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AND THE BROADCASTING BOARD OF GOVERNORS
OFFICE OF INSPECTOR GENERAL

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Office of Inspections

May 2013

**Inspection of
Embassy Baghdad and Constituent Posts,
Iraq**

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PURPOSE, SCOPE, AND METHODOLOGY OF THE INSPECTION

This inspection was conducted in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2011 by the Council of the Inspectors General 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.



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

Table of Contents

| | |
|---|----|
| Key Judgments | 1 |
| Context | 3 |
| Executive Direction | 5 |
| Continuity | 6 |
| From Glide Path to Rightsizing | 7 |
| Security: Still the Dominant Concern | 11 |
| Glide Path and Security Staffing | 11 |
| Risk Management Process | 11 |
| Business as Usual: Accessing and Leaving the International Zone | 13 |
| Normalization: Resources and Management | 15 |
| Constituent Posts | 15 |
| Management Operations | 18 |
| Department of Defense Contracting Transition | 19 |
| Locally Employed Staff: Recruitment, Retention, and Vetting | 20 |
| The Iraq Service Recognition Package | 22 |
| Normalizing the Motor Vehicle Fleet Management | 23 |
| Offshore Support | 24 |
| Availability of Local Goods and Services | 25 |
| Normalization: Program and Policy Implementation | 27 |
| Political and Economic Policy Coordination | 27 |
| Law Enforcement | 30 |
| Public Affairs | 30 |
| Iraqi Cultural Advisors | 32 |
| Consular Section | 33 |
| The Office of Refugee and Internally Displaced Persons Affairs | 36 |
| Foreign Assistance: Planning, Coordination, Monitoring | 38 |
| Planning and Organization | 38 |
| Grants Officer Representatives | 38 |
| Monitoring | 39 |
| Cost Sharing | 39 |
| The Ambassador's Fund | 40 |
| International Narcotics and Law Enforcement Programs | 40 |
| Anti-Terrorism Assistance Program | 41 |
| Humanitarian Mine Action | 41 |
| Stewardship of U.S. Government Resources | 42 |
| Construction Planning and Oversight | 42 |
| Bureau of Overseas Buildings Operations | 43 |
| Contract Management | 43 |
| Personal Property Management | 45 |
| Standard Business Applications | 45 |
| Safety, Health, and Environmental Management | 46 |
| Internal Controls on Erbil Government Food Service Contracts | 46 |
| Erbil Electrical System | 47 |
| Information Management | 48 |
| Information Management Program | 48 |

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| | |
|---|----|
| Consulate General Basrah Information Management | 51 |
| Consulate General Erbil Information Management | 51 |
| Work Place Environment | 53 |
| Recreation and Community Building | 53 |
| List of Recommendations | 55 |
| List of Informal Recommendations | 59 |
| Principal Officials | 61 |
| Abbreviations | 62 |
| Appendix 1 | 63 |

Key Judgments

- Mission Iraq is closing facilities around the country, hiring Iraqi nationals, and making progress in rationalizing its staffing levels to transform a wartime operation into a normal diplomatic platform.
- The Ambassador and deputy chief of mission (DCM) provide uncommon continuity. In addition to extraordinary policy engagement, they lead the mission's critical downsizing and rightsizing processes.
- The first phase of the civilian handover unfolded relatively smoothly, but the mission needs Department of State (Department) assistance with several rightsizing and military-to-civilian contract issues because short tours of duty and frequent personnel turnover inhibit long-term project implementation.
- The Department and the embassy are behind schedule in implementing a plan to oversee more than \$5 billion in contracts, including those for life support and logistics. Without urgent Department action to create new positions and recruit and train personnel, the embassy will not have the staff required for adequate oversight, creating a risk of waste, fraud, and mismanagement.
- The Department needs to improve planning and oversight of more than \$500 million in construction projects, many plagued by construction delays, disagreements between the embassy and Washington, and insufficient oversight. Interim facilities at two consulates and the Baghdad support center are too costly and not suitable for long-term operations.
- The mission has several unique and costly security programs but has not done an interagency risk management study to determine which are still required and which are no longer necessary. The mission should also apply rigorous scrutiny to several costly management programs, such as aviation and medical, put in place prior to the departure of U.S. forces.
- Despite some progress in hiring Iraqi nationals, the mission remains dependent on contractors to provide virtually all services.
- Iraq is likely to continue receiving substantial Department-funded grant assistance (\$70 million planned in FY 2014). Oversight and monitoring have been ongoing challenges in Iraq's security environment, made more difficult by staff reductions. The embassy should advise Washington when it lacks sufficient resources to provide adequate oversight.

All findings and recommendations in this report are based on conditions observed during the on-site review and the standards and policies then in effect. The report does not comment at length on areas where the OIG team did not identify problems that need to be corrected.

The inspection took place in Washington, DC, between January 2 and January 29, 2013; in Baghdad, Iraq, between February 2 and March 21, 2013; in Erbil, Iraq between February 9 and 16, 2013; in Basrah, Iraq between February 18 and 21, 2013; and in Amman, Jordan, between February 19 and 21, 2013. (b) (6)

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Context

Iraq remains a nation in transition. As a result of the installation of a fully sovereign government in December 2010 and departure of U.S. combatant forces in December 2011, Iraqi political leaders have gained greater authority and responsibility. Insecurity and political violence remain facts of life, however. The 4,500 Iraqi deaths in 2012 due to political violence fall far below levels seen at the height of the insurgency but continue to cast a pall. Political tensions remain high—between the Shia majority and the once-dominant Sunni minority; between the central government and the Kurdistan Regional Government; and among political factions within the Shia community.

Economically, Iraq is also in transition. Oil production reached 3.2 million barrels per day in 2013, the highest level in decades. Iraq's Gross Domestic Product grew 8 percent in 2012 and is forecast to grow at that rate for several more years. Yet, almost all the growth has come from the oil sector. Outside oil, little is being done to restructure the state-dominated economy, and foreign investment is negligible. Agriculture remains depressed. Per capita income falls far below levels in the Gulf states but is higher than in Middle East countries without significant oil reserves like Egypt or Syria. Oil revenues seem likely to keep budgets in surplus through the decade.

The U.S. mission is part way through its own transition, where all entities, including the military elements, work under chief of mission authority. Achieving U.S. goals now requires the normal, and sometimes frustrating, give-and-take of a typical bilateral relationship. Embassy leadership is challenged by an outsized, legacy logistical support network. The mission is reducing and consolidating its presence in Baghdad and rationalizing operations at the three consulates in Erbil, Basrah, and Kirkuk, reducing the Department's presence at the diplomatic support center outside Erbil, and planning the eventual reduction of staff and facilities at the diplomatic support center in Baghdad, which houses aviation and medical facilities. Policy decisions at the highest levels are driving the normalization of both personnel and financial resources. The embassy is taking steps to reduce the mission's headcount from over 11,500 in January 2013 to 5,500 by January 2014. The initial tranche of staffing cuts, completed on March 1, 2013, was known as "glide path." Programs were phased out, and employees—both direct hires and contractors—were sent home early. Embassy leadership has begun a rightsizing¹ exercise to match the hastily reduced staffing levels with programs and priorities. What "normal" will be in both U.S.-Iraq relations and the shape and size of the U.S. diplomatic presence has not yet been finalized.

Although the threat environment has improved, security remains the overarching factor in all program and policy decisions and increases the cost of doing business in Iraq. The security budget last year was \$698 million. As long as the staff cannot move safely and independently outside compound walls, maintaining a robust security apparatus and meeting the life support needs of the mission staff will require significantly more financial and personnel resources than at other U.S. missions.

¹ Rightsizing is the framework agreed to by the Office of Management and Budget that emphasizes aligning the number and location of staff with foreign policy priorities, security, and cost constraints.

~~SENSITIVE BUT UNCLASSIFIED~~

Because of the danger and hardships associated with serving in Iraq, the majority of U.S. direct-hire employees serve 1-year tours of duty with multiple rest and recuperation breaks. Many of those employees have little or no regional experience; therefore, contact overlaps, local staff training, and multiyear planning are imperative. Third country nationals, originally recruited from embassies worldwide as temporary experts, comprise 24 percent of the non-U.S. direct-hire staff in Baghdad and fill most of the embassy's senior non-U.S. positions. Their presence, while invaluable during the transition from a military operation to a civilian one, is now, in many cases, limiting the training and empowerment of Iraqi staff. Support costs for third country nationals are also high. The embassy is focused on hiring Iraqi staff to replace third country nationals, both direct hires and contractors, wherever possible.²

Sustained improvements in the security climate could result in longer tours, authorization for accompanying adult dependents, access to goods and services on the local market, increased internal travel, a reduction in the number of rest and recuperation breaks, ease of employment for Iraqi citizens, and enhanced operational effectiveness. Such changes would contribute to making the mission more "normal," but the time frame depends on factors beyond U.S. control.

Funding levels from multiple sources in support of Mission Iraq operations have been so substantial that the mission has not been subject to normal fiscal constraints, nor has it evaluated process and program priorities rigorously. The Department allotted \$3.23 billion for Mission Iraq operations in FY 2012. The mission also oversaw \$1.33 billion in foreign assistance in that same time frame.³ Inevitably, the contingency funding that is a remnant of Iraq's status as a war zone, and enabled so much of the mission's growth and security programs, will dwindle. Even with the Department's increased focus on protecting personnel and facilities in the aftermath of the Benghazi attack, the mission is considering ways to reduce its operational and security budgets, although the sheer size and scope of the physical plant, both in Baghdad and at the consulates, will require significant funding for years to come.

² Support costs for third country national contractors and direct-hire staff, such as lodging, meals, and rest and recuperation travel, average \$68,000 per person per year in addition to salaries, which often exceed locally employed staff salaries because of supplemental benefits packages.

³ This report uses budget estimates from FY 2012. Funding comes from many sources and is constantly changing. Consequently, no resource and staffing chart accompanies this report.

Executive Direction

A New Diplomatic Presence Paradigm

Mission Iraq is a test bed for a new approach to U.S. overseas presence, often called expeditionary diplomacy.⁴ Just over a decade ago, the Department would have shuttered this diplomatic mission in the face of violent threats and a host government unable to check civil unrest or respond to terrorist attacks. Because the U.S. Government believes it is important to engage directly with Iraq's Government and people, however, the mission requires an unprecedented level of security and life support. Every day, mission leaders conduct risk assessments, which now are influenced by the Accountability Review Board report on Benghazi, Libya, in weighing how to advance U.S. interests countrywide.

Right Time, Right Leaders

Embassy Baghdad is fortunate that its two most senior Department leaders are serving in their second consecutive year. They have provided a level of continuity that is not common for this mission. Both the Ambassador and DCM have extraordinary policy management skills. Both also recognize the need to engage in mission management. Many obstacles that arise in the mission's routine operations require resolution at the highest levels of the Iraqi Government. Only the Ambassador or DCM can do so effectively. Their attention to detail while allowing sections and agencies to do the actual implementation has been essential to the mission's success in reducing the size and cost of the Department's largest overseas mission.

The Ambassador leads a mission facing a mix of challenges that separately would be daunting for any diplomatic post but are constant in Iraq. The Ambassador engages in almost daily rounds of shuttle diplomacy among sectarian and ethnic political leaders to promote political progress. His familiarity with these politicians—their biographies and self-interests—is encyclopedic, and he uses that knowledge to advance the U.S. goal of a stable, democratic, and unified Iraq. Having been DCM immediately before becoming Ambassador, he understands the mission's management challenges and the toll that the mission's non-stop reinventions take on its staff. A high mark for a leader is the number of followers who say their deepest concern is that they will disappoint him. Inspectors heard that expression of loyalty to the Ambassador repeatedly.

The DCM has been co-architect and co-implementer of the largest and most rapid transition of any diplomatic mission since the civilian surge of 2006-07. He has paid particular attention to the plight of staff members whose positions were abruptly eliminated in the glide path process. He was instrumental, for example, in dogging the Department to provide some of the benefits that encouraged employees to volunteer for service in Iraq in the first place when

⁴ Expeditionary diplomacy is a concept associated with the Transformational Diplomacy Initiative announced by Secretary of State Rice in 2005. First linked to crisis response, it includes common elements: challenging work and difficult living conditions; operating in insecure environments; long work hours and no rest days; no accompanying family members; short tours of duty and frequent rest and recuperation breaks; facilities to feed and provide other life support not otherwise available; prefabricated or other temporary housing; and numerous contract guards and service providers, usually from third countries working around the clock.

downsizing eliminated their jobs early. Before becoming DCM, he was political counselor in Baghdad for a year. Unlike many DCMs with a large managerial role, he has also taken on policy responsibilities that leverage his former contacts and experience. He is steeped in the Ambassador's approach to policy, so he can speak with the Ambassador's voice whenever necessary.

Communication and Coordination

In this sprawling mission, with specialized teams the size of small embassies laboring in virtual isolation, communication and coordination require full-time attention from the Ambassador, DCM, and other senior leaders. Communication from the Ambassador to section chiefs and agency heads is exemplary. The Ambassador starts each week by meeting with all 21 country team members. On subsequent mornings, he chairs a smaller senior staff meeting. These meetings are effective for conveying information to the Ambassador and obtaining his guidance.

The rapid pace of downsizing exposed instances where sections and agencies were not communicating effectively. Before the inspection, the mission had already identified some issues that called for working groups or other coordination mechanisms to address new or unrecognized issues. For example, creation of a law enforcement working group in 2012 led to fewer uncoordinated meeting requests with Iraqi officials. The inspectors identified other gaps, such as anti-money laundering/counterterrorism financing policy coordination, and in every case, the embassy pulled together the right people to redress communication problems. As the mission transforms from gargantuan to merely huge, additional coordination gaps will emerge and require mission leaders' attention.

Individual staff morale is generally satisfactory. Many mission staff members told inspectors they felt morale slipping when positions and programs were eliminated in the glide path process. They thought communication about impending changes could have been better. Once downsizing targets were set, mission leadership engaged more frequently and openly with staff through town hall meetings and smaller social engagements.

First- and Second-Tour Staff

The DCM embraces his responsibility for mentoring and developing entry-level staff. Although he writes 24 rating and review statements for more senior officers, he counsels and prepares reviewing statements for all 11 of the embassy's untenured officers. He gathered the embassy's first- and second-tour staff when they arrived, emphasized his interest in an entry-level program, and listened to their interests and expectations. He encouraged their plans for speaker and outreach programs. He used his residence and representation funds to support their plan to bring together entry-level officers from other embassies and from the Iraqi Foreign Ministry to exchange experiences and ideas. The first- and second-tour staff told inspectors they could not believe how much attention the DCM paid them given his many other duties.

Continuity

Continuity, purpose, and mission are all affected by 1-year tours and the small number of experienced Iraqi staff. Some mission elements develop plans to guide their work. At the

consulate general in Basrah, for example, the consul general and his staff created a comprehensive plan in early fall when they arrived, and they review it periodically to evaluate progress and guide future work. This approach seems to give all staff a shared sense of mission. However, unless the planning process extends beyond the tenure of the current team, there is risk that their successors will not be able to continue the accomplishments and goals of the 2012-13 team. The OIG team discussed with the Basrah principal officer a forward-looking effort to document achievements and remaining tasks to benefit the 2013-14 staff. A similar planning process for other mission elements would contribute to continuity.

Informal Recommendation 1: Embassy Baghdad should instruct sections and other mission elements to record accomplishments and remaining tasks for their successors systematically.

Many Washington-based employees have more historical knowledge than some employees working in Iraq today. They provide much-needed continuity. The situation in Iraq is, however, in constant flux, and Washington may not always make decisions based on today's reality. The Department provides policy instruction and an operational and programmatic budget to a normal mission, which then has considerable autonomy to implement instructions and allocate funds. In theory, Mission Baghdad has autonomy; in practice, Washington tends to decide and guide. The glide path, for example, was a numbers-driven exercise that involved Washington's biweekly, high-level oversight and direction. As for some of the mission's costly programs, the OIG team noted that their impetus comes from Washington, not from Baghdad. Assistance programs, such as humanitarian demining and the Ambassador's Fund to promote reconciliation and stability, originate in Washington but require the mission to support those programs at the same time that Washington is directing reductions in staff responsible for their monitoring. Some construction and security projects barrel ahead with little regard to the mission's rapidly changing circumstances. As long as Iraq draws high-level Washington attention and receives massive resources, it may be unrealistic to expect the mission to play a normal role in crafting its own future. However, normalization will require the Department's ceding more decisionmaking and priority setting to mission management.

From Glide Path to Rightsizing

OIG inspection reports from 2009⁵ and 2010⁶ included recommendations for rightsizing the mission. It was not until early 2012, however, that the mission commenced a staffing review with concurrence and oversight from the Deputy Secretary's staff and the Bureau of Near Eastern Affairs. The glide path exercise accelerated between January and March 2013, and the mission transitioned from downsizing to rightsizing on March 1, 2013. In fall 2012, OIG's Office of Audits, Middle East Region Operations, conducted field work for an audit of mission rightsizing efforts. The audit objective is to assess the process the Department used for establishing short- and long-term staffing for its diplomatic presence in Iraq and to determine whether mission infrastructure and construction requirements align with staffing plans. At the time of this inspection the audit report had not been finalized. To avoid duplication, there are few rightsizing-specific recommendations in this report.

⁵ *Inspection of Embassy Baghdad, Iraq, Report Number ISP-I-09-30A, July 2009.*

⁶ *Compliance Followup Review of Embassy Baghdad, Iraq, Report Number ISP-C-11-08A, October 2010.*

Although the mission's glide path efforts were necessary, and rightsizing is also a worthy effort, mission leaders are disadvantaged in carrying out a process that has been conceived in Washington. Glide path began with an assumption of about 16,000 total direct-hire and contract personnel under chief of mission authority; this number was, all acknowledge, a best guess. Even post-glide path personnel numbers are better but not entirely reliable. Some budget numbers, such as foreign assistance, are generally accurate, but others, such as canine screening and emergency reaction team program costs, are opaque to the mission because Washington controls them.

People and program numbers are not the whole rightsizing story. To date, Washington has covered the cost of doing business in Iraq for almost all U.S. Government agencies, a practice that has masked actual operating costs and concentrated decisionmaking in Washington, contrary to principles of transparency and local empowerment. With the FY 2014 implementation of International Cooperative Administrative Support Services (ICASS) the Department will be able to identify and charge other agencies for mission-provided support, which could result in other agencies reducing staff further when they have to pay their share of facility and security costs. Because much of the mission's budget and management oversight comes from Washington, the implementation of interagency cost sharing will also move the mission a step closer to practices at other diplomatic missions. The use of ICASS service standards, workload metrics, and cost centers will provide a baseline to compare Embassy Baghdad with similar missions.

The Office of Security Cooperation-Iraq

The Office of Security Cooperation-Iraq (OSC-I) has operated as successor to U.S. Forces-Iraq, the combatant element that shared responsibility for advancing U.S. interests in Iraq until the end of 2011. The commander is a lieutenant general. On arrival in September 2011, he anticipated leading a U.S. force of 10,000. That number dropped to 5,000, then 3,500, before settling at about 300 during 2012. As part of mission downsizing, the Ambassador set OSC-I's authorized staffing at 170 as of March 1, 2013, and 125 by September 30, 2013. Its next leader will also be a lieutenant general and the first designated senior Defense official/Defense attaché. As part of the mission's downsizing, OSC-I will move to office and living spaces on the embassy compound by September 2013.

In addition to a dramatic drop in staff, Embassy Baghdad has seen Foreign Military Financing allocations fall from \$850 million in FY 2012 to a proposed \$500 million in FY 2014. Train and Assist allocations under Title 10, U.S. Code, totaled more than \$500 million in FY 2012; the Train and Assist program will end in FY 2015 unless the Government of Iraq decides to fund it or Congress extends special authority for OSC-I.

Since 2011, OSC-I has faced more changes of title, responsibility, numbers, assistance budgets, and location than any other mission element. The transition process has not always been smooth. It was not until early December 2012, for example, that Washington officials made explicit that all agencies in Iraq, including OSC-I, were under chief of mission authority. In fall 2012, individual sections of the mission worked separately with elements of OSC-I to plan the move to the embassy compound. Recognizing that coordination and communication were inadequate, the regional security office staff initiated, and invited the management section to

join, a formal planning process with OSC-I staff. Even though there were still difficult and unresolved transition issues at the time of the inspection, the mission would not be on track to accomplish OSC-I integration by the target date without the planning and communication process begun last fall.

A 24/7/365 Culture

Mission employees work long, hard hours. Their work ethic is a norm at an expeditionary mission. Mission staff respect the Sunday to Thursday local work week, but most also work on Fridays because Washington expects embassies to be available when the Department is open for business. In recognition of the de facto 6-day work week in Iraq, mid-level Foreign Service generalists receive a 20 percent salary differential, and specialists are automatically authorized up to 35 overtime hours per pay period when properly documented. Largely confined to the embassy compound because of security concerns, many have little to do but work. And they do, often 7 days a week.

Before the inspection, mission leadership encouraged staff to take at least 1 day of rest each weekend. However, the front office kept official office hours on both Friday and Saturday afternoons, with a complement of office management and information management staff on duty. The management section released routine administrative notices and management policy statements on weekends, demonstrating that they too were used to working even when there was no compelling need to do so. Abundant resources made such arrangements seem virtually cost free, leading to practices such as summoning staff on weekends to work on important, but not critical, tasks. When inspectors raised these issues, the Ambassador designated Saturdays as a “day of no scheduled appointments,” with duty staff on call rather than in the office.

Iraq receives close attention from high-level policymakers. Weekly senior-level meetings are common. The Ambassador or other mission officers often participate via digital video conference. The meetings take place outside Baghdad’s normal work week and working hours, usually in the early evening. The latest meeting start time during the inspection was 11:30 p.m. Friday meetings happen regularly. Embassy staff regards Friday and late-starting meetings as a price of being in Iraq. Preparation for and participation in meetings that have been set at Washington’s convenience extend the work day for employees already working long hours and reduces their effectiveness the following day. An 8-hour time difference in the late fall and winter months leaves a limited number of hours to schedule meetings at reasonable times for Baghdad staff. The situation is not as bad as in Kabul and Islamabad in 2009, when Washington routinely scheduled meetings to start at 2:00 a.m., but it is inconsiderate and inefficient.

Recommendation 1: The Bureau of Near Eastern Affairs should request the Department’s Executive Secretary to advise interagency counterparts to schedule meetings including Embassy Baghdad Monday through Thursday and no later than 8:00 p.m. Baghdad time. (Action: NEA)

Equal Employment Opportunity

The Ambassador and DCM have demonstrated appropriate attention to Equal Employment Opportunity. With thousands of support and security contractors and third country national staff from dozens of countries, the mission is a picture of international diversity.

However, there are only three women on the 21-member country team, and women represent a small percentage of staff at this unaccompanied mission (23 percent of U.S. direct hires in Baghdad; 19 percent in Erbil; and 9 percent in Basrah). In this environment, respect for Equal Employment Opportunity has not always been maintained. In 2012, the Ambassador and DCM asked the Office of Civil Rights to provide Equal Employment Opportunity training to mission personnel, including contractors. They have also taken commendable steps to institute a more normal diplomatic environment, to include encouraging civilian dress and terminating assignments for alcohol abuse.

| Unique Security Programs | Annual Cost |
|--|----------------------------------|
| Sense and Warn System | \$20,632,208 |
| Biometrics Access Control Program | \$5,289,986 |
| Biometrics Badging Program | \$2,709,934 |
| Emergency Reaction Teams | \$36,228,876 |
| Canine Screening Program | \$50,939,224 |
| Electronic Countermeasures Program | \$13,890,590 |
| Green Radio Program | \$3,181,786 |
| Modular Tactical Operations Centers | Unknown ⁷ |
| Infrared Camera System with operators | \$3,992,090 |
| Total Annual Operating/Maintenance Cost | \$136,864,694 |
| Total Approximate Value of Equipment | \$160,000,000⁸ |

Table 1: Costs Associated with Unique Security Programs⁹

Overseas Security Policy Board standards dictate basic countermeasures for high-threat missions, but, in previous years, the Department and the mission did not find those countermeasures sufficient to mitigate all security risks in Iraq. As a result, the embassy embraced several unique security programs to address what it perceived to be extraordinary vulnerabilities. With the departure of U.S. forces from Iraq and Department pressure to meet glide path targets, the embassy has not had time to undertake the prescribed risk management process to determine if all such mitigation is still necessary. A well defined risk management study, described in the *Foreign Affairs Handbook*, 12 FAH-6 H-511, would provide the mission the information it needs to make any difficult decisions. Until such a study is completed, neither the Department nor embassy leadership can determine if all the special programs are essential or effectively decide when to eliminate them. Costly programs could be deployed, at taxpayer expense, for longer than needed or when they are not needed at all. A risk management study could also recommend retaining or even increasing special security programs.

Such a complicated risk management study requires continuity and objectivity. Embassy staff on 1-year tours can provide valuable input to such a study but cannot coordinate the effort, which could take several months. Neither is it advisable for Department offices that are vested in the development or deployment of certain systems and programs to lead such an evaluation. An interagency working group, which can speak for all agencies represented in Baghdad, is best positioned to undertake the risk management study.

Recommendation 2: The Bureau of Diplomatic Security, in coordination with Embassy Baghdad, should convene an interagency working group to complete a formal risk management study and determine if current security countermeasures in Iraq are appropriate. (Action: DS, in coordination with Embassy Baghdad)

⁷ Estimated cost for two tactical operations centers is \$25 million.

⁸ The modular tactical operations centers constitute \$25 million of the total.

⁹ Data compiled from Department and embassy sources.

Opportunities for Savings in Security-driven Programs

Although not related to security programs per se, the following four categories of expenses exist primarily because of the security environment that prevailed before the late-2011 departure of the U.S. military. With continued improvement in that environment and progress toward normal operations, some of these expenses could be reduced or eliminated in the next few years.

| Security-Driven Expenses | Annual Cost |
|--|----------------------|
| Food for U.S. Government Employees and Contractors | \$58,000,000 |
| Employee Overtime | \$11,000,000 |
| Third Country National Hiring | \$10,000,000 |
| Baghdad Diplomatic Support Center Operations | \$102,000,000 |
| Total Approximate Costs | \$181,000,000 |

Table 2: Mission Baghdad Security-Driven Expenses¹⁰

Greater efficiencies in these areas could reduce operating expenses by tens of millions of dollars or more annually. The embassy and the Department are taking reasonable action in each case to seek efficiencies as circumstances evolve. For example, the Deputy Secretary mandated a policy of hiring 50 percent of contractor staff from the local population to reduce expenses associated with life support contracts that, in turn, drive up the embassy’s operating costs.

Business as Usual: Accessing and Leaving the International Zone

Two of the security program’s most intractable problems involve getting customers and visitors into the international zone where the embassy is located and getting embassy employees out to do their advocacy, reporting, and programmatic work. Iraqi Army personnel maintain check points to control access to the international zone, but the check points hinder the free flow of embassy employees, job applicants, invited visitors, refugees, and consular clientele—including U.S. citizens—to the embassy. To date, the embassy has avoided subjecting many of its employees and customers to scrutiny and potential rejection at these Iraqi check points by maintaining an access point to the international zone through U.S.-controlled property abutting the red zone.¹¹ With the expected return of this property to Iraqi control in late 2013, the embassy will lose direct access from the red zone and has not yet identified alternatives. In Islamabad, a private, pay-for-use shuttle service transports passengers to and from embassies in the diplomatic enclave, and a similar model could be useful in Baghdad. The embassy has not yet begun to identify what it will need when the existing access point closes, coordinate planning with all sections, or prepare a strategy for eventual negotiations with the Government of Iraq. It is not too early to begin long-range planning for this eventuality.

¹⁰ Data compiled from Department and embassy sources.

¹¹ The red zone is the name given to the neighborhoods of Baghdad that are outside the international zone. The red zone is less secure and experiences higher instances of violent extremism.

Informal Recommendation 2: Embassy Baghdad should implement a strategy, with appropriate milestones, to ensure future access to the embassy for employees, refugees, consular customers, and other visitors.

Embassy employees traveling outside the international zone in Baghdad require protective security escorts. The security office's protective security teams averaged 370 movements per month in the first 5 months of FY 2013 for a total of 1,846 movements. FY 2013's total estimated cost for protective security movements is approximately \$49.8 million. The mission is planning adjustments to team operations that will reduce movement costs somewhat. The classified annex to this report provides a more comprehensive review of this and many other security programs at Embassy Baghdad and its constituent posts in Erbil and Basrah.

Normalization: Resources and Management

Constituent Posts

Mission Iraq includes consulates general in Erbil and Basrah, a consulate in Kirkuk, two diplomatic support centers near the Baghdad and Erbil airports, and four OSC-I facilities slated for handover to the Government of Iraq by the end of 2013. At the time of the inspection, only the Erbil and Basrah consulates general were fully operational, and the Kirkuk consulate was operating from Erbil. The diplomatic support center outside Baghdad is used primarily for support functions, and the one at the Erbil airport is consolidating its Department functions with those of the Erbil consulate general. The primary purpose of the three consulates is to engage and report on political and economic activities in their respective regions as opposed to providing consular services; therefore, geography plays a pivotal role in their location.

All sites occupy legacy military compounds, and the cost of adapting them for diplomatic use, securing their large perimeters, and providing electricity, food, water, and sanitation is analogous to the expense of running a large modern embassy elsewhere. All of the facilities are temporary and do not meet long-term needs. Living and working environments are very difficult, making it hard to encourage U.S. staff to remain beyond the basic 1-year tour of duty. The Department and embassy leadership remain committed to long-term diplomatic presences at the three consulates and have not eliminated many direct-hire personnel at those locations.

Embassy communications with the constituent posts is generally good, with weekly management digital video conferences and frequent executive office and political and economic section phone calls. Actual embassy support during staffing gaps or with complex construction project planning has been inconsistent. There is one imbalance in the embassy-consulates relationship. Almost all reporting from the consulates has to be cleared by one or more officers at the embassy before transmission to Washington, but reporting from the embassy about developments in the regions covered by the consulates is less frequently fact checked or cleared. The embassy often makes decisions without consulting or informing the consulates, including setting meeting times without checking on the consulates' availability, holding town hall events without linking in the constituent posts, or reserving representational funds until it is too late for the consulates to make good use of them. The OIG team counseled embassy leadership on ways to address this imbalance.

Basrah

The Government of Iraq would like to reclaim the 108-acre compound that houses the U.S. consulate general—a former British forward operating base 12 miles from Basrah on an Iraqi military compound adjacent to the international airport. The embassy is committed to maintain a presence in the south of Iraq, not least because it is the largest source of new oil to market in the world, and many U.S. companies are pursuing commercial opportunities there. The local government supports a U.S. presence, and the Government of Iraq committed in a 2004 bilateral agreement to provide a permanent site for consulate operations. To date, however, there has been no progress identifying a future site. The U.S. Government does not have a land use

agreement for the current compound. The consulate general's hold on the property remains tenuous.

At the time of the inspection, the Department was completing a \$150 million interim construction project to provide basic security and infrastructure upgrades, but the facility and its isolated location are not suitable for a diplomatic mission on more than a temporary basis. Employees live in deteriorating containerized housing units; the compound has no central generator grid or access to city power; all supplies, including food, have to be trucked to the compound; and the security support needed to interact with contacts in Basrah City is costly. Operating costs to maintain the current, oversized facility and its hundreds of guards and life support staff are approximately \$100 million per year. The Department has not given priority to or identified funding for a purpose-built facility.

Basrah's ability to sustain operations is fragile under the best of circumstances because of its location at the end of a supply chain beset by shipping delays, security concerns, and the difficulty in recruiting and retaining U.S. direct-hire staff. As long as the consulate general occupies a sprawling compound that requires nearly 1,200 support staff, efforts to reduce costs and develop a long-term diplomatic presence commensurate with U.S. interests will remain on hold. If the Department cannot decide soon on Basrah's future, it will at the very least have to fund interim upgrades to make facilities livable.

Recommendation 3: Embassy Baghdad, in coordination with the Bureau of Near Eastern Affairs, should decide on the size and the nature of the diplomatic platform needed in Basrah. (Action: Embassy Baghdad, in coordination with NEA)

Erbil

Within 3 years the U.S. presence in Erbil, capital of the Iraqi Kurdistan region, evolved from a provincial reconstruction team to a regional reconstruction team to a full-fledged consulate general. In addition to its core advocacy and reporting work, the consulate general is standardizing operations, training local staff, and adapting former private residences, some in serious disrepair, into office and shared residential accommodations. Providing security, backup power, and computer connectivity to a small neighborhood, including a half dozen commercial ventures that predated the U.S. presence, is a novel venture for the Department.

The embassy did not develop a construction master plan before it began upgrade projects, resulting in several systemic problems such as piecemeal funding and the lack of a unified grounding system. At the time of the inspection, the management section was overseeing 10 construction projects as well as several residential renovations with little assistance from the embassy's facilities maintenance section. At the same time, 36 direct-hire employees at the nearby Erbil Diplomatic Support Center were preparing to consolidate operations on the Erbil compound. The consulate general was also finalizing construction on its first consular section amidst doubts about visa implementation in the Iraqi Kurdistan region (see the Consular section of this report for discussion of the visa issue).

For several reasons, operating costs in Erbil are significantly lower than at other constituent posts in Iraq—\$4.1 million per year. The compound operates primarily on city

power; small commercial outlets for food and other supplies minimize life support requirements; the security situation permits occasional movements off compound for shopping and recreation; and it is relatively easy to hire local staff and contractors not requiring life support from among the hospitable Kurdish population.

The local government is donating a 50-acre property for the construction of a permanent U.S. consulate general, with completion envisioned in 2017. The Department had not completed a rightsizing study for Erbil before the mission initiated negotiations with the local government to acquire the donated land. The parcel exceeds the compound size at some large missions. The Department expects the site to house an office building, a Marine security guard residence, a principal officer residence, and possibly staff living quarters, and is considering other options for the excess property. Securing such a large perimeter and maintaining extensive grounds will entail significant expenditures and personnel.

Recommendation 4: The Bureau of Overseas Buildings Operations should plan the new Erbil consulate compound based on the 2013 rightsizing study. (Action: OBO)

Kirkuk

The embassy is committed to maintaining a presence in Kirkuk, one of Iraq's most contested and ethnically diverse provinces. The Kirkuk consulate occupies temporary offices on the governor's compound following the closure of the U.S. military installation where the consulate was originally located. Since December 2012, the security situation has limited Kirkuk's operations. The three remaining U.S. staff work from Erbil, and the locally employed staff often work from home. For the moment, the embassy has decided to maintain three Kirkuk officers in Erbil, with provisions for them to commute between the two cities as often as the security situation permits. The mission is still exploring post-Benghazi options for improving security at the premises the governor has allocated the consulate in his compound.

Baghdad Diplomatic Support Center

The Baghdad Diplomatic Support Center (BDSC) compound is a 350-acre facility adjacent to Baghdad International Airport. BDSC's staff of 1,600 contractors and employees is larger than all but a handful of embassies, and its operating budget exceeds \$100 million annually. It serves as the primary air transit hub for all personnel assigned to Iraq. BDSC also hosts a hospital, a pouch and mail distribution center, and representatives from 16 separate organizations associated with the DOD and other Federal agencies.

The Department and the mission are seeking ways to reduce operations at BDSC by FY 2015, and OBO has a notional plan to relocate essential functions to the chancery compound. The Department has already begun to consider reducing its aviation support arrangements. Aviation services will continue through at least 2013 to facilitate the departure of OSC-I from locations around the country and to provide emergency medical air transportation. Like Consulate General Basrah, BDSC is a former military base that consists of modular buildings not intended for permanent occupancy. The compound's infrastructure cannot be readily reconfigured for a smaller footprint because of the layout of physical plant elements such as water treatment and power generation facilities. After OSC-I's reductions and the expected

termination of some Embassy Air services late in 2013, other support functions performed at BDSC can be transferred to the embassy.

Recommendation 5: Embassy Baghdad, in coordination with the Bureau of Overseas Buildings Operations, should prepare an information memorandum for the Bureau of Near Eastern Affairs outlining steps for an orderly closure of the Baghdad Diplomatic Support Center and relocation of the facility's functions. (Action: Embassy Baghdad, in coordination with OBO)

Management Operations

Under the direction of the minister counselor for management, Embassy Baghdad has played a key role in the military-civilian administrative transition, which involved monumental efforts over the last year to close dozens of facilities, send home thousands of employees and contractors, develop contracting mechanisms to replace DOD support arrangements, and increase the number of Iraqi nationals working in the mission. The initial stages of the transition after the departure of U.S. combat troops proceeded far more smoothly than many observers had predicted. Scores on OIG's customer service surveys reflect progress in creating a more hospitable environment for employees, although the consulates still operate under harsh expeditionary conditions.

The embassy has done a good job working with OSC-I and Washington to map out a transition plan to assume logistics and security responsibilities from DOD. Washington's close and intensive communication has provided a strong basis for identifying problems and making necessary course corrections, but at the cost of transparency and local control. One exception, however, is the embassy's relationship with OBO. The embassy is completing more than 100 construction projects with a total value of about \$500 million.¹² Some have been beset by construction delays and fractious disagreements between the mission and OBO over the scope and progress of construction activities.

Administrative operations in Iraq differ fundamentally from those of a traditional diplomatic mission in their scale, cost, and composition. Human resources and financial management services are supported by regional and offshore offices, while general services and facilities functions rely on Department and DOD contractors. The embassy is top heavy with U.S. personnel, contractors, and third country nationals who perform work that elsewhere would be done by locally employed staff. Many contractors live on compound and themselves incur about \$68,000 annually per person in support costs.

Normalizing operations in this environment will take years. At the time of the inspection, the final contours of mission staffing and organization remained tentative pending a detailed rightsizing exercise. The management section is pursuing the right long-term priorities by regularizing internal controls and budget processes and building administrative capacity at the embassy and the consulates.

Two initiatives critical to normalization have not been given sufficient attention. The embassy and the Department are behind schedule in implementing a management plan to oversee

¹² Appendix 1 includes a chart of major construction projects.

more than \$5 billion in contracts. Without an on-the-ground presence to assume oversight from the Defense Contract Management Agency, scheduled to depart Iraq at the end of FY 2013, and a formal agreement with the Defense Contract Audit Agency, similarly scheduled to depart by that time, the Department is at increased risk of waste, fraud, and mismanagement in its contract management. Second, the embassy has just begun to build the cadre of local employees needed to normalize operations in the long term. Although the embassy has undertaken recent efforts to unplug the hiring and vetting pipeline of new employees, there are well over 100 vacant local positions, an inexperienced local work force, and difficulties retaining staff.

Department of Defense Contracting Transition

Mission management faces a daunting challenge in the transition from huge legacy DOD contracts managed largely by military personnel, including the Logistics Civilian Augmentation Program IV, to Department contracts to provide life support and other services by the end of December 2013. Currently, dedicated acquisition professionals from the Defense Contract Management Agency and Defense Contract Audit Agency monitor these contracts. The Department has not taken steps to identify and recruit an adequate number of qualified personnel to perform these functions when the new contracts come into force. Besides exposing the Department to waste, fraud, and abuse, lax oversight of these contracts (b) (5)

[REDACTED]

[REDACTED]

The Operations and Maintenance Support Services contract, awarded to Pacific Architects and Engineers at an estimated cost of \$500 million over 5 years, will provide facility and vehicle maintenance, fuel distribution, minor construction, and janitorial services. The transition to Operations and Maintenance Support Services began in February 2013 at the embassy compound, and transitions at other Baghdad sites and Consulate General Basrah is expected by October 1, 2013. A 2012 OIG audit (AUD-MERO-12-43) of Embassy Baghdad's previous operations and maintenance contract with Pacific Architects and Engineers determined that the contracting officer's representative approved invoices resulting in at least \$2.7 million in payments for costs not authorized and for goods not provided.

The Baghdad Life Support Services contract, with an award expected in May 2013, includes bulk fuel acquisition, food services, mail, firefighting, waste management, badging, airfield support, and transportation estimated at \$600 million over 5 years. Under the Medical Support Services Iraq contract awarded in May 2011, Comprehensive Health Services Middle East provides health services for mission staff at 14 medical facilities in Iraq. Oversight of the contract, estimated near \$300 million over 5 years, is inadequate, with only one medical program manager/contracting officer's representative responsible for all 14 locations.

In February 2013, the embassy submitted a contract management transition plan to the Department, identifying 38 permanent U.S. direct-hire positions, including 15 new positions, required for contract oversight. The Department finalized the plan during the inspection, although the transition has been expected since the December 2011 departure of U.S. combat elements. The Department's assignments cycle for summer 2013 positions had largely concluded by the time the plan was released. To reduce the mission's footprint, support costs, and risk to personnel, the embassy proposes locating 6 of the 15 new positions outside of Iraq in a regional

contract management office. All contracting officer's representatives and government technical monitors for the contracts must be Level III qualified, according to Procurement Information Bulletin No. 2012-15, which will restrict the number of qualified personnel available to fill the positions. Without urgent Department action to create the new positions and recruit and train personnel, the embassy will not have the staff required for adequate oversight during the summer 2013 transition phase.

Recommendation 6: The Bureau of Near Eastern Affairs, in coordination with the Bureau of Administration, should implement Embassy Baghdad's contract management transition plan fully by establishing new positions and recruiting and training qualified personnel to oversee the full range of Department contracts at the mission. (Action: NEA, in coordination with A)

Locally Employed Staff: Recruitment, Retention, and Vetting

Embassy Baghdad's local staff is small and relatively inexperienced. As of February 2013, the mission had authorization for 469 locally employed staff positions. At the time of the inspection, 282 Iraqi employees were on board, and 187 positions were unfilled. Collaboration during the hiring process between the security and human resources offices appears to be good, but recruiting and retaining qualified Iraqi employees is an ongoing challenge for several reasons.

In Baghdad, because officers rarely venture beyond the international zone, they lack first-hand knowledge of local conditions and the best places to recruit potential candidates. The Iraq support unit in Amman, which provides offshore human resources support for the mission, has responsibility for recruiting for the consulates. Consequently, recruitment efforts are limited to the Internet and local newspapers, yielding fewer qualified candidates than would be the case in a more permissive environment. The human resources unit does not take advantage of potentially useful recruitment resources, such as public affairs or other section contacts and outreach events.

Recommendation 7: Embassy Baghdad should use public affairs and other section events and contacts to broaden their recruitment efforts. (Action: Embassy Baghdad)

Supervisors often unwittingly limit the number of applicants for a job by requiring college degrees or several years of professional experience for relatively junior positions. This practice disqualifies applicants who might otherwise be suitable and could be trained on the job.

Informal Recommendation 3: Embassy Baghdad should verify that educational and work experience requirements in each job vacancy announcement are matched to the job requirements.

Approved by the counterintelligence working group, the vetting process for both new and existing Iraqi employees is strict—with an overall rejection rate that varies by location but has averaged 47 percent in Baghdad in the last 6 months. The embassy completes the vetting of the vast majority of its cases within 30 to 45 days, well below the 90-day worldwide standard. Misleading application packages can prolong vetting time. When current employees are recertified, changes in their lives sometimes affect their suitability for continued employment. The vetting unit's interviewing, database access, and records researching skills have improved

dramatically in the last year, and the unit is now able to identify vulnerabilities that were not evident when an employee was first hired. The embassy has dismissed multiple local staff members based on negative information developed during the recertification process, such as the marriage of a family member to a person with terrorist connections—information the local staff member had concealed in the vetting documentation. The high failure rate contributes, in part, to the mission's inability to reach its local staff hiring goals, bedevils managers desperate to fill vacancies or retain experienced staff, and results in even longer delays while the position is re-advertised or the second-best candidate is vetted.

In an effort to increase application acceptance at initial intake, the security office recently loaned a contractor to the human resources office specifically to help job seekers prepare their application packages. She has had some success explaining and smoothing the application process, which, in turn, has reduced the amount of time between the actual job offer and initiation of the vetting process. The human resources office hopes to renew her contract when it expires later in the year. A dedicated employee with strong interpersonal skills and cultural sensitivity, who guides both new candidates and existing employees through the application or recertification process, may break through some of the cultural and gender barriers, result in fewer returned applications, and increase the number of successful candidates.

Recommendation 8: Embassy Baghdad should assign an employee to the human resources unit to brief current and prospective employees on the vetting process and assist with document completion. (Action: Embassy Baghdad)

Third Country Nationals and Training

The embassy employs 56 third country national employees at a cost of about \$10 million annually. As noted in the *Foreign Affairs Manual*, 3 FAM 7271.4, third country nationals are intended to serve as a temporary substitute for host country employees, when conditions do not permit the training of local employees. Third country nationals provide expertise essential in sections throughout the mission. Their lack of Arabic limits their effectiveness in dealing with the public and Iraqi Government officials, however. American supervisors have been reluctant to insist that third country national staff train Iraqi locally employed staff. In some sections, Iraqi staff have been marginalized by the third country national staff and not provided sufficient on-the-job training. The mission has prepared a locally employed staff training policy. One component provides for on-the-job training but makes no mention of third country national training of Iraqi staff.

Recommendation 9: Embassy Baghdad should revise the mission's training policy to require third country national employees to provide on-the-job training to Iraqi staff. (Action: Embassy Baghdad)

Training Plans for Local Staff

The mission does not have a training plan for Iraqi staff. Although the current training policy outlines various training opportunities available to employees, absent a plan there is no assurance that training will be scheduled or employees will be allowed time off to attend training. Supervisors on 1-year tours already are reluctant to encourage training that is likely to

result in their most competent third country nationals being replaced by less trained and less experienced Iraqi employees. Where Iraqi members are being trained on the job, the training is often at a low level or focused on clerical duties.

Recommendation 10: Embassy Baghdad should require all supervisors to prepare and implement training plans for Iraqi staff. (Action: Embassy Baghdad)

The Iraq Service Recognition Package

The Department developed the Iraq Service Recognition Package in 2005 in response to the need to staff the embassy with volunteers in what was then a combat zone. The package offers a range of special pay and career incentives to encourage Foreign Service employees to bid on Iraq positions. Last year, the Department filled about 92 percent of Iraq positions with volunteers. The Department is in the process of reducing selected employee benefits to reflect improvements in security and living conditions. This review process is a necessary part of normalization, similar to what occurs at other missions, but it also carries a risk that benefits reductions may affect recruitment adversely. During the inspection, the Department lowered the hardship differential and danger pay allowances for Iraq after a review of the mission's allowance reports. Although allowances and benefits may be adjusted at any time, mid-tour reductions can appear arbitrary to employees, particularly when combined with changes such as the reinstatement of the aggregate salary pay cap and the biweekly pay cap made outside the annual package review process.¹³ The Department expects in coming months to offer service recognition package benefits to other missions, such as Libya and Yemen, which could be more attractive than the package for Iraq. Given the small number of bidders willing to serve tours at unaccompanied missions, the annual review process and continued communication with employees affected by these changes are key to maintaining the success of recruiting efforts.

Normalizing the Budget Process

To a large extent, the Department funds Mission Iraq from special appropriations such as the Overseas Contingency Operations account. Funding for many operating accounts still resides with Department bureaus rather than with the mission. For example, the embassy received \$121 million in FY 2012 allotments, less than 10 percent of all-source mission funding. Dispersal of funding among several Department bureaus complicates financial management operations in other ways. Every quarter the embassy must contact 16 different offices within the embassy and at regional centers to review the status of about \$100 million in unliquidated obligations from prior year accounts, many of which pertain to grants programs or DOD interagency procurements that can take years to close out. Washington bureaus such as the Bureau of International Narcotics and Law Enforcement Affairs (INL), the Bureau of Democracy, Human Rights, and Labor, and the Bureau of Near Eastern Affairs hold about \$1.2 billion in foreign assistance pipeline funds.

¹³ Baghdad's danger pay decreased from 35 percent to 30 percent, and the hardship differential decreased from 35 percent to 25 percent. Erbil's danger pay and hardship differential both declined from 35 percent to 25 percent. Basrah's danger pay and hardship differential both declined from 35 percent to 30 percent.

International Cooperative Administrative Support Services Implementation

In FY 2014, Embassy Baghdad expects to implement the ICASS cost sharing system for the entire mission. ICASS will require other agencies to cover their share of the mission's operating costs. The first phase of cost sharing began in FY 2011 and will culminate in FY 2014 with the extension of ICASS to all agencies and locations in Iraq. Implementation of ICASS will result in clearer identification of operating costs and provide an incentive for agencies to consider costs in their staffing decisions. The process will be labor intensive and may require decisions in Washington about novel problems such as how to characterize several million square feet of office space in BDSC and Consulate General Basrah and whether to apply cost sharing to the Bureau of Diplomatic Security programs unique to this environment. The mission has established an ICASS council and working group, which take a keen interest in ICASS transition planning. The mission does not know the total per capita ICASS charges for FY 2014 yet, but they likely will be about \$350,000 per person.

The ICASS transition requires the mission to establish new processes, such as an agreed methodology for setting each agency's headcount, charging short- and long-term temporary duty visitors, and developing charging mechanisms for institutional contractors not customarily captured in ICASS workload counts.

Normalizing the Motor Vehicle Fleet Management

Embassy Baghdad operates by far the largest fleet of motor vehicles in the Department, a total of 4,500 vehicles, of which about 1,400 belong to the Department with an acquisition value of \$155.8 million. In 2012, the embassy launched a drive to halve the number of motor vehicles under chief of mission authority. The 2009 inspection of Embassy Baghdad and subsequent compliance followup review found that the embassy had not established a fleet management plan to manage its long-term requirements rationally and recommended that it do so. Although mission efforts to reduce fleet numbers are commendable, the embassy never established a long-term plan for vehicle needs as required by 14 FAM 434.3. As the Department incorporates Baghdad's operating costs into its regular budgets in coming years, having an accurate baseline of the embassy's long-term vehicle needs is essential.

Recommendation 11: Embassy Baghdad, in coordination with the Bureau of Administration and the Bureau of Diplomatic Security, should conduct a countrywide fleet review to define how many vehicles Mission Iraq actually needs. (Action: Embassy Baghdad, in coordination with A and DS)

Aviation Services

With the departure of U.S. combat troops in 2011, the Department assumed responsibility for passenger and cargo aviation services formerly performed by the DOD. Based in Amman, Jordan, Embassy Air carried 19,306 passengers to destinations around Iraq during a recent 6-month period. Embassy Air is the mission's most secure lifeline to the outside world and the only means of medical evacuation countrywide. The combined cost of Afghanistan-Iraq air operations stands at \$128.2 million this year. The Department has convened an aviation glide path working group to find ways to reduce costly aviation service. The embassy reviews

commercial airline options and aviation safety issues regularly and expects to reduce contract aviation services over the next year as commercial options become available.

Medical Services

The Department is rapidly reducing the scope of its contracted medical services, estimated at \$85 million for FY 2013, as activities at OSC-I locations around the country close by the end of the year. The embassy operates 11 hospitals and clinics throughout the country under contract with Comprehensive Health Services Middle East. Operations include four diplomatic field hospitals geared to trauma and mass casualty stabilization and clinics that deliver primary care, evacuation stabilization, and laboratory services. At the embassy and in Erbil, the mission has already brought in Foreign Service personnel to staff medical units in anticipation of a normalized medical services environment with a reduced contractor presence. Air ambulance services from neighboring Amman now serve all Iraq and represent a reasonable option for future medical evacuation needs.

Offshore Support

Embassy Baghdad makes extensive use of offshore administrative support. These services function effectively and reduce the number of employees on the ground in Iraq. The Bureau of Near Eastern Affairs' Orientation and In-Processing Program handles all aspects of in-processing for new employees, eligible family members, and employees assigned on long-term temporary duty trips. The Iraq support unit in Amman, Jordan, processes more than 6,000 travel authorizations annually and operates the back-office accounting for Embassy Air. Amman also manages Mission Iraq's awards program, provides all human resource services to the three consulates, and classifies an increasing number of the mission's locally employed staff positions. The Global Financial Services offices in Bangkok and Charleston manually process the entire mission's payroll submissions every 2 weeks.

There are three drawbacks to offshore support. The first is complexity: as many as 6 offices process transactions for payroll and travel services that normally would be done within the embassy, creating confusion among customers and service providers. Second, the absence of on-the-ground personnel for payroll and travel results in reduced customer service. Third, offshore support for some functions requires manual data re-entry into payroll and travel systems, which can create data entry errors. Notwithstanding these drawbacks, offshore offices perform well; transferring services performed offshore to Iraq is neither desirable nor feasible at this time.

Host Country Administrative Issues

The embassy depends on contractors for food, fuel, and essential supplies. It engages on a daily basis with Government of Iraq offices to work through complex customs approval procedures for thousands of separate shipments per year and countrywide logistics activities. One-year tours, a dearth of local employees at consulates and offsite locations, and security restrictions complicate resolution of logistics problems that would be handled directly through face-to-face relationships elsewhere. Only one of seven local employees in the shipping unit has more than a year's experience on the job. The establishment of procedures for customs clearance,

visas, vehicle registration, and mail shipments required mission leaders' nearly constant intercession with the highest levels of the Government of Iraq when the new government set up ministries and offices responsible for such functions. Improvements to customs clearance and associated logistics issues are now on the horizon, but processes require careful attention in view of their mission-critical importance to safety and operational continuity.

Availability of Local Goods and Services

The mission lacks local suppliers for many basic goods and services. Embassy Baghdad's 2014 Mission Resource Request highlights the importance of local procurement to lower costs, minimize disruptions in supply, boost the local economy, and show Iraqis that the embassy is serious about normalizing its presence. The security situation and entry restrictions in the international zone of Baghdad and the area surrounding the consulate general in Basrah limit contact with local vendors and make it difficult for Iraqi workers and firms to access mission sites.

Advance Acquisition Planning

The mission lacks an advance acquisition plan to define procurement priorities. With adequate supplemental funding available in past years, mission offices have not planned ahead. In addition, the pace of change has made identification of long-term needs difficult. Department guidelines in 14 FAH-2 H-320 require advance acquisition plans for the effective use of public funds and for efficient scheduling of the acquisition workload. Unplanned procurements result in limited competition, hastily prepared statements of work that do not fulfill requirements, and waste of government funds.

Recommendation 12: Embassy Baghdad should prepare an annual advance acquisition plan. (Action: Embassy Baghdad)

Logistics Operations

Procurement, customs, and shipping logistics are unusually complex. The procurement workload at the consulates has taxed these operations' limited capabilities. Coordination among entities responsible for procurement and logistics is weak, and the mission is not making full use of offshore procurement resources to ease the workload. For example, Consulate General Erbil could not execute a \$2 million housing rehabilitation program in FY 2012 because of a lack of qualified personnel and advanced acquisition planning. Consulate General Basrah is at the end of a long and tenuous supply chain that leads to frequent shipping delays and costly storage charges. The overall procurement workload for the mission is likely to expand further after the departure of the DOD's logistics contractor later this year and already includes a large number of contracts greater than \$250,000. The embassy relies on procurement support from Embassy Amman's Iraq support unit for about a third of small-scale procurement actions. The consulates depend on Baghdad for support in other areas. Neither the Iraq support unit staff in Amman nor personnel from the consulates have met in recent years with embassy staff to share information and standardize business processes.

Informal Recommendation 4: Embassy Baghdad should conduct a joint logistics workshop to improve communication among the consulates and offshore locations, coordinate advance acquisition planning, and train local staff on mission-specific procurement and logistics procedures.

Post Language Program

The Department does not routinely assign officers to a year of Arabic training for a 1-year Iraq tour, but the embassy nevertheless recruited qualified officers for the majority of its 2012-13 language designated positions in the political, economic, consular, and public diplomacy sections. Embassy Baghdad has, on paper, a well-organized post language program with classes at several levels. In practice, the program was out of commission at the time of the inspection as a result of the sole instructor's extended absences. The embassy sought to hire a second instructor earlier but could not identify an acceptable candidate. Many employees were unable to attend classes for nearly 6 months—half the tour for most personnel. The embassy's language training priorities were not consistent with 13 FAH-1 H-251, which assigns the highest priority to personnel occupying language designated positions. The embassy issued an amended language instruction policy prior to the OIG team's departure. At the team's suggestion, human resources and general services are exploring the possibility of using a contract linguist to assist with instruction until the embassy can hire additional instructors.

Normalization: Program and Policy Implementation

Political and Economic Policy Coordination

The political, political-military, and economic sections support the front office's efforts to manage relations with Iraqi authorities. Reporting from all three sections, but especially the political section, is comprehensive, timely, and of high quality. The three sections are in various stages of restructuring. The political section downsized in 2012. The economic section has developed a plan that will produce a lean, focused section in mid-2014. The political-military section has completed its downsizing but has yet to articulate a structure to align its mission with its reduced staffing.

The economic and political sections have grade structures based on past, higher staffing levels, and some of the positions are now overgraded. In the political section, five positions are actually filled by lower-graded officers. The economic section has three positions that were filled by stretch assignments, but its medium-term plan already revises the grade structure and eliminates a senior position in 2014. The rightsizing exercise begun on March 1 is reviewing section staffing to align grades with section responsibilities.

Communications are uneven within each section and weak among the three sections. Several staff members expressed a desire for more communication on discussions at country team and senior staff meetings. The OIG team counseled managers on ways to improve communication flow.

Political Section

The political section includes three "pillars." The internal affairs unit does an outstanding job covering Iraqi political developments. Reporting is extensive, well-sourced, and analytical. The location of Iraq's Council of Representatives (the parliament) in the international zone facilitates access to council members. The unit is also fortunate to have all four of its language designated positions filled with Arabic speakers at the required level or higher. The external unit and the democracy and human rights pillars are smaller and face more security constraints in carrying out their work with contacts located outside the international zone, but they are carrying out their duties effectively. The survey phase of the inspection surfaced questions about the embassy's engagement on women's issues. The inspection found, in fact, robust engagement with Iraqi women on a range of issues, including specific human rights concerns. The embassy released a report on its strategy on women's issues during the inspection.

Political-Military Section

The embassy has a stand-alone political-military section that reports to the DCM. The volume of work and the level of engagement with an evolving OSC-I warrant an independent political-military section for the foreseeable future. The section has struggled over several years to manage relations with the much larger but rapidly changing U.S. military presence. The section's officers have carved out meaningful and substantive roles with the military. However, OSC-I's staff has not always understood their role in a civilian-led model of diplomatic

engagement. Officers without prior political-military experience would benefit from political-military affairs training prior to assignment to Iraq.

Informal Recommendation 5: Embassy Baghdad should require all officers assigned to the political-military section to attend the Political-Military Affairs course PP505 at the Foreign Service Institute unless they have significant prior political-military affairs experience.

The political-military section's two-unit structure—strategic planning and programs and operations—is a holdover from the time when military operations were ongoing and it was interacting regularly with U.S. Forces Iraq. The section's current size calls for a different structure. One unit focused on the security assistance program (Foreign Military Financing, International Military Education and Training, and Foreign Military Sales) and a second unit managing policy issues would be one option.

Informal Recommendation 6: Embassy Baghdad should reorganize the political-military section to reflect current staffing and roles.

Economic Section

The economic section acts more like two separate sections, one built around the energy team and one built around the growth team. Communications within the section is inadequate, a problem exacerbated by the physical separation of the teams in two office suites. The energy team is located with and largely managed by the economic minister counselor even though it reports to the economic counselor. The team provides Washington with highly valued reporting on Iraq's oil sector. Morale and cohesion are high.

The growth team is located with and supervised by the economic counselor. Many officers in the growth team feel isolated and distant from the section's top leadership. The glide path staff reductions and a perceived lack of transparency have aggravated tensions within the growth team and weakened employee morale. Section leadership is aware of these problems and has developed a plan to locate the entire section in a single office space.

A contract employee, funded by the Bureau of International Security and Nonproliferation, is located in the economic section and manages two high-value nonproliferation-related programs: the Chemical Security Engagement Program and the Global Biosecurity Engagement Program. The position's assignment to the economic section is a legacy of the program's origin as the Iraqi Scientist Engagement Program and a once-large science and technology section. The nonproliferation focus of these programs suggests they would be better placed within the political-military section, where the employee could also assume responsibility for managing the International Security and Nonproliferation Affairs Bureau's Export Control and Related Border Security Program assistance to Iraq, an \$800,000 annual program now managed by an officer in the political-military section.

Informal Recommendation 7: Embassy Baghdad should reassign the contract employee funded by the Bureau of International Security and Nonproliferation to the political-military section.

Export Promotion

Although exempted from the National Export Initiative, Embassy Baghdad is committed to expand commercial opportunities for U.S. firms. The FY 2014 Mission Resource Request includes as objectives: supporting U.S. companies working in the energy sector, and providing the full range of commercial services, especially in support of U.S. companies bidding on government contracts. Collaboration on export promotion among the Department, Foreign Commercial Service, Foreign Agriculture Service, U.S. Agency for International Development (USAID), Treasury, and the Department of Transportation has been effective. The embassy has recorded a number of commercial successes. Iraqi Airlines purchased its first Boeing 777 aircraft after an all-hands effort that included the Ambassador's personal engagement with the prime minister and the company's top leadership. A recent trade mission to Basrah drew 15 non-oil-related U.S. exporters. The Iraqi Kurdistan region's more open economy has allowed Consulate General Erbil to develop a number of export opportunities, including a major sale of U.S. vehicles to the regional government.

Leahy Vetting

In 2012, the mission submitted 288 cases incorporating 2,745 individuals for Leahy vetting. The office management specialist in the political-military affairs section coordinates the missionwide vetting function. She has developed standard operating procedures and a tracking system. She conducts mission-level checks before submission to Washington in accordance with Internationals Vetting and Security Tracking procedures. She has carried out four training sessions for agencies and sections submitting training candidates. Training materials are well-designed and include examples of proper submissions to guide nominating agencies. In addition, the political-military section has developed a PowerPoint report for the OSC-I commander's daily briefing to track vetting progress.

Money Laundering and Financing of Terrorism

In 2012, the Middle East and North Africa Financial Action Task Force completed an evaluation of Iraq's financial oversight regime. The evaluation found extensive noncompliance with international standards to protect against money laundering and terrorist financing. Advisors from the Departments of Justice and Treasury had been providing technical assistance in these areas, but both advisory positions were eliminated with the reduction of INL funding and staffing. Divergent views among embassy staff about the problem and how to address it have impeded constructive discussion and reporting. During the inspection, the embassy reviewed and then took steps to strengthen its anti-money laundering/counterterrorism finance working group.

Recommendation 13: Embassy Baghdad should develop recommendations to Washington on how to address money laundering and terrorist financing in Iraq. (Action: Embassy Baghdad)

Countering Violent Extremism

The embassy has a number of programs that target terrorism and violent extremism. Almost all are at the "hard power" end of the spectrum. They include the Bureau of Diplomatic Security's Anti-Terrorism Assistance program, U.S. military Train and Assist activities, and INL

programs to strengthen the police and judiciary. The security situation limits public affairs efforts aimed at countering violent extremism.

Until now, the embassy has not had a formal mechanism for bringing together the various programs aimed at countering terrorism and violent extremism to make the best possible use of available resources. During the inspection, the embassy started a working group dedicated to countering violent extremism. All appropriate sections and agencies participated in the group's first meeting, and the working group agreed on action items for followup.

Law Enforcement

The embassy's law enforcement presence is shrinking, primarily as a result of significant reductions in the number of Department of Justice and INL trainers. The Department of Homeland Security no longer has a permanent presence in Iraq. By April 2013, law enforcement representation will consist of the standard embassy entities that manage relationships with host country law enforcement authorities, the courts, and corrections system, and support Department-funded training.

Cooperation among the embassy's various law enforcement components has improved as their staff numbers have declined and managers are less absorbed in internal administration. A standing law enforcement working group began to operate in 2012, chaired by the DCM or the regional security officer. Participants credit the working group with ending uncoordinated meetings by different agencies with the same Iraqi officials, and curbing duplicative training offers.

Public Affairs

The public affairs section supports the front office and mission staff with daily Arabic and English-language media summaries, manages the largest International Visitor Leadership Program in the world with 149 participants in FY 2012, and is increasing its social media presence to compensate for the constraints on public outreach. The section's biggest challenge has been adjusting to the radical downsizing of staff following the December 2011 departure of a large U.S. Armed Forces media unit, as well as a sharp decrease in the U.S. and other Western media community. The section eliminated five U.S. direct-hire positions in the glide path exercise. Section management hired four new Iraqi staff in the last 3 months. A Web manager will start work shortly. An Iraqi grantee supports the nine American Corners by arranging workshops and training. Iraqi cultural advisors monitor and report back to the public affairs section on the grantee's performance. The section's size, configuration, and span of control appear to be appropriate.

Two recent public opinion polls highlight the embassy's public diplomacy challenges and suggest appropriate programming choices. A February 2011 poll by the Bureau of Intelligence and Research indicated that only 20 percent of Iraqis had a favorable view of both the United States and its government. A 2012 Zogby Research Services poll showed even worse attitudes, with only 13 percent of Iraqis voicing a favorable view of the United States. To counter these widespread unfavorable attitudes, the public diplomacy section emphasizes cultural and educational products rather than official policy pronouncements from the Ambassador. For

example, the Department poll reveals that high percentages of Iraqis, up to 78 percent, have very favorable views of American science, technology, and education. Wisely, the section invited an Iraqi-American speaker to discuss renewable energy. The section also nominated an impressive slate of International Visitor participants for programs in higher education, public health, and the role of women in science, engineering, and technology.

The section also seeks to make a positive impact on a wide range of Iraqis through the Access Microscholarship English language program. The program provides English courses for about 1,000 underprivileged youth between the ages of 13 and 20. It emphasizes minority inclusion, mixed gender classrooms, and geographical diversity. A grantee manages the \$1.5 million program, and Iraqi cultural advisors and an American specialist monitor the courses. Other grants fund English courses for 600 embassy contacts and provide U.S. training for 50 Iraqi English teachers. The programs are an excellent vehicle for outreach to ethnically diverse Iraqis, who can, in turn, access Western information sources without intermediaries.

Cultural Programs

Cultural officers conduct frequent educational, civil society, and arts programs outside the international zone. To comply with security requirements and minimize the risk of cancellations, programs are smaller, limit participation to two Americans, and focus on activities taking less than 2 hours. These scaled-down events limit opportunities for contact building and recruiting for exchange program candidates.

Social Media

Although less than 10 percent Internet penetration, limited bandwidth, expensive Internet fees, and irregular power supplies pose challenges, public affairs has identified digital outreach as one of its emerging tools for reaching target audiences. Target audiences increasingly use Facebook and other social networking sites; surveys in two large English-language university classes showed that about 70 percent of students have a Facebook account. The embassy's posts on U.S. humanitarian assistance in Syria generated almost 400 "likes," 70 comments, and 6 page shares, which demonstrates the effectiveness of this tool. The embassy now has 47,000 Facebook and 1,850 Twitter followers.

American Corners

Nine American Corners, all recently equipped with Internet access, have become a promising program platform, although the performance of their Iraqi directors is not consistent. Iraqi cultural advisors' identification of program inadequacies resulted in the recent closing of three Corners. The Bureau of International Information Programs offers Arabic-language paper shows¹⁴ that address embassy priorities. These programs require little or no American officer presence and can, therefore, be deployed easily outside the international zone. The American Corners are good locations for these exhibits, but the section has not taken advantage of available

¹⁴ Paper shows are typically 10 to 20 low-cost, poster-sized panels on U.S. society and culture for mounting and display in American Corners or consulates.

paper shows to date. Neglecting this outreach opportunity means fewer Iraqis are exposed to American ideas and values.

Informal Recommendation 8: Embassy Baghdad should make more use of programs, such as paper shows, that do not require American officer participation at the American Corners.

Grants

The Office of the Procurement Executive, per Grants Policy Directive 21, requires the public affairs section to enter all grants into the online Grants Database Management System, but at the time of the inspection it had uploaded only 6 of 67 FY 2012 grants. Entering so few grants in the grants database falls unacceptably short of Federal law requiring transparency and accountability to help prevent wasteful spending.

Recommendation 14: Embassy Baghdad should post all of its FY 2012 grants, as well as current grants, into the Grants Database Management System. (Action: Embassy Baghdad)

The Office of the Procurement Executive requires competition in awarding grants in excess of \$10,000 or a waiver for each grant issued without competition. The section rarely posted grant announcements in FY 2012. Public affairs sections are permitted to justify their grants competition policies on a yearly basis by posting an annual program statement in lieu of individual waivers, but the embassy has not done so.

Recommendation 15: Embassy Baghdad should issue an annual program statement for public diplomacy grants and post it on www.grants.gov. (Action: Embassy Baghdad)

Iraqi Cultural Advisors

Embassy Baghdad's Iraqi cultural advisor program has proven valuable for collecting local insights, providing spot reporting, and supporting cultural outreach in a restrictive environment. Advisors have also helped recruit exchange program participants and monitored Department-funded assistance projects. There are, however, significant weaknesses in the program's management. The impending contract extension will allow the embassy to resolve any program deficiencies.

The 31 Iraqi cultural advisors were hired originally under several contracts to support provincial reconstruction teams. When the provincial reconstruction teams ceased operations in 2011, the mission assumed direction of the advisors and brought them under a single contract. Eleven advisors operate in the Baghdad area; another 20 are based in the provinces. They report to and receive direction from officers in eight different sections and agencies, plus the consulates general in Basrah and Erbil. The political section is leading a process to establish better coordination and oversight of the program. There is now a consolidated list of Iraqi cultural advisors, and advisors are made available to all sections even if they are managed primarily by another. There are plans to hold annual advisor training sessions.

The cost of the cultural advisor program will likely reach \$2 million for the current contract year (an average cost of \$70,000 per year per advisor). The embassy has already served notice to extend the contract to May 2014. Although a U.S. direct-hire employee manages each Iraqi cultural advisor and approves timesheets and expense claims, these individuals are neither contracting officer's representatives nor government technical monitors. Managers have no way to confirm hours worked. The contracting officer's representative in the general services office reviews payments and questions expense claims as appropriate. Advisors do not generally have proper scopes of work, and there is no mechanism for assessing the output and value of each advisor to determine overall contract performance.

Recommendation 16: Embassy Baghdad should implement a plan to manage the Iraqi cultural advisors contract consistent with Federal Acquisition Regulations and good management practices, to include a qualified government technical monitor to approve time sheets and expenses; regular face-to-face meetings between the advisors and their managers; and annual performance evaluations. (Action: Embassy Baghdad)

Recommendation 17: Embassy Baghdad should assess the number of advisors needed to support mission requirements. (Action: Embassy Baghdad)

Consular Section

The consular section does good work in a difficult environment, paying appropriate attention to internal controls, Visas Viper reporting, and visa processing requirements. There are, however, processing inefficiencies and access control issues, some of them inherent in the embassy's security posture, that affect customer service. These inefficiencies were apparent when consular management increased nonimmigrant visa appointments during the inspection, and customers snapped up new interview slots, relieving pent up demand. The fraud prevention program is nascent, and the first assistant regional security officer for investigations has only recently arrived. The American citizens services staff is able to visit prisoners but cannot do normal welfare and whereabouts or other outreach because of travel restrictions. The unit has developed creative workarounds, such as telephone interviews and the use of intermediaries, to gather information on parental abduction cases. The section chief established a consular corps group soon after his arrival, and this initiative may pay dividends in the near future with multi-embassy cooperation on fraud issues and operational challenges.

Consular Management

The section's effectiveness is hampered by a dearth of Arabic-language speakers, limited cultural insight, and an insufficient number of useful local contacts, largely due to the limited role the five Iraqi employees play in the overall operation. Fewer than half the consular employees—both U.S. and non-U.S. direct hires—speak Arabic and only three of the Arabic-speaking officers can conduct the full range of interviews unassisted. Iraqi locally employed staff, all hired within the last 2 years, spend much of their time as interpreters, which limits the time they spend developing functional expertise. Consular managers rely heavily on experienced third country national staff, but this reliance has not provided the Iraqi staff with the skills they need to assume responsibility for operations when the third country national program ends in 2015. Section leadership is now requiring third country national senior staff to devote more time

to train the Iraqi staff. None of the Iraqi staff members, however, have ever seen a normal consular section in action. During the inspection, consular management organized an American citizens services training course for all consular staff. In addition to increased focus on training in Baghdad, Iraqi staff would benefit from orientation trips to observe and assist in a consular section at a nearby embassy. The OIG team encouraged leadership to set up offsite visits; and management promptly identified a trainee and a receiving post and was trying to secure funding.

Informal Recommendation 9: Embassy Baghdad should make training of locally employed consular staff a priority, including online and hands-on training opportunities.

All consular customers are required to use a shuttle service to access the embassy compound. That service departs from a nearby U.S. Government compound after riders are security screened. Including transit time, a second security check process, and document prescreening at the consular section, the first applicants are not ready for interview until the section has been open for more than an hour. The shuttle bus schedule is too limited to keep customers flowing in and out of the compound efficiently.

Informal Recommendation 10: Embassy Baghdad should increase the frequency of the consular shuttle service.

The section is staffed to meet greater demand but can only do so if it streamlines processing. Many applicants arrive ill prepared for their interviews, and the section's intake procedures are slow, which limits the number of cases that can be processed each day. Few Iraqis have regular Internet access, which makes dissemination of consular information difficult. Consular management has not focused on alternate methods of getting information to the public, such as inserts in immigrant visa appointment packets, notices on the nonimmigrant visa appointment site, mailers to travel agents, and media notices. It has not conducted desk audits of its intake process to identify unnecessary steps or shortcuts.

Informal Recommendation 11: Embassy Baghdad should identify choke points in consular processing and adopt strategies to ease them.

Nonimmigrant Visas

A serious issue facing the consular section is the inability to process Kurdish visa applications in a reasonable timeframe. This situation results from the lack of timely Washington-based administrative processing and is discussed in the classified annex to this report. Additional problems related to administrative processing for other types of visas are also discussed in the classified annex.

The section handles nonimmigrant visa referrals correctly, but delays in administrative processing in Washington generate an unusual number of high-level requests for status checks and constant pressure on consular officers from referring officers. The section developed a process so that other embassy offices can access information about the status of referral cases without contacting a consular officer.

Immigrant Visas

Applications for the Iraqi special immigrant visa program make up approximately 65 percent of immigrant visa cases. The special immigrant visa program, designed for employees and former employees of the U.S. Government in Iraq with at least 1 year of service, was instituted by law in 2008 and will terminate at the end of FY 2013 unless Congress extends the program. Embassy Baghdad, the Bureau of Consular Affairs, and the Bureau of Population, Refugees and Migration, each of which handles a portion of the program, have not publicized the imminent termination of the program because they expect the program to be extended. The proposed legislation would extend the application deadline until the end of FY 2018 for applicants who began their employment with the U.S. Government before October 1, 2012. Announcement of the impending termination of the program to affected applicants will allow those individuals who may have qualifying U.S. Government employment to make an informed decision as to whether to apply before the program ends. The approximately 2,000 Iraqi special immigrant visa cases in the Washington pipeline for administrative processing may not be completed before the program's termination.

Recommendation 18: Embassy Baghdad, in coordination with the Bureau of Consular Affairs and the Bureau of Population, Refugees and Migration, should alert pending applicants about the potential termination of the Iraqi special immigrant visa program on September 30, 2013. (Action: Embassy Baghdad, in coordination with CA and PRM)

The immigrant visa unit has been holding thousands of Iraqi passports for special immigrant visa applicants and their immediate family members pending the results of administrative processing. Consular sections worldwide are advised not to retain travel documents for indefinite periods because those documents belong to the applicants, not to the U.S. Government. These families cannot leave the country because the consular section has their passports. In addition, if the embassy were to draw down or evacuate, the section would have to destroy these travel documents. Some of these passports have been held for several years.

Recommendation 19: Embassy Baghdad should return the Iraqi passports of special immigrant visa program applicants. (Action: Embassy Baghdad)

Consular Section Erbil

The consular section at Consulate General Erbil is staffed by a sole consular officer, who will be joined by two locally employed staff. The section is not yet open for visa or American citizens services but is expected to open for service in 2013. The consular section chief in Baghdad has been working with the consular officer in Erbil to prepare for the opening. The OIG team understands that the Bureau of Consular Affairs plans to have the Erbil principal officer review the consular officer's visa adjudications. Because of the complexity of visa work in Erbil, the fact that the principal officer will likely be the most frequent referring officer, and the relative inexperience of the consul in Erbil, this is inadvisable. The Erbil consular officer would benefit from having his decisions reviewed by an experienced consular officer familiar with visa ineligibilities and the administrative processing requirement.

Recommendation 20: The Bureau of Consular Affairs should authorize the Baghdad consular section chief to review Erbil visa adjudications. (Action: CA)

The embassy hired two locally employed staff for Erbil's consular section—one FSN-07 visa assistant and one FSN-08 American citizens services assistant. The visa assistant has several years of consular experience. The American citizens services assistant has previous U.S. Government experience but not in consular work. In such a small section, both assistants will be doing the same work and cross training in all functions until the workload grows enough to separate the section into two units, at which time those positions would become supervisory. Consular management in both Baghdad and Erbil acknowledge that it was ill conceived to establish the two Erbil locally employed staff positions at different grades. In addition to this structure not being appropriate for such a small staff, assigning the more experienced employee to the lower graded position is also a poor decision.

Recommendation 21: Embassy Baghdad should classify both locally employed staff positions at Consulate General Erbil as FSN-08 and cross train the two incumbents. (Action: Embassy Baghdad)

The Office of Refugee and Internally Displaced Persons Affairs

The Office of Refugee and Internally Displaced Persons Affairs facilitates voluntary return and integration of refugees and internally displaced persons, engages Iraqi authorities to observe international standards of humanitarian protection, and manages programs to help Iraqis who face danger stemming from their association with the United States. The staff is well-led, resourceful, and proactive in monitoring the disbursement of U.S. assistance—\$260 million in FY 2012—to 1.3 million displaced persons and several hundred thousand refugees. It also manages a caseload of nearly 17,000 applicants for refugee resettlement and special immigrant visas. On the Iraqi side, weak commitment, capacity, and internal coordination limit the effectiveness of that assistance. The refugee office has done a good job communicating with Iraqi officials and the United Nations High Commissioner for Refugees and facilitating high-level engagement from Washington.

The refugee admissions coordinator partners with the International Organization for Migration (IOM), which operates a processing facility for refugee applicants. To minimize staff and footprint, IOM in Amman provides initial documentation gathering, quality control, filing, scheduling, and travel and placement support. Prescreening interviews take place in Baghdad. It typically takes about 1 year from initial application to the prescreening interview. Following name checks and lengthy administrative processing, teams from the U.S. Citizenship and Immigration Services travel to Baghdad to interview applicants and adjudicate cases.

There is some urgency to processing refugee cases because of the inherent risk to this vulnerable group. The embassy has taken steps to speed up processing, including securing more interview space, adding IOM caseworkers, and increasing the number of adjudicators. The embassy expects to double the processing rate and eliminate the backlog of cases for prescreening by the end of the year. Even so, at current application rates, the case load backlog for final interviews and adjudication will remain at approximately 2 years, provided the number of U.S. Citizenship and Immigration Services personnel remains at current levels.

The section's staff is trying to shorten the process by identifying problem cases earlier in the process. These steps may include collecting fingerprints and other biometrics earlier and improving network connections to reduce data transmission problems. The OIG team encouraged staff to pursue these initiatives.

The section has four third country national positions to verify employment and threat information for special immigrant visa applicants. They obtain information by email and phone but do not interact with applicants in person. IOM in Amman performs a similar function for Iraqi refugee applicants. High costs of maintaining third country national positions are not justified when the functions can be performed offshore equally effectively. The OIG team counseled section management on less expensive options, including hiring local staff to perform these functions at other posts in the region or creating eligible family member positions at the embassy to do this work until the special immigrant visa program concludes.

Foreign Assistance: Planning, Coordination, Monitoring

As oil revenues increase, Iraq's ability to fund its own requirements is improving. Consequently, U.S. assistance to Iraq is declining. Funding levels in FY 2012 were at \$1.3 billion, but the FY 2014 planning figure is \$573 million, of which \$502 million is for security assistance. The 2013 closure of the Police Development Program represents the largest programmatic and funding change. Current planning contemplates closure of the USAID mission in FY 2015. Even at diminished levels, foreign assistance planning and oversight will require substantial embassy resources for grants officer representatives and monitoring.

Planning and Organization

Embassy Baghdad has done a good job in a difficult foreign assistance planning environment. Until mid-2012, when the position was abolished, an assistant chief of mission for assistance transition coordinated assistance and supervised nearly all embassy elements overseeing assistance programs. Since then, responsibility for foreign assistance programs has been dispersed, with the assistant chief of mission for rule of law adding the coordination role and oversight of USAID to his duties. During the inspection, embassy leadership decided that the USAID director would assume the foreign assistance planning and coordination role when the assistant chief of mission for rule of law position is eliminated in mid-2013.

The embassy has an effective assistance coordination group, which develops budget proposals and determines the impact on staffing. The embassy convened the group as a contingency but institutionalizing it would encourage coherent planning across sections and agencies, help prevent duplicative activities, and provide continuity through the drawdown of the USAID mission.

Informal Recommendation 12: Embassy Baghdad should establish the mission assistance coordination group as a standing body with a regular meeting schedule and terms of reference.

Grants Officer Representatives

Although Washington manages most Department-funded civilian assistance programs in Iraq, several embassy staff members serve as grants officer representatives for all grants of more than \$100,000. As of June 30, 2013, the Office of the Procurement Executive will require all grants officer representatives be certified. The mission's grants officer representatives have taken appropriate training, but none is registered as certified in the Office of the Procurement Executive database.

Informal Recommendation 13: Embassy Baghdad should require all employees serving as grants officer representatives to take grants training and become certified.

Monitoring

Department regulations require monitoring of assistance awards.¹⁵ The embassy's monitoring responsibilities vary from providing grants officer representatives to acting as a liaison with implementing organizations to supporting visits by Washington-based staff. Security concerns and the associated costs make it rare for a direct-hire employee to undertake a site visit outside of Baghdad or Erbil. Travel outside Baghdad's international zone requires advance planning and an accompanying security detail. Monitoring demand may ease over time if funding levels decrease, but even a small grant can impose significant demands on embassy and consulate resources.

No process exists to align required monitoring with the embassy's capacity. The embassy does not use its opportunities to comment on proposed assistance awards to explain the limited support it can provide to monitoring; therefore, program offices do not consider those factors to produce achievable monitoring plans.

Informal Recommendation 14: Embassy Baghdad should inform Department program offices what support it is able to provide to monitor assistance awards under consideration, including staff time, travel, and visit support.

Cost Sharing

Since 2009, it has been Department policy to seek a minimum 50 percent participation by the Government of Iraq for programs that directly benefit or involve the central government or that are in its direct interests.¹⁶ Although some exceptions apply to most Department-funded programs, the U.S. Government is required to seek Government of Iraq financial participation even in excepted cases.

USAID has an effective mechanism for tracking Iraqi contributions to its programs, but neither the embassy nor Department program bureaus have applied the guidelines consistently. Most employees are aware of U.S. interest in seeking Iraqi contributions and cite anecdotal examples of the Iraqi government funding travel and making land and facilities available for training. However, there is no mechanism to record decisions on whether an Iraqi contribution is required. Nor do the embassy or Department program offices keep records on Iraqi contributions. The team reviewed 29 project files in several program areas and identified only three that included a cost sharing provision. Fulfillment of the guidelines would generate additional funding, test the Iraqi Government's commitment to cooperative programs, and build its capacity to plan, budget, and implement activities.

Recommendation 22: The Office of U.S. Foreign Assistance Resources should require that all implementing mechanisms for assistance to Iraq indicate in operational plans how they will comply with the 2009 guidelines on Government of Iraq financial participation. (Action: F)

¹⁵ Monitoring Assistance Awards, Grants Policy Directive Number 42, September 2, 2010.

¹⁶ Guidelines for Government of Iraq Financial Participation in U.S. Government-Funded Civilian Foreign Assistance Programs and Projects, Department of State, April 9, 2009

The Ambassador's Fund

Established in FY 2012, the Ambassador's Fund awards grants that promote reconciliation and stability, improve access to local government, enhance social stability, build civil society capacity, and enhance economic growth. The \$10 million appropriated for the fund was more than the \$5 million the Department requested.

The fund solicits proposals through a competitive process. An embassy committee, coordinated by the economic section, evaluates proposals and decides awards. The embassy and the Bureau of Near Eastern Affairs jointly developed a program statement and procedures to select and monitor grantees. A grants management team provided training in Baghdad. These steps reflect well on collaboration between the embassy and the Department, while supporting competition, transparency, and oversight.

Current staffing in the economic and political sections is not sufficient to provide grants officer representatives for all the contemplated Ambassador's Fund grants. The fund's program statement indicates that the majority of awards will be in the \$200,000 to \$500,000 range, which could result in more than 20 grants. An embassy grants officer representative can manage one or two grants adequately as a collateral duty. Monitoring requirements could be met by identifying more Washington-based grants officer representatives, but the Bureau of Near Eastern Affairs has stated that it does not intend to provide Ambassador's Fund grants officer representatives. The grants committee will have to award fewer, but larger, grants if the embassy needs to provide all the grants officer representatives.

Recommendation 23: Embassy Baghdad, in coordination with the Bureau of Near Eastern Affairs, should agree on the number of Ambassador's Fund grants for which the embassy can provide grants officer representatives. (Action: Embassy Baghdad, in coordination with NEA)

International Narcotics and Law Enforcement Programs

INL programs have strengthened Iraq's capacity for evidence-based investigations and prosecutions. With the 2012 decision to terminate the Police Development Program, INL's staffing will shrink from about 100 to 2 officers and 5 local staff by September 2013. The new staffing level is sufficient to manage prospective programs. The section is arranging to cover monitoring and evaluation through another, existing NEA contract.

The section has undergone an orderly transition, characterized by regular, task-oriented meetings and good communication with Washington. A SharePoint platform to track program close out shows 34 of 35 tasks either completed or on schedule.¹⁷ Staff are preparing end-of-mission and lessons learned reports for the Police Development Program. The Department has approved continuing annual assistance for anti-corruption, the justice sector, drug demand reduction and police, with \$23 million requested for FY 2014. The section has drafted a request for proposals to be posted on www.grants.gov.

¹⁷ This report does not cover disposition of INL property. The OIG Middle East and Regional Office (MERO) is conducting a property audit.

Anti-Terrorism Assistance Program

The Department provides about \$5 million per year in anti-terrorism assistance, with separate training for Government of Iraq and the Kurdistan Regional Government personnel. Last year, Anti-Terrorism Assistance funded the training of 490 participants. The embassy has improved relations with the Iraqis by naming a liaison officer for the program and identifying a high-level point of contact on the Iraqi side. Training will take place in Iraq this year for the first time, satisfying an Iraqi concern about sending personnel abroad for training. Late receipt of names for Leahy vetting is a continuing problem and has led to postponement or cancellation of courses. Still, the program provides valuable training and shows promise of being on a more solid footing.

The standard letter offering anti-terrorism training states that the trainees selected for the course “should remain in their position for a minimum of 2 years.” This condition is intended to ensure that training builds capacity in host country organizations. The embassy does not verify whether personnel receiving Anti-Terrorism Assistance-funded training remain in their positions.

Informal Recommendation 15: Embassy Baghdad should periodically verify that personnel who receive antiterrorism assistance training remain in their positions for 2 years.

Humanitarian Mine Action

Because of staffing gaps in the political-military affairs section caused by curtailments, Embassy Baghdad has not given adequate attention to ongoing humanitarian mine action programs, funded at \$20 million per year through the Bureau of Political-Military Affairs. In some respects, the situation still resembles that described in the 2010 inspection report on the program.¹⁸ The embassy has not met with the Iraqi directorate for mine action. Staff assisted one implementing partner to resolve problems with the authorities over visas for expatriate experts and to maintain its registration as a nongovernmental organization but has had minimal contact with the other six implementing parties. Because of security risks, no one from the embassy or program bureau has done a site visit in a year; monitoring depends on reports from implementing partners. The embassy has not conducted any demining program public diplomacy activities in recent memory.

Recommendation 24: Embassy Baghdad, in coordination with the Bureau of Political-Military Affairs, should develop a work plan to monitor and publicize the humanitarian mine action program. (Action: Embassy Baghdad, in coordination with PM)

¹⁸ *Inspection of Humanitarian Mine Action Programs in Iraq*, OIG Report Number ISP-I-10-41, June 2010.

Stewardship of U.S. Government Resources

In a recent report on Iraq reconstruction, the Special Inspector for Iraq Reconstruction highlighted an array of deficiencies that led to waste and mismanagement in the expenditure of \$61 billion in Iraq reconstruction funds.¹⁹ Projects from the Iraq reconstruction era are ending, but the embassy operates in an environment subject to the same program management challenges identified by oversight entities in the past decade. Embassy activities that are vulnerable to waste and mismanagement include grants and foreign assistance programs, construction management, contract management, and property management. The lack of a contract management program, frequent employee turnover associated with 1-year tours, missing or incomplete records of contractor property, insufficient oversight of contractor invoices, and difficulties in designating grants officer representatives and developing monitoring plans remain ongoing problems. The charge d'affaires noted several of these issues in the annual statement of assurance signed on July 13, 2012. The embassy has made progress in reducing cash payments, ensuring proper controls on employee travel, and instituting standard internal controls processes in many areas.

Construction Planning and Oversight

Since the departure of combat troops, the mission has focused on consolidating facilities and closing dozens of former military installations countrywide. In the last several months, the administration made a number of policy decisions to eliminate programs and close facilities, which resulted in the Department terminating construction projects in whole or in part before occupancy. These policy shifts stretched the Department's planning capacity and the mission's ability to redirect resources. For example, at the Erbil Diplomatic Support Center, the Department canceled ongoing construction in February 2013, after expenditures of approximately \$85 million, with the decision to cease Department operations at the location by July 2013. In September 2012, with the reduction of the Police Development Program, the U.S. Government turned over the unfinished Baghdad Police Academy to the Government of Iraq after investing an estimated \$108 million in construction. In addition, the Department contributed \$48 million in Police Development Program funds to the construction of the Basrah consulate general, because the Police Development Program intended to be a tenant in that facility. During the inspection, in preparation for turnover to the Government of Iraq, mission operations drew down at Embassy Annex Prosperity, where a \$32 million construction project was halted. The final phase of the Prosperity site closure requires construction of a new \$11.5 million heavy vehicle maintenance facility on the embassy compound.

Construction Project Oversight

The frequent rotation of temporary duty OBO project directors at Consulate General Basrah and the Erbil Diplomatic Support Center disrupted oversight and contributed to delays of more than 1 year in project completion at these locations. Over the life of BDSC construction projects, valued at \$202.7 million, a total of 13 temporary duty project managers have rotated in and out. On the embassy compound, the 568-bed east end housing project lags 6 months behind. Poor contractor performance, delays in material shipments, and weak coordination among

¹⁹ *Iraq Reconstruction: Lessons Learned from Auditing U.S.-funded Stabilization and Reconstruction Activities*. October 2012.

competing projects also affected project delivery at multiple sites in Iraq. Regulations in 15 FAM 1012.4 require the Department to assign full-time project direction staff for capital construction and major rehabilitation projects. Also, the Benghazi Accountability Review Board recommended that the Department assign critical personnel at high-risk, high-threat missions to 1-year assignments. In part because of a lack of consistent oversight, construction quality and schedules have suffered, and projects critical to security in Iraq have been delayed.

Recommendation 25: The Bureau of Overseas Buildings Operations should assign long-term project managers for major construction projects in Iraq to a minimum 1-year tour of duty. (Action: OBO)

Bureau of Overseas Buildings Operations Master Plan

The Bureau of Overseas Buildings Operations (OBO) has not updated its 2009 comprehensive plan to coordinate and prioritize Iraq construction in response to reduced staffing and revised policy assumptions. Given the pace of the mission's downsizing, the reevaluation of Iraq policy, and the long lead time for construction planning, it has been difficult for OBO to adjust to changing requirements. During the inspection, the embassy and OBO were debating the necessity of an \$89 million power plant project on the chancery compound and the need for additional leased office space in Erbil. The embassy and OBO have not reached a mutually agreed set of construction priorities. As the embassy moves to normalized status, the era of vast construction projects is coming to a close.

Under 1 FAM 283.1, OBO's responsibilities include preparing master plans providing a comprehensive overview of a mission's facilities requirements. Mission Iraq urgently needs a coordinated, long-term plan because of exceptionally high operating costs at the consulates, substandard housing, and security concerns associated with occupancy of temporary office facilities that do not comply with Overseas Security Policy Board standards in BDSC, Erbil, and Basrah. The embassy and Consulate General Basrah occupy more than 100 acres each, while the BDSC site totals 350 acres. A typical new embassy compound sits on approximately 10 acres. The OBO *Guide to Design Excellence* promotes sustainability as a key principle to ensure diplomatic buildings and sites are economical to operate and maintain. As Mission Iraq begins to operate in a traditional diplomatic environment, maintenance and repair costs will come out of the regular budgets. The large Iraq footprints, expensive to guard and maintain even after glide path, will strain support for diplomatic facilities worldwide when special appropriations that fund them end. The need for a long-term master plan to sustain diplomatic facilities throughout Iraq, linked to foreign policy priorities and staffing requirements, will be discussed further in a pending audit report (*Audit of the U.S. Mission Iraq Staffing Process*, AUD-MERO-13-33). Such a plan would require periodic review and updates to reflect further changes in priorities and requirements.

Contract Management

The Department does not have in place procedures to assign and regularly update contract management responsibilities for high-value Iraq contracts. The Department's electronic system for tracking training and certification of contracting officer's representatives and government technical monitors lists 32 contracting officer's representatives in Iraq, 17 of whom

no longer worked in the mission at the time of the inspection. The system does not contain any government technical monitors, who assist with technical monitoring, advice, substantive guidance, inspections, and assistance and are subject to professional training and certification requirements equal to those of contracting officer's representatives. In addition, the embassy itself does not maintain a complete list of employees who perform contracting officer's representative responsibilities. As required in the Department's Acquisition Regulations 642.270 and 642.271, contracting officers must designate formally and in writing contracting officer's representatives and government technical monitors. Without formal designation, embassy personnel who work on contract management do not have authority to review invoices and monitor contractor performance.

Recommendation 26: The Bureau of Administration, in coordination with Embassy Baghdad, should implement a system to designate contracting officer's representatives and government technical monitors for all Office of Acquisitions Management contracts in Iraq on a quarterly basis and notify the embassy accordingly. (Action: A, in coordination with Embassy Baghdad)

Contracting Officer's Representatives and Government Technical Monitors

Contract management and accountability personnel resources are inadequate to oversee mission contracts. For example, four general services officers manage approximately 30 large Office of Acquisitions Management contracts with a total value of more than \$5 billion. Most contracting officer's representatives have primary duties other than contract management. Of the contracts that require oversight, 11 have individual values between \$250,000 and \$5 million, requiring Level II contracting officer's representative oversight. Nineteen contracts have individual values greater than \$5 million with a total value of \$4.7 billion, requiring contracting officer's representatives with Level III certification. Contracts include cell phone services, expediter services, local subject matter experts, linguists, Iraqi cultural advisors, and hazardous waste recycling.

Although most contracting officer's representatives have met the Department's training requirements, many possess neither the subject matter expertise nor the technical skills needed to monitor task orders and contracts as required by the Department of State Acquisition Regulations 642.270. The Department's 2011 Human Rights Report cites "rampant corruption at all levels of government and society" as a major problem in Iraq, making contract oversight more difficult. Improper monitoring increases the risk of fraud, the receipt of poor quality goods and services, and overpayments to contractors.

Recommendation 27: The Bureau of Administration, in coordination with Embassy Baghdad, should appoint qualified government technical monitors for Office of Acquisitions Management contracts to assist contracting officer's representatives. (Action: A, in coordination with Embassy Baghdad)

Trafficking in Persons Monitoring

Although mission contracts contain the required Federal Acquisition Regulation 52.222-50 clause, Preventing Trafficking in Persons, contracting officers and contracting officer's representatives do not monitor contractors properly for trafficking in persons violations. The

OIG team received reports of employees held in country without pay while awaiting exit visas and of leave practices noncompliant with Iraqi labor codes. Although these issues alone do not constitute “trafficking,” they can be indicators of potential abuses. The use of third country labor and employer-provided housing in Iraq increases risks. Lack of training, heavy workloads, and a dangerous security situation that restricts off-site inspections prevent contract managers from fulfilling responsibilities outlined in the Office of the Procurement Executive Procurement Information Bulletin No. 2011-09. Without a structured trafficking in persons monitoring program, mission contractors could engage in illegal trafficking activities, contrary to the Department’s zero tolerance policy for recipients of federal funds.

Recommendation 28: Embassy Baghdad, in coordination with the Bureau of Administration, should implement a trafficking in persons monitoring program for all Department contracts. (Action: Embassy Baghdad, in coordination with A)

Personal Property Management

As noted in the 2009 OIG inspection report, accountability for personal property at the mission is weak. At the time of the inspection, the general services sections in Baghdad, Erbil, and Basrah were inventorying Department property and reconciling missing items, some of which had not been reconciled since 2009, with a goal of compiling a clean baseline inventory for the future. In addition, inaccurate and incomplete records of DOD-transferred property complicate accountability. For example, the mission is unable to locate 172 items valued at \$8.7 million, including generators and other equipment, marked as DOD transfers in the embassy’s property database. OIG’s Office of Audits is conducting an audit of personal property management in Mission Iraq.

Standard Business Applications

U.S. diplomatic missions use standard Department-mandated online systems, including the Post Administrative Software Suite and the Integrated Logistics Management System, to support administrative functions, maintain internal controls, inform budgets, and report data to Washington. In Iraq, the embassy and consulates do not consistently use the common electronic platforms for supply chain, real estate, and facilities maintenance. In some cases, the mission has not installed the systems or identified and trained local staff to use them. For example, at Consulate General Erbil, which manages more than 40 functional and residential short-term leases, no local staff member is trained to update the Real Property Application database as required by 15 FAM 141. Likewise, the Erbil facilities maintenance section does not use Work Orders for Windows, mandated in 15 FAM 141.2, for planning and managing maintenance activities. The consulates general in Basrah and Erbil do not have complete access to the Integrated Logistics Management System, required by 14 FAM 414.2-1 and 14 FAM 437.2, for controlling the inventory of nonexpendable property, expendable supplies, and vehicles. The embassy itself lacks the Department’s latest expendables control program.

The Department’s new Baghdad Life Support Services contract and the Operations and Maintenance Support Services contract, which will be implemented during 2013, require the contractors to use the Department’s standard programs to control property inventories and handle maintenance requests. In addition, as the mission moves next year to implement the ICASS

model, accurate data from these automated systems ensures fair distribution of administrative services costs among all agencies. Internal management controls suffer without the proper use of standard automated systems. Similarly, normalized operations and customer service improvements depend on deploying these systems. Incomplete records cause inaccuracies in the Department's annual report to the President on internal controls, which is required under the Federal Managers' Financial Integrity Act, and other consolidated reports to Congress and the Office of Management and Budget.

Recommendation 29: Embassy Baghdad, in coordination with the Bureau of Administration and the Bureau of Overseas Buildings Operations, should deploy the Post Administrative Software Suite and Integrated Logistics Management System applications at all mission locations and identify and train local employees to use them. (Action: Embassy Baghdad, in coordination with A and OBO)

Safety, Health, and Environmental Management

The embassy lacks a structured safety, health, and environmental loss control program required by 15 FAM 961. The embassy has established a safety, health, and environmental management committee, but it does not meet semi-annually as required by 15 FAM 933.2 a. The committee met last in January 2012. Two Tier I report recommendations, one an updated motor vehicle safety policy required by 15 FAM 957.3, remain unresolved. The latest fire inspection was in April 2011. Many of the fire report recommendations remain unresolved.

Informal Recommendation 16: Embassy Baghdad should convene a safety, health, and environmental management committee meeting to develop a comprehensive safety, health, and environmental management program for the embassy and consulates.

Internal Controls on Erbil Government Food Service Contracts

The embassy has not established adequate internal controls for its chit-based food service system at Consulate General Erbil, known as "Ankawa Bucks." The consulate general noncompetitively awards about \$1.3 million through blanket purchase agreements to local vendors to provide food service. The chits are not sequentially numbered or stored in a secure container. Further, the same employee responsible for the physical inventory control of the chits is responsible for requesting chit printing, distribution of chits to American employees, and reconciliation of payments to vendors at the end of every month, a violation of regulations on the separation of duties between the inventory and ordering functions. The lack of internal controls for the chits, similar to those that would apply to fuel coupons or government travel requests, raises the risk of fraud or misuse. The lack of competitively awarded contracts that include terms and conditions for providing government-furnished food to employees is inconsistent with procurement regulations and does not protect the government's interests from misuse.

Recommendation 30: Embassy Baghdad should establish proper internal controls for the Ankawa Bucks program. (Action: Embassy Baghdad)

Erbil Electrical System

The Erbil compound electrical system is substandard and represents a safety hazard. The consulate general undertook several post-managed construction projects with little or no OBO oversight and without considering the effect of those improvements on the compound's electrical grid. Multiple areas on the compound, for example, now have individual ground systems, but none of the ground systems are tied together. This situation has caused a severe imbalance in the electrical system that has thus far destroyed two pieces of security equipment and an uninterruptable power supply. An OBO electrical engineer visiting the consulate general at the time of the OIG inspection agreed that the electrical system needed to be surveyed and upgraded to enhance employee safety and to avoid further damage to electrical equipment. The classified annex discusses this issue in more detail.

Recommendation 31: The Bureau of Overseas Buildings Operations, in coordination with Embassy Baghdad, should make needed improvements to the electrical system at Consulate General Erbil. (Action: OBO, in coordination with Embassy Baghdad)

Information Management

Information Management Program

Even with a consolidated footprint after closing or reducing facilities and annexes, Embassy Baghdad still has the largest information management program in the world, with 22 specialists. The information management unit's services received solid customer reviews, both in ICASS and OIG survey questionnaires. The information management officer has made several management decisions that have resulted in significant cost savings. The unit is making progress in the transition from DOD and contractor-based support systems to the customary Department systems. This effort represents a major change in how the embassy conducts business.

The OIG team identified several areas requiring attention, including the diplomatic mail program, inventories, network consolidation, network infrastructure, and the laptop program. Information security issues are covered in the classified annex. Section management expeditiously resolved several issues the OIG identified during the inspection.

Information Programs Center

The information programs center staff maintains normal operations despite a significant staffing reduction and demanding work schedule. The center would function better with more frequent staff meetings, better communication, and clearer direction. Although all of the specialists share the same office suite, the staff does not feel included in program initiatives.

(b) (5)
[REDACTED]

Nearly all position descriptions in the information programs center are outdated. As staffing normalizes, job responsibilities are being reconfigured, making it essential for management to define work requirements accurately. Good management practice dictates that the position descriptions be updated to reflect organizational changes.

Informal Recommendation 17: Embassy Baghdad should update the information management specialist position descriptions.

Inventories

During the inspection, the information programs staff completed an annual inventory for all reportable items on file and identified an 8.8 percent shortage in equipment. The OIG team found that the previous year's inventory was erroneous and did not document the missing equipment, affecting, in turn, the baseline for the current year's inventory. The inventory custodians appear to have circumvented the 14 FAM 410 requirements for tracking, inventorying, and reconciling information technology program property in the Department's Integrated Logistics Management System. It is admittedly difficult to address internal control vulnerabilities when the information management program is in transition and equipment is

scattered at multiple offsite locations. The information programs staff has begun drafting standard operating procedures to avoid inventory control problems in the future.

Recommendation 32: Embassy Baghdad should implement standard operating procedures for maintaining inventory controls of all information systems equipment. (Action: Embassy Baghdad)

Information Systems Center

The information systems center manages OpenNet for all mission sites in Baghdad, but not all agencies under chief of mission authority currently have access to OpenNet. At the information management officer's direction, users from all agencies are migrating to Department-owned networks in an effort to standardize operations, replace expensive contractor positions with consolidated local staff, and reduce the overall information technology footprint. OSC-I is in the process of migrating to OpenNet, and USAID is tentatively scheduled for consolidation in the first quarter of FY 2014, according to a notional worldwide consolidation schedule. The 2010 OIG inspection report of Embassy Kabul (ISP-I-10-32A) and Department cable 30913 of May 29, 2010, outline the lessons learned on how to proceed with a successful consolidation, including beginning with a project plan. Savings on contractor salaries and support would be nearly \$1 million annually in a consolidation if consolidation does take place according to the notional schedule.

Recommendation 33: Embassy Baghdad, in coordination with the Bureau of Information Resource Management, should consolidate the U.S. Agency for International Development network into OpenNet and absorb the agency's information technology local staff. (Action: Embassy Baghdad, in coordination with IRM)

Switchboard Operations

Two telephone operators staff the switchboard operation during normal business hours, Sunday through Thursday. The embassy plans to extend service to Friday because of demand. Consular-related calls account for most of the call volume. The telephone operators do not have guidance for responding to consular calls. They direct callers to the consular portion of the embassy Web site and other guidance available online, but the consular section has not provided them any training or written standard operating procedures.

Informal Recommendation 18: Embassy Baghdad should provide training and written standard operating procedures on consular issues to the telephone operators.

Network Operations

At the time of the inspection, the mission was upgrading network circuitry for both the classified and unclassified networks. The embassy was also seeking to fold services for all of its various sites into one fixed-price, indefinite-delivery, indefinite-quantity contract, similar to the contract awarded for countrywide transportation services. Such contracts are used worldwide because they provide for centralized contract oversight and economies of scale. They also have inherent flexibility that allows for different local vendors to bid on one or more segments of the

countrywide contract—ideal for a country like Iraq where one contractor cannot operate countrywide because of infrastructure and licensing constraints stemming from the relationship between the central government and the Kurdish Regional Government. In fact, the embassy's draft contract solicitation specifically provides for an unlimited number of orders and performance at multiple locations. The embassy is, however, allowing Consulate General Erbil to write its own contract with local vendors, despite the fact that the fixed-price, indefinite-delivery, indefinite-quantity contract they are putting in place for the rest of the country is designed for such a scenario. Setting up separate contracts with local Erbil vendors, when they can bid on portions of the omnibus contract, is unnecessary and places contract oversight responsibilities on the smaller consulate staff when the embassy is better able to carry out that function.

Recommendation 34: Embassy Baghdad should add the Internet service contract for Consulate General Erbil to the missionwide contract. (Action: Embassy Baghdad)

Because the embassy's backup connection is tied to a Government of Iraq-controlled communications hub, the information management unit is also exploring a range of solutions for backup operations.

Laptop Program

The OIG team identified vulnerabilities in the mission's laptop program. Several unencrypted laptops were not included on the mission's laptop inventory. Furthermore, several laptops in the information systems center had the encryption keys (with user names and passwords) taped directly on the equipment. Department cable 57406 of June 3, 2010, outlines laptop inventory and encryption requirements to prevent data loss. Unsecure passwords defeat the purpose of installing laptops with encrypted software. Information management staff has acknowledged these deficiencies and has removed the taped passwords from all of their laptops.

Informal Recommendation 19: Embassy Baghdad should implement a procedure for appropriately encrypting laptops in order to safeguard the security and integrity of the stored data.

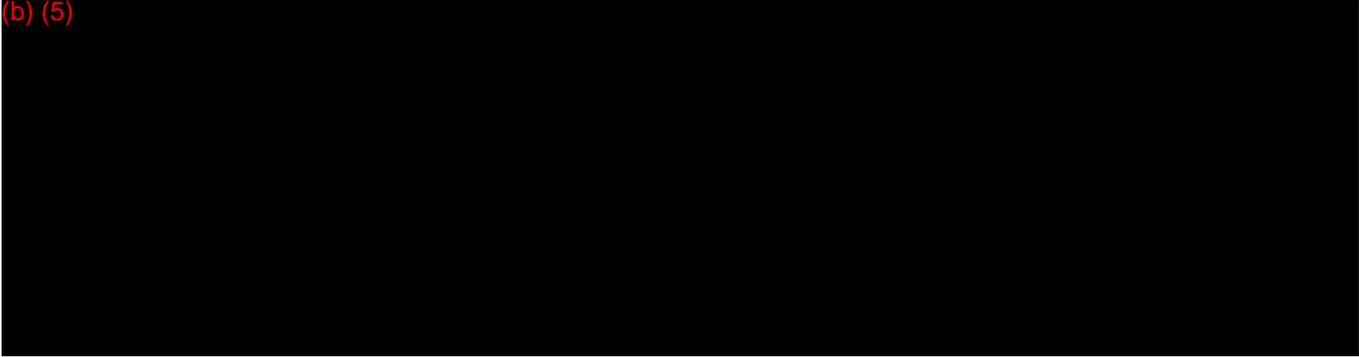
Diplomatic Mail Program

Embassy Baghdad's diplomatic pouch program is approximately 14 months old. There have been continual problems getting pouches and freight shipments through Iraqi customs promptly, resulting in construction delays as well as personal and official mail delays. Some delays appear to have resulted from missing paperwork, but others appear to be the result of poor relationships and communications. In December 2012, the DCM and the Director General of the Iraqi Commission of Customs met to resolve these problems. The Director General recommended that the embassy establish a customs liaison who would receive Iraqi training to enable a more efficient mail process.²⁰ During the inspection, the embassy established a customs liaison position and filled it with an Iraqi employee with customs experience.

²⁰ 12 Baghdad 3646

There are no standard operating procedures for the embassy's diplomatic mail operation. In July 2012, management reached an agreement with Iraqi authorities on a procedure for approving diplomatic mail crates through the Ministry of Foreign Affairs, but management did not communicate the agreement with working-level staff. For example, the information programs officer was not aware of the agreement or the procedure for approving incoming mail crates that he could have used to facilitate other pouch mail. The OIG team counseled management on solutions, including documenting procedures.

(b) (5)



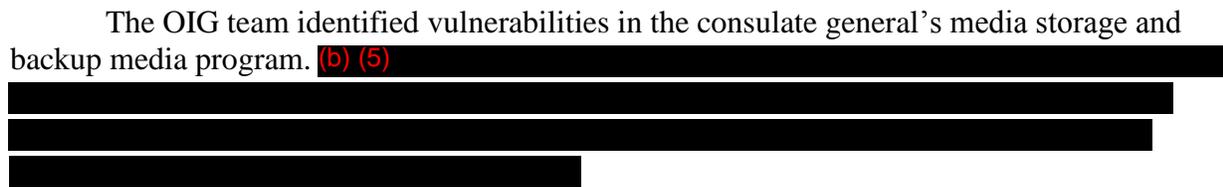
Recommendation 35: (b) (5)



Consulate General Basrah Information Management

Consulate General Basrah's information management program lacks operational procedures in many areas, including inventory management, classified pouch operations, and overall post communications center functionality. The information programs officer is not sufficiently involved in overall unit management, nor does she routinely seek guidance and support from the embassy's information management team.

The OIG team identified vulnerabilities in the consulate general's media storage and backup media program. (b) (5)



Consulate General Erbil Information Management

Consulate General Erbil's systems operations are well maintained, and staff has undertaken significant projects to improve network infrastructure. Embassy Baghdad provides regularly scheduled support visits in addition to some remote oversight. The systems staff participates in regularly scheduled digital video conferencing with Baghdad, Basrah, and BDSC.

The WebPASS system operates a number of Department applications. The previous information management team successfully established several applications, but the system was shut down under the assumption that the consulate general would be connecting to Baghdad's WebPASS database, which never happened. Consequently, the consulate general did not have

access to several important applications, including the e-Services and visitor management applications. To their credit, management expeditiously resolved the issue by reestablishing the WebPASS system during the inspection.

Mail Policy

The consulate general's diplomatic mail program is in transition, with plans to relocate the mailroom to more suitable office space. The OIG team identified a number of instances of unauthorized use by both contractors and direct-hire personnel, including ordering supplies for resale by the commercial vendors on the compound. Only authorized personnel who meet the criteria identified in 14 FAM 724.2 may use the diplomatic post office. An established diplomatic mail policy would inform consulate staff of approved usage and regulations and eliminate the likelihood of abuse.

Recommendation 36: Embassy Baghdad should establish and enforce a diplomatic mail policy for use of the diplomatic mail room at Consulate General Erbil. (Action: Embassy Baghdad)

Work Place Environment

Recreation and Community Building

Despite expeditionary working conditions, morale in the mission is satisfactory. Employees participate in a wide range of recreational activities. The community liaison office sponsors on-compound bazaars, educational lectures, and sporting events. Rest and recuperation trips mitigate the stresses of shared dormitory-style housing to a degree. Housing remains the single largest morale issue, and the embassy employs two social workers to mediate roommate conflicts associated with a housing shortage that requires, at least temporarily, housing as many as four employees in apartments designed for one person. Living conditions at the consulates are especially difficult.

Housing

With the exception of the chief of mission residence, the DCM residence, and Marine quarters, housing throughout Mission Iraq is not normal. Poor mission housing reduces employees' willingness to extend their tours to 2 years. Because of a housing shortage on the embassy compound, except for a minority of employees living alone or with their spouses who are also employees, most residents in the six apartment buildings share their originally one-bedroom, one-bath apartments with at least one other employee. Currently, only employees ranked FS-01 or GS-15 and above occupy private quarters. The roommate policy will continue as sites close and more personnel consolidate on the embassy compound in the 619 apartments.

At Consulate General Erbil, most employees live in leased group houses, sharing bathrooms and common space with other employees. The physical size of the secure compound limits the number of houses available, and crowding will worsen as more employees move onto the compound with the closure of the Erbil Diplomatic Support Center. At BDSC and Consulate General Basrah, employees live in cramped containerized housing units. Currently, most employees occupy their own unit with a bathroom but no cooking facilities. No long-term plan exists to bring housing closer to Department standards. The need for better long-term housing, addressed in a recommendation earlier in this report, is acute.

Recreation Association Operational Issues

The American Embassy Baghdad Employees Association expects to take over morale support activities when DOD's exchange service departs at the end of FY 2013. Currently, the association lacks the capacity and expertise needed to manage the transition. It has only two employees and is not in compliance with basic internal controls requirements applicable to associations. The departure of DOD's exchange service will mark the end of DOD logistical support to commissary operations. DOD's exchange service provides embassy employees access to a range of goods not available on the local market. DOD's access to military logistics channels and experience in shipping controlled and perishable items to Iraq will be difficult to replace in the short term. Further, the Department expects to end subsidies from appropriated funds that totaled \$1.7 million in FY 2013. The association will be taking on a range of new responsibilities critical to morale but lacks a business plan to expand operations and stabilize internal controls.

Recommendation 37: Embassy Baghdad, in coordination with the Bureau of Administration, should identify a long-term temporary duty employee or association manager from another mission to develop a viable business plan for the employee association. (Action: Embassy Baghdad, in coordination with A)

Recreation Association Internal Controls

Internal controls over association assets, to include its stock of duty-free liquor, are not adequate. The association has not submitted financial audits for the last 2 years, conducted independent bank statement reconciliations, controlled cash appropriately, maintained inventory control records, or ensured separation of duties in management responsibilities. In addition, the embassy has not completed the annual statement of assurance, required by 6 FAM 554, that the association is managed prudently and in conformance with the regulations. As a result, the board cannot make informed decisions about the association's activities and capacity for future operations.

Recommendation 38: Embassy Baghdad, in coordination with the Bureau of Administration, should establish a baseline inventory of assets, accounting system, and internal controls required by the Foreign Affairs Manual for commissary operations. (Action: Embassy Baghdad, in coordination with A)

List of Recommendations

Recommendation 1: The Bureau of Near Eastern Affairs should request the Department's Executive Secretary to advise interagency counterparts to schedule meetings including Embassy Baghdad Monday through Thursday and no later than 8:00 p.m. Baghdad time. (Action: NEA)

Recommendation 2: The Bureau of Diplomatic Security, in coordination with Embassy Baghdad, should convene an interagency working group to complete a formal risk management study and determine if current security countermeasures in Iraq are appropriate. (Action: DS, in coordination with Embassy Baghdad)

Recommendation 3: Embassy Baghdad, in coordination with the Bureau of Near Eastern Affairs, should decide on the size and the nature of the diplomatic platform needed in Basrah. (Action: Embassy Baghdad, in coordination with NEA)

Recommendation 4: The Bureau of Overseas Buildings Operations should plan the new Erbil consulate compound based on the 2013 rightsizing study. (Action: OBO)

Recommendation 5: Embassy Baghdad, in coordination with the Bureau of Overseas Buildings Operations, should prepare an information memorandum for the Bureau of Near Eastern Affairs outlining steps for an orderly closure of the Baghdad Diplomatic Support Center and relocation of the facility's functions. (Action: Embassy Baghdad, in coordination with OBO)

Recommendation 6: The Bureau of Near Eastern Affairs, in coordination with the Bureau of Administration, should implement Embassy Baghdad's contract management transition plan fully by establishing new positions and recruiting and training qualified personnel to oversee the full range of Department contracts at the mission. (Action: NEA, in coordination with A)

Recommendation 7: Embassy Baghdad should use public affairs and other section events and contacts to broaden their recruitment efforts. (Action: Embassy Baghdad)

Recommendation 8: Embassy Baghdad should assign an employee to the human resources unit to brief current and prospective employees on the vetting process and assist with document completion. (Action: Embassy Baghdad)

Recommendation 9: Embassy Baghdad should revise the mission's training policy to require third country national employees to provide on-the-job training to Iraqi staff. (Action: Embassy Baghdad)

Recommendation 10: Embassy Baghdad should require all supervisors to prepare and implement training plans for Iraqi staff. (Action: Embassy Baghdad)

Recommendation 11: Embassy Baghdad, in coordination with the Bureau of Administration and the Bureau of Diplomatic Security, should conduct a countrywide fleet review to define how many vehicles Mission Iraq actually needs. (Action: Embassy Baghdad, in coordination with A and DS)

~~SENSITIVE BUT UNCLASSIFIED~~

Recommendation 12: Embassy Baghdad should prepare an annual advance acquisition plan. (Action: Embassy Baghdad)

Recommendation 13: Embassy Baghdad should develop recommendations to Washington on how to address money laundering and terrorist financing in Iraq. (Action: Embassy Baghdad)

Recommendation 14: Embassy Baghdad should post all of its FY 2012 grants, as well as current grants, into the Grants Database Management System. (Action: Embassy Baghdad)

Recommendation 15: Embassy Baghdad should issue an annual program statement for public diplomacy grants and post it on www.grants.gov. (Action: Embassy Baghdad)

Recommendation 16: Embassy Baghdad should implement a plan to manage the Iraqi cultural advisors contract consistent with Federal Acquisition Regulations and good management practices, to include a qualified government technical monitor to approve time sheets and expenses; regular face-to-face meetings between the advisors and their managers; and annual performance evaluations. (Action: Embassy Baghdad)

Recommendation 17: Embassy Baghdad should assess the number of advisors needed to support mission requirements. (Action: Embassy Baghdad)

Recommendation 18: Embassy Baghdad, in coordination with the Bureau of Consular Affairs and the Bureau of Population, Refugees and Migration, should alert pending applicants about the potential termination of the Iraqi special immigrant visa program on September 30, 2013. (Action: Embassy Baghdad, in coordination with CA and PRM)

Recommendation 19: Embassy Baghdad should return the Iraqi passports of special immigrant visa program applicants. (Action: Embassy Baghdad)

Recommendation 20: The Bureau of Consular Affairs should authorize the Baghdad consular section chief to review Erbil visa adjudications. (Action: CA)

Recommendation 21: Embassy Baghdad should classify both locally employed staff positions at Consulate General Erbil as FSN-08 and cross train the two incumbents. (Action: Embassy Baghdad)

Recommendation 22: The Office of U.S. Foreign Assistance Resources should require that all implementing mechanisms for assistance to Iraq indicate in operational plans how they will comply with the 2009 guidelines on Government of Iraq financial participation. (Action: F)

Recommendation 23: Embassy Baghdad, in coordination with the Bureau of Near Eastern Affairs, should agree on the number of Ambassador's Fund grants for which the embassy can provide grants officer representatives. (Action: Embassy Baghdad, in coordination with NEA)

Recommendation 24: Embassy Baghdad, in coordination with the Bureau of Political-Military Affairs, should develop a work plan to monitor and publicize the humanitarian mine action program. (Action: Embassy Baghdad, in coordination with PM)

Recommendation 25: The Bureau of Overseas Buildings Operations should assign long-term project managers for major construction projects in Iraq to a minimum 1-year tour of duty. (Action: OBO)

Recommendation 26: The Bureau of Administration, in coordination with Embassy Baghdad, should implement a system to designate contracting officer's representatives and government technical monitors for all Office of Acquisitions Management contracts in Iraq on a quarterly basis and notify the embassy accordingly. (Action: A, in coordination with Embassy Baghdad)

Recommendation 27: The Bureau of Administration, in coordination with Embassy Baghdad, should appoint qualified government technical monitors for Office of Acquisitions Management contracts to assist contracting officer's representatives. (Action: A, in coordination with Embassy Baghdad)

Recommendation 28: Embassy Baghdad, in coordination with the Bureau of Administration, should implement a trafficking in persons monitoring program for all Department contracts. (Action: Embassy Baghdad, in coordination with A)

Recommendation 29: Embassy Baghdad, in coordination with the Bureau of Administration and the Bureau of Overseas Buildings Operations, should deploy the Post Administrative Software Suite and Integrated Logistics Management System applications at all mission locations and identify and train local employees to use them. (Action: Embassy Baghdad, in coordination with A and OBO)

Recommendation 30: Embassy Baghdad should establish proper internal controls for the Ankawa Bucks program. (Action: Embassy Baghdad)

Recommendation 31: The Bureau of Overseas Buildings Operations, in coordination with Embassy Baghdad, should make needed improvements to the electrical system at Consulate General Erbil. (Action: OBO, in coordination with Embassy Baghdad)

Recommendation 32: Embassy Baghdad should implement standard operating procedures for maintaining inventory controls of all information systems equipment. (Action: Embassy Baghdad)

Recommendation 33: Embassy Baghdad, in coordination with the Bureau of Information Resource Management, should consolidate the U.S. Agency for International Development network into OpenNet and absorb the agency's information technology local staff. (Action: Embassy Baghdad, in coordination with IRM)

Recommendation 34: Embassy Baghdad should add the Internet service contract for Consulate General Erbil to the missionwide contract. (Action: Embassy Baghdad)

Recommendation 35: (b) (5) [REDACTED]
[REDACTED]
[REDACTED]

Recommendation 36: Embassy Baghdad should establish and enforce a diplomatic mail policy for use of the diplomatic mail room at Consulate General Erbil. (Action: Embassy Baghdad)

Recommendation 37: Embassy Baghdad, in coordination with the Bureau of Administration, should identify a long-term temporary duty employee or association manager from another mission to develop a viable business plan for the employee association. (Action: Embassy Baghdad, in coordination with A)

Recommendation 38: Embassy Baghdad, in coordination with the Bureau of Administration, should establish a baseline inventory of assets, accounting system, and internal controls required by the Foreign Affairs Manual for commissary operations. (Action: Embassy Baghdad, in coordination with A)

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 Baghdad should instruct sections and other mission elements to record accomplishments and remaining tasks for their successors systematically.

Informal Recommendation 2: Embassy Baghdad should implement a strategy, with appropriate milestones, to ensure future access to the embassy for employees, refugees, consular customers, and other visitors.

Informal Recommendation 3: Embassy Baghdad should verify that educational and work experience requirements in each job vacancy announcement are matched to the job requirements.

Informal Recommendation 4: Embassy Baghdad should conduct a joint logistics workshop to improve communication among the consulates and offshore locations, coordinate advance acquisition planning, and train local staff on mission-specific procurement and logistics procedures.

Informal Recommendation 5: Embassy Baghdad should require all officers assigned to the political-military section to attend the Political-Military Affairs course PP505 at the Foreign Service Institute unless they have significant prior political-military affairs experience.

Informal Recommendation 6: Embassy Baghdad should reorganize the political-military section to reflect current staffing and roles.

Informal Recommendation 7: Embassy Baghdad should reassign the contract employee funded by the Bureau of International Security and Nonproliferation to the political-military section.

Informal Recommendation 8: Embassy Baghdad should make more use of programs, such as paper shows, that do not require American officer participation at the American Corners.

Informal Recommendation 9: Embassy Baghdad should make training of locally employed consular staff a priority, including online and hands-on training opportunities.

Informal Recommendation 10: Embassy Baghdad should increase the frequency of the consular shuttle service.

Informal Recommendation 11: Embassy Baghdad should identify choke points in consular processing and adopt strategies to ease them.

Informal Recommendation 12: Embassy Baghdad should establish the mission assistance coordination group as a standing body with a regular meeting schedule and terms of reference.

Informal Recommendation 13: Embassy Baghdad should require all employees serving as grants officer representatives to take grants training and become certified.

Informal Recommendation 14: Embassy Baghdad should inform Department program offices what support it is able to provide to monitor assistance awards under consideration, including staff time, travel, and visit support.

Informal Recommendation 15: Embassy Baghdad should periodically verify that personnel who receive antiterrorism assistance training remain in their positions for 2 years.

Informal Recommendation 16: Embassy Baghdad should convene a safety, health, and environmental management committee meeting to develop a comprehensive safety, health, and environmental management program for the embassy and consulates.

Informal Recommendation 17: Embassy Baghdad should update the information management specialist position descriptions.

Informal Recommendation 18: Embassy Baghdad should provide training and written standard operating procedures on consular issues to the telephone operators.

Informal Recommendation 19: Embassy Baghdad should implement a procedure for appropriately encrypting laptops in order to safeguard the security and integrity of the stored data.

Principal Officials

| | Name | Arrival Date |
|--|--------------------------|---------------------|
| Ambassador | R. Stephen Beecroft | 07/11 |
| Deputy Chief of Mission | Douglas A. Silliman | 08/11 |
| Assistant Chief of Mission Law Enforcement/Rule of Law | James Knight | 07/12 |
| Constituent Posts: | | |
| Basrah, Principal Officer | William Grant | 09/12 |
| Erbil, Principal Officer | Paul Sutphin | 07/12 |
| Kirkuk, Principal Officer | Jeffrey Zaiser | 06/12 |
| Chiefs of Sections: | | |
| Management | Barbara Aycock | 07/12 |
| Consular | Michael Garrote | 07/12 |
| Political | Anthony Godfrey | 08/12 |
| Political-Military | Deborah Jones | 06/12 |
| Economic | Steve Zate | 08/12 |
| Public Affairs | Benjamin Ziff | 08/12 |
| Regional Security | Mark Hunter | 06/11 |
| INL | Steve Fagin | 08/12 |
| Refugees and Internally Displaced | Stewart Devine | 10/12 |
| Overseas Buildings Operations | Phillip Barth | 10/12 |
| Other Agencies: | | |
| Department of Transportation | Dr. Firas Sheikh-Ibrahim | 01/13 |
| Department of Commerce | Christian Reed | 09/12 |
| Department of Treasury | Carol Cohen | 10/12 |
| Defense Attaché Office | Charles (Tony) Pfaff | 11/12 |
| Department of Justice | Michael Lahr | 08/12 |
| OIG | Gerald Montoya | 07/10 |
| Office of Security Cooperation-Iraq | General Robert Caslen | 09/11 |
| U.S. Agency for International Development | Tom Staal | |

Abbreviations

| | |
|------------|--|
| BDSC | Baghdad Diplomatic Support Compound |
| DCM | Deputy chief of mission |
| Department | Department of State |
| DOD | Department of Defense |
| ICASS | International Cooperative Administrative Support Services |
| INL | Bureau of International Narcotic and Law Enforcement Affairs |
| IOM | International Organization for Migration |
| OBO | Bureau of Overseas Buildings Operations |
| OSC-I | Office of Security Cooperation-Iraq |
| USAID | U.S. Agency for International Development |

Appendix 1

| Ongoing Capital Construction Projects, March 2013 | Contract Value |
|--|-----------------------|
| SAQMMA-11-D-0023 Basrah Consulate General | \$122,500,000 |
| SPAWAR Basrah Tactical Operations Center | \$10,500,000 |
| SAQMMA-11-D-0027 BDSC Air Hub | \$92,000,000 |
| SAQMMA-10-C-0325 East End Housing | \$74,800,000 |
| SAQMMA-12-C-0280 Annex II Major Rehabilitation | \$19,600,000 |
| SAQMMA-12-F-4826 Vehicle Maintenance | \$8,000,000 |
| Power Plant & Utility Upgrade | \$89,000,000 |
| SAQMMA-11-D-0222 EDSC Air Hub | \$58,000,000 |
| SPAWAR Ankawa Tactical Operations Center | \$11,000,000 |
| Total | \$485,400,000 |

Source: Embassy Baghdad. Data does not include additional locally managed construction projects.



**FRAUD, WASTE, ABUSE,
OR MISMANAGEMENT
OF FEDERAL PROGRAMS
HURTS EVERYONE.**

CONTACT THE
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