfurt work out an appointment schedule on busy days that will allow consular officers to take their lunch breaks at normal times. (Action: Embassy Berlin)

**Recommendation 36:** The Bureau of Overseas Buildings Operations, in coordination with the Bureau of Consular Affairs and Embassy Berlin, should fund and construct two additional consular windows in the consular section in Munich. (Action: OBO, in coordination with CA and Embassy Berlin)

**Recommendation 37:** Embassy Berlin should develop and implement a program to mentor and support officers with management responsibility in Consulates General Dusseldorf, Hamburg, and Leipzig. (Action: Embassy Berlin)

**Recommendation 38:** The Office of Medical Services, in coordination with the Bureau of Resource Management, the Office of the Legal Advisor, and Embassy Berlin, should issue standard operating procedures on the handling and protection of medical documents. (Action: MED, in coordination with the RM, L, and Embassy Berlin)

**Recommendation 39:** Embassy Berlin should conduct a management review of cashiering operations to determine whether cashiering services can be reduced and whether outsourcing accommodation exchange and using automated teller machines would be beneficial and cost effective. (Action: Embassy Berlin)

**Recommendation 40:** Embassy Berlin should establish and enforce procedures that will provide timely completion of performance evaluations for all locally employed staff, including holding supervisors formally accountable for this responsibility in their work requirements and evaluations. (Action: Embassy Berlin)

**Recommendation 41:** Embassy Berlin should complete its missionwide review of all local staff position descriptions, revise those that are inaccurate, and reclassify the affected positions. (Action: Embassy Berlin)

**Recommendation 42:** Embassy Berlin, in coordination with the Bureau of Human Resources, should update its locally employed staff handbook to reflect current conditions of employment,

ethical standards, and disciplinary processes, including terminations, by January 1, 2012.  
(Action: Embassy Berlin, in coordination with DGHR)

**Recommendation 43:** Embassy Berlin should develop and implement a regular schedule of visits by human resources staff to Consulates General Dusseldorf, Hamburg, Leipzig, and Munich. (Action: Embassy Berlin)

**Recommendation 44:** Embassy Berlin should modify a human resources assistant position in Berlin and another in Frankfurt to include global employment advisor responsibilities. (Action: Embassy Berlin)

**Recommendation 45:** Embassy Berlin should follow the same guidelines for preparing, tracking, and sending reminder notices for eligible family member evaluations as for locally employed staff. (Action: Embassy Berlin)

**Recommendation 46:** The Bureau of Human Resources should issue policy guidance and standard operating procedures to Embassy Berlin for performance management of eligible family members. (Action: DGHR)

**Recommendation 47:** Embassy Berlin, in coordination with the Bureau of European and Eurasian Affairs, should request an exception for eligible family members in Germany to Department regulations limiting cost-of-living allowances to Foreign Service officers. (Action: Embassy Berlin, in coordination with EUR)

**Recommendation 48:** Embassy Berlin, in coordination with the Bureau of Human Resources, the Bureau of Resource Management, and the Office of the Legal Adviser, should issue an authoritative ruling on whether it is possible to provide the employer portion of mandatory medical insurance in a way that distinguishes it from salary income. (Embassy Berlin, in coordination with DGHR, RM, and L)

**Recommendation 49:** Embassy Berlin should follow Department regulations regarding the payment of premium compensation to eligible specialists and entry-level officers and should issue a management notice to that effect. (Embassy Berlin)

**Recommendation 50:** Embassy Berlin should develop and implement a plan that requires Consulate General Frankfurt employees to sign residential inventories in a timely manner. (Action: Embassy Berlin)

**Recommendation 51:** Embassy Berlin should implement a plan that provides the Consulate General Frankfurt receiving clerk with access to procurement data that enables proper receiving of goods and services. (Action: Embassy Berlin)

**Recommendation 52:** Embassy Berlin should develop and implement a plan to provide assistance to the smaller consulates general to ensure that inventories are recorded and reconciled by different mission staff members. (Action: Embassy Berlin)

**Recommendation 53:** Embassy Berlin should develop and implement a procedure so that the procurement office is notified of final payments in order to properly close out purchase orders. (Action: Embassy Berlin)

**Recommendation 54:** Embassy Berlin should develop and implement a plan to ensure missionwide adherence to the Department's limit of 10 hours for a driver's daily tour of duty. (Action: Embassy Berlin)

**Recommendation 55:** Embassy Berlin should update and publish its vehicle policy memorandum. (Action: Embassy Berlin)

**Recommendation 56:** Embassy Berlin should require Consulate General Frankfurt to store its expendable automotive parts and supplies securely to prevent theft. (Action: Embassy Berlin)

**Recommendation 57:** The Bureau of Overseas Buildings Operations, in coordination with Embassy Berlin, should provide the embassy with complete and accurate as-built drawings of the chancery building. (Action: OBO, in coordination with Embassy Berlin)

**Recommendation 58:** Embassy Berlin should design and adopt means to facilitate greater workspace privacy, particularly for the human resources office. (Action: Embassy Berlin)

**Recommendation 59:** Embassy Berlin, in coordination with the Bureau of Overseas Buildings Operations, should develop and implement a plan to convert the top floor of the Clayallee building into the Marine security guard detachment quarters. (Action: Embassy Berlin, in coordination with OBO)

**Recommendation 60:** Embassy Berlin should implement the Department's Motor Vehicle Safety Management Program, to include Smith System driver training and monitoring all driver qualifications, throughout the mission. (Action: Embassy Berlin)

**Recommendation 61:** Embassy Berlin should implement a plan to monitor traffic violations committed by employees and to administer appropriate training and corrective action to repeat offenders. (Action: Embassy Berlin)

**Recommendation 62:** Embassy Berlin, in coordination with the Bureau of Overseas Buildings Operations, should bring the Consulate General Frankfurt American citizen services waiting room into compliance with fire egress standards. (Action: Embassy Berlin, in coordination with OBO)

**Recommendation 63:** Embassy Berlin should create and implement a detailed plan to provide information management support to Consulate General Hamburg from Berlin, including how the embassy will support routine services as well as emergencies. (Action: Embassy Berlin)

**Recommendation 64:** Embassy Berlin should create and implement standard operating procedures for formal information management consultations and operational review visits by Embassy Berlin and Consulate General Frankfurt personnel to Consulates General Leipzig and Dusseldorf. (Action: Embassy Berlin)

**Recommendation 65:** Embassy Berlin should develop information technology training plans for the locally employed computer operators at Consulates General Leipzig and Dusseldorf. (Action: Embassy Berlin)

**Recommendation 66:** Embassy Berlin should develop, document, and implement a system development life cycle process for locally developed applications. (Action: Embassy Berlin)

**Recommendation 67:** Embassy Berlin should create and implement a standard operating procedure for software developer contractor oversight and systems access control. (Action: Embassy Berlin)

**Recommendation 68:** (b) (5) [Redacted]

**Recommendation 69:** (b) (5) [Redacted]

**Recommendation 70:** Embassy Berlin should establish and implement standard operating procedures for the local information technology change control board and define the roles and responsibilities of the consulates general. (Action: Embassy Berlin)

**Recommendation 71:** Embassy Berlin, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Information Resource Management, should develop and implement a service-level agreement with the regionalization program owners. The agreement should outline expected services, resources, and cost centers to support regionalization programs. (Action: Embassy Berlin, in coordination with EUR and IRM)

**Recommendation 72:** (b) (5) [Redacted]

**Recommendation 73:** (b) (5) [Redacted]

**Recommendation 74:** (b) (5) [Redacted]

**Recommendation 75:** Embassy Berlin should develop and implement service-level goals for consolidating telephone operations to ensure that the business requirements of the consulates general are being satisfied. The service goals should assign responsibilities and detail after-hours support, contingency plans, and familiarization training on consulate general requirements. (Action: Embassy Berlin)

**Recommendation 76:** Embassy Berlin, in coordination with the Bureau of Information Resource Management, should perform an engineering study to establish requirements for consolidating the multiple telephone rooms and eliminating redundant and non-functioning telephone equipment. (Action: Embassy Berlin, in coordination with IRM)

**Recommendation 77:** Embassy Berlin, in coordination with the Bureau of Overseas Buildings Operations, should evaluate and fulfill the climate control requirements of each of Consulate General Frankfurt's telephone equipment rooms to ensure proper temperature control. (Action: Embassy Berlin, in coordination with OBO)

**Recommendation 78:** Embassy Berlin, in coordination with the Bureau of Overseas Buildings Operations, should evaluate the condition of the uninterruptible power supply systems, ensure that they are operational, and schedule regular maintenance. (Action: Embassy Berlin, in coordination with OBO)

**Recommendation 79:** Embassy Berlin should discipline staff who violate the embassy's anti-discrimination policies in accordance with the locally employed staff handbook. (Action: Embassy Berlin)

**Recommendation 80:** Embassy Berlin, in coordination with the Office of Civil Rights, should request and fund training, on Equal Employment Opportunity and harassment issues to be conducted by the Office of Civil Rights at the embassy and all consulates general. (Action: Embassy Berlin, in coordination with S/OCR)

**Recommendation 81:** Embassy Berlin should require that meetings between the community liaison officer and the deputy chief of mission, to discuss family advocacy issues, be held in accordance with Department regulations. (Action: Embassy Berlin)

**Recommendation 82:** Embassy Berlin, in coordination with the Office of Overseas Schools, should request and attempt to negotiate relief from disproportionate U.S. Government payments of (b)(5)(b)(6) capital assessment fees. (Action: Embassy Berlin, in coordination with A)

**Recommendation 83:** Embassy Berlin's financial management office should assume the role and responsibilities of the embassy's designated billing office. (Action: Embassy Berlin)

**Recommendation 84:** (b) (5) [REDACTED]

## List of Informal Recommendations

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

***Informal Recommendation 1:*** Embassy Berlin should review the political section's subscription expenses with a view toward reducing them by at least 50 percent.

***Informal Recommendation 2:*** Embassy Berlin should require that the Ambassador meet regularly with the staffs of the economic, global affairs, and political sections to discuss strategy and provide guidance. Representatives from the Department of Defense, the Foreign Commercial Service, and other agencies should be invited to participate as appropriate.

***Informal Recommendation 3:*** Embassy Berlin should review how daily political and economic "squib" reports are produced with a view toward simplifying the process and encouraging input from constituent posts.

***Informal Recommendation 4:*** Embassy Berlin should take greater care to assure that the Germany desk in the Department is copied on all relevant email messages.

***Informal Recommendation 5:*** Embassy Berlin should initiate an in-house English writing program to assist local staff members who need to improve their writing skills and/or provide them adequate time to take online writing courses offered by the Foreign Service Institute.

***Informal Recommendation 6:*** Embassy Berlin should require that the Ambassador's staff assistant review, with relevant section heads or their representatives, the requests for speaking engagements by the Ambassador with an eye toward maintaining a balance that fits well within the mainstream of thematic and audience targets, as set forth in the Mission Strategic and Resource Plan.

***Informal Recommendation 7:*** Embassy Berlin should coordinate with Consulate General Frankfurt to report on the consulate general's visa appointment program to the Bureau of Consular Affairs for possible development and broader use.

***Informal Recommendation 8:*** Embassy Berlin should review the position description for the Class B cashier's position in Consulate General Munich, revise any inaccuracies, and reclassify the position.

***Informal Recommendation 9:*** Embassy Berlin should include in its new employee orientation a session on frequently asked personnel questions and answers and post these on the mission's human resources intranet site.

***Informal Recommendation 10:*** Embassy Berlin should include customer service as an element in human resources staff position descriptions and performance evaluations.

**Informal Recommendation 11:** Embassy Berlin should review the requirements for Consulate General Frankfurt's unfilled professional associate position as well as the language requirement listed in the position description to ensure that it is accurate.

**Informal Recommendation 12:** Embassy Berlin should request a blanket waiver from the Bureau of Overseas Buildings Operations pertaining to the disputes resolution clause of the residential model lease.

**Informal Recommendation 13:** Embassy Berlin should require Consulate General Munich to document the proceedings of its interagency housing board meetings in written records.

**Informal Recommendation 14:** Embassy Berlin should include a full and written explanation for the contract file for sole source acquisitions of commercial items per the Overseas Contracting and Simplified Acquisition Guidebook.

**Informal Recommendation 15:** Embassy Berlin should use the International Cooperative Administrative Support Services Service Center's mechanism for processing furniture pool collections and reallocating them to the constituent posts' International Cooperative Administrative Support Services allotment as a means to increase transparency, rationalize furniture purchases, and reduce warehousing.

**Informal Recommendation 16:** Embassy Berlin should require Consulate General Frankfurt to complete trip tickets for motor pool trips, including passenger signatures where appropriate.

**Informal Recommendation 17:** Embassy Berlin should disseminate to its staff the latest information on assessment of drinking water quality and efforts to address heating, ventilation, and air conditioning deficiencies.

**Informal Recommendation 18:** (b) (5)

**Informal Recommendation 19:** Embassy Berlin should issue a management notice to explain the residential telephone policy.

**Informal Recommendation 20:** Embassy Berlin should label the unclassified power supply panels in the Berlin chancery and Clayallee facility and at the consulate general in Munich to indicate the equipment served by the panels.

**Informal Recommendation 21:** Embassy Berlin should recruit, appoint, and train local employee Equal Employment Opportunity liaisons, using the materials on the Office of Civil Rights Web site, at all consulates general and the three embassy buildings.

**Informal Recommendation 22:** Embassy Berlin should do a survey of the embassy community to be used in planning how the community liaison office can best meet the needs of the embassy community.

**Informal Recommendation 23:** Embassy Berlin should revise its procedures to ensure that the mission timekeepers do not report their own time and attendance.

***Informal Recommendation 24:*** Embassy Berlin should review the merits of using fixed obligation grants in at least some of smaller grant awards and provide guidance to the grants staff.

## Principal Officials

	Name	Arrival Date
Ambassador	Philip D. Murphy	08/2009
Deputy Chief of Mission	Greg Delawie	08/2009
Consulates General		
Dusseldorf	Janice G. Weiner	08/2009
Frankfurt	Edward M. Alford	08/2009
Hamburg	Inmi K. Patterson	09/2010
Leipzig	Katherine A. Brucker	08/2008
Munich	Conrad R. Tribble	08/2009
Chiefs of Sections (Berlin):		
Management	Kaara N. Ettesvold	07/2009
Consular	Karen L. Christensen (incoming)	07/2011
Political	George A. Glass	08/2009
Economic	Seth D. Winnick	08/2010
Public Affairs	Bruce Armstrong	07/2008
Regional Security	Robert D. Barton	06/2010
Other Agencies:		08/2009
Department of Homeland Security, Transportation Security Administration	Jesus S. Presas (Berlin)	06/2010
Department of Homeland Security, U.S. Immigration and Customs Enforcement	Ronald Grimes (Frankfurt)	04/2007
Department of Homeland Security, U.S. Secret Service	Douglas Leidwinger (Frankfurt)	03/2009
Department of Homeland Security, U.S. Citizenship and Immigration Services	Kristina Carty-Pratt (Frankfurt)	05/2008
Department of Homeland Security, U.S. Customs and Border Protection	Douglas Fitzpatrick (Frankfurt)	03/2007
Department of Justice, Drug Enforcement Administration	Michael Barbuti (Frankfurt)	08/2008
Department of Justice, Legal Attaché Office	Stuart Wirtz (Berlin)	08/2009
Broadcasting Board of Governors	Michael Hardegen (Frankfurt)	08/2007
General Services Administration	Thomas Meiron (Frankfurt)	03/2010
Joint Verification Support Center	Theodore Clark (Frankfurt)	08/2009
Regional Support Center	Michael Tulley (Frankfurt)	08/2010
Regional Procurement and Support Office	Raymond Bouford (Frankfurt)	08/2007
Regional Information Management Center	Russell LeClair Jr. (Frankfurt)	09/2009
Engineering Service Center	Steve Romero (Frankfurt)	08/2010
Foreign Agricultural Service	Paul Spencer-MacGregor (Berlin)	08/2010
Department of Defense, Defense Attaché Office	Col. James Brown (Berlin)	12/2009
Department of Defense, Office of Defense Cooperation	Chris Charveron, Acting (Berlin)	02/2010
Department of Defense, US Army International Technology Center	Allen Stephan (Frankfurt)	07/2008

Foreign Commercial Service	John Fogarasi (Berlin)	09/2010
Regional Diplomatic Courier Office	Troy Lindquist (Frankfurt)	06/2008
Bureau of Overseas Buildings Operations	John Whitney	06/2009
Department of Treasury, Office of Technical Assistance	Gail Ostler (Frankfurt)	11/2009
Department of Treasury, Internal Revenue Service	Barbara Franklin (Frankfurt)	09/2007
Department of Treasury, Internal Revenue Service Investigations	John Leahy Jr. (Frankfurt)	04/2009
Department of Transportation, Federal Aviation Administration	John Benning (Frankfurt)	08/2008

## Abbreviations

CLO	Community liaison office
DCM	Deputy chief of mission
EEO	Equal Employment Opportunity
EFM	Eligible family member
ICASS	International Cooperative Administrative Support Services
ILMS	Integrated Logistics Management System
NSDD-38	National Security Decision Directive-38
OBO	Bureau of Overseas Buildings Operations
SDLC	System development life cycle

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