



OIG HIGHLIGHTS

May 2015
OFFICE OF INSPECTIONS
Bureau of African Affairs

Inspection of Embassy Antananarivo, Madagascar

View Report: [ISP-I-15-20A](#)

What OIG Inspected

The OIG team inspected Embassy Antananarivo during October 7–29, 2014.

What OIG Recommended

The OIG team made 26 recommendations to Embassy Antananarivo intended to improve its operations and programs. Most of these addressed management control issues, including the American Center project.

What OIG Found

- The recently arrived chargé d'affaires has made a good start in leading the embassy during a period of profound change in the political situation in Madagascar and the subsequent restart of the bilateral relationship between Madagascar and the United States.
- A lack of oversight and poor recordkeeping over a period of years have resulted in management control vulnerabilities. In preparation for the inspection, the new chargé d'affaires initiated a self-assessment for all Department of State sections, which identified 122 action items. At the time of the inspection, the embassy had corrected 73 of them and was working to close the others.
- Disregard of policies and procedures concerning grants and cooperative agreements has put at risk the embassy's approximately \$700,000 2-year project to establish an American Center in Antananarivo.
- The embassy's management of public affairs grants does not comply with Department of State policies.
- Not all embassy elements fully participated in the drafting of the current Integrated Country Strategy. The changing political situation in Madagascar underscores the need for all agencies to participate in future reviews.
- The embassy identified ambitious U.S. goals and objectives for the Integrated Country Strategy for Union of the Comoros without identifying the necessary resources to achieve them.



OIG

Office of Inspector General

U.S. Department of State • Broadcasting Board of Governors

ISP-I-15-20A

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AFRICAN AFFAIRS

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KEY FINDINGS

- The recently arrived chargé d'affaires has made a good start in leading the embassy during a period of profound change in the political situation in Madagascar and the subsequent restart of the bilateral relationship between Madagascar and the United States.
- A lack of oversight and poor recordkeeping over a period of years have resulted in management control vulnerabilities. In preparation for the inspection, the new chargé d'affaires initiated a self-assessment for all Department of State sections, which identified 122 action items. At the time of the inspection, the embassy had corrected 73 of them and was working to close the others.
- Disregard of policies and procedures concerning grants and cooperative agreements has put at risk the embassy's approximately \$700,000 2-year project to establish an American Center in Antananarivo.
- The embassy's management of public affairs grants does not comply with Department of State policies.
- Not all embassy elements fully participated in the drafting of the current Integrated Country Strategy. The changing political situation in Madagascar underscores the need for all agencies to participate fully in future reviews.
- The embassy identified ambitious U.S. goals and objectives for the Integrated Country Strategy for Union of the Comoros without identifying the necessary resources to achieve them.

CONTEXT

The U.S. embassy in Antananarivo manages bilateral relations with Madagascar and the neighboring Union of the Comoros. Madagascar, located in the Indian Ocean east of Mozambique, is the fourth largest island in the world, approximately twice the size of Arizona. Madagascar ranks 155 out of 187 countries on the United Nations Human Development Index (July 2014). Per capita gross domestic product is only \$1,000 (2013 est.), with 92 percent of the population living on less than \$2 a day. In the past 35 years, the country has experienced more than 50 natural disasters, with cyclones, drought, floods, and locust invasions affecting the lives of more than half the population.

The United States and the international community imposed restrictions on Madagascar following a military coup d'état in 2009. In the aftermath of the coup, Madagascar experienced negative economic growth and diminished government revenues, undermining the political, social, and economic stability of the country. The United States had minimal contact with the coup government and avoided any public actions or statements that might lend it credibility. However, humanitarian assistance continued, and the United States remained Madagascar's single largest bilateral donor, providing nearly \$70 million of assistance annually for health and food security, including the President's Malaria Initiative and Food for Peace. Additionally, approximately 150 Peace Corps volunteers serve in Madagascar.

In May 2014, in response to Madagascar's internationally recognized presidential elections, the U.S. Government began working directly with the government on political, economic, and military affairs for the first time in almost 5 years. In June 2014, the White House reinstated Madagascar's eligibility for Africa Growth and Opportunity Act benefits. The White House nominated a new U.S. ambassador—the first since the coup—in July. Madagascar received \$411,000 in international military education training (IMET) funds in FY 2014.

Union of the Comoros is a group of three islands with a population of 766,865 (July 2014 est.). Per capita income is low (\$1,300; 2013 est.), and the country is heavily dependent on foreign grants and technical assistance. The nation has experienced more than 20 coups or attempted coups since gaining independence from France in 1975.

The U.S. Department of State (Department), the U.S. Department of Defense, the U.S. Agency for International Development (USAID), the Centers for Disease Control and Prevention, the National Institutes of Health, and the Peace Corps are represented in the embassy. The mission has a total staff of 296, with 57 U.S. direct-hire positions. In April 2010, the embassy occupied a new embassy compound (site acquisition was \$3.6 million, and construction was \$102.3 million), consisting of a chancery, a warehouse/shops facility, a Marine security guard quarters, and a swimming pool. Embassy housing consists of 38 leased and 2 government-owned residences, 1 of which is the Ambassador's residence.

The Integrated Country Strategy (ICS) identifies three goals: to assist in restoring democracy and the rule of law; to support economic development through trade and investment; and to increase the ability of the Malagasy to protect their unique environment, improve their

agricultural and health sectors, and recover from natural disasters. The embassy pursues these priorities through intensive discussions with government officials and other influential actors and through assistance programs. The ICS for Comoros has similar goals, but embassy influence is more limited because of a lack of full-time presence in the country.

On Comoros the United States maintains an American Corner, supports English-teaching programs, and has a Status of Forces Agreement with the Comorian Government. The Peace Corps plans to reopen its program in Comoros (which was phased out in 1995) in 2015. Comoros received \$225,500 in IMET assistance in FY 2014.

LEADERSHIP

The recently arrived chargé d'affaires has made a good start in leading the embassy during a period of profound change in the political situation in Madagascar and the subsequent restart of the bilateral relationship between Madagascar and the United States.

In his first 6 weeks at post, the chargé d'affaires met with the president, prime minister, foreign minister, and other key cabinet members and political leaders to stress the U.S. commitment to supporting the transition to democracy and national reconciliation. He worked with counterparts in the diplomatic community to coordinate the international community's messages to the new government, especially during a political crisis at the time of the inspection that resulted from the unexpected return from exile of a former president and his subsequent detention. Soon after arrival, the chargé d'affaires also met with the American Chamber of Commerce and the representatives of U.S. corporations in Madagascar to emphasize his commitment to the President's Export Initiative and to seeing that U.S. business had access to Madagascar's commercial opportunities.

The chargé d'affaires, working with a collegial country team, has also demonstrated interpersonal engagement within the embassy. He spoke to an embassy town hall meeting and the locally employed (LE) staff committee his first day on the job to introduce himself. He followed up those meetings with a message to the entire community announcing an off site in early November in which American and key Malagasy staff members will review the ICS. He also established a working group to develop goals and objectives for the United States in Union of the Comoros. The results of these reviews of strategic priorities and objectives will be used to drive embassy resource requests. American and Malagasy staff members told the OIG team that they appreciated his interest in them and their work and that they looked forward to working with him.

The OIG team observed the chargé d'affaires moving about the embassy, meeting people in their offices, and sitting with staff members, including the LE staff, at lunch. He paid particular attention to the Marine security guards and the local guard force. He met with USAID implementing partners to inform them of his interest in their programs, including future visits to their project sites. He met twice with the first- and second-tour (FAST) officers, including once over lunch at his residence, to assure them of his interest in their career development.

Demonstrating his commitment to Equal Employment Opportunity (EEO) principles, he told the OIG team of his intention to ask the incoming Marine guard detachment commander, herself a woman, to mentor the women in the local guard force to encourage their career development.

The chargé d'affaires has also demonstrated his commitment to management controls within the embassy. He directed that each Department section conduct a self-assessment of its management deficiencies. At the time of the inspection, the mission had completed corrective action on 73 of the 122 action items identified and was working to close the others. Additionally, he directed immediate action to correct deficiencies that the OIG team brought to his attention during the inspection, including the emergency radio network, designation of a backup Comoros reporting officer, the policy on use of civilian commercial aircraft in the Comoros, and others. He is reviewing a troubled project to establish the American Center in an effort to preserve as much of the U.S. investment as possible.

To make sure that the embassy can operate effectively in a crisis, the chargé d'affaires hosted a table-top crisis management exercise for Madagascar and the Comoros. The OIG team observed him chairing two country team and two emergency action team meetings in which all participated collegially. At his direction, the embassy is organizing a town hall meeting for the American community with crisis management as a component.

The chargé d'affaires advanced U.S. goals in Madagascar through public diplomacy. His press statement during the October political crisis delivered a clear message to the Malagasy political community and public that the U.S. supported the current, democratically elected president and urged political leaders to reconcile their differences so the country can begin to move forward. He also oversaw cooperation between the public affairs section and USAID in timing of the announcement of a \$462,000 anti-trafficking-in-persons (TIP) grant. He advised four relevant Cabinet ministers in advance to maximize and personalize the impact of the grant: "We not only want to see action on TIP, we're willing to help you tackle the problem."

Strategic Planning for Madagascar

In early 2014 the embassy submitted an ICS and a Mission Resource Request. Not all embassy elements participated in the drafting of the current ICS. The changing political situation in Madagascar underscores the need for all agencies to participate fully in future reviews. Both documents were prepared prior to the final decision to lift U.S. restrictions on foreign assistance to Madagascar, but both foreshadowed the decision. The chargé d'affaires believes—and the OIG inspection team agrees—that the general strategic direction is appropriate, but additional refinements and greater integration of all the embassy elements is required. The OIG team has also counseled the chargé d'affaires to create a regular review program for both documents.

Strategic Planning for Comoros Lacks Country Team Input

Both an ICS and a Mission Resource Request have been prepared for Comoros; however, neither was a country team effort. The embassy identified ambitious U.S. goals and objectives for the ICS for Union of the Comoros without identifying the necessary resources to achieve them. Examples include goals that require funding for programs to improve the judicial and law enforcement sector and to expand production of agricultural products. OIG inspectors'

discussions with officials in the Bureau of African Affairs in Washington revealed little interest in expanding U.S. presence or resources in Comoros. Given the level of resources devoted to these issues, the OIG team determined that the work involved in preparing separate plans is not justified.

Recommendation 1: Embassy Antananarivo, in coordination with the Bureau of African Affairs, should determine U.S. goals and objectives for Comoros. (Action: Embassy Antananarivo, in coordination with AF)

Recommendation 2: Embassy Antananarivo, in coordination with the Bureau of African Affairs, should amend the requirement for a separate Integrated Country Strategy and Mission Resource Request for Comoros and instead incorporate any future resource requests into the Madagascar documents. (Action: Embassy Antananarivo, in coordination with AF)

MANAGEMENT CONTROLS

A lack of oversight and poor recordkeeping over a period of years has resulted in management control vulnerabilities. In preparation for the inspection, the chargé d'affaires initiated a self-assessment for all Department sections, which identified 122 action items. At the time of the inspection, the embassy had corrected 73 of them and was working to close the others.

A number of the observations and recommendations in this inspection report address management control vulnerabilities. Although the August 11, 2014, annual chief of mission statement of assurance signed by the previous chargé d'affaires identified accountability for fuel as a management control deficiency, other vulnerabilities discussed in this report would have been apparent if embassy leadership had conducted a comprehensive, office-by-office review of all activities with management control implications prior to submitting the chief of mission statement. The embassy would benefit from such a review. A number of resources, including suggestions in 14 STATE 029422, dated March 14, 2014, and OIG functional questionnaires, are available to assist in making such evaluations.

Recommendation 3: Embassy Antananarivo should implement a standard operating procedure for reviewing management controls in each section and submitting relevant supporting documentation to the Chief of Mission before preparing the annual statement of assurance. (Action: Embassy Antananarivo)

Public Affairs Grants Management Not Compliant with Policies

The embassy's management of public affairs grants does not comply with Department policies. The OIG team examined 38 public affairs section grants files covering awards greater than \$2,000 each for FYs 2013 and 2014, with a combined value of more than \$470,000. All grants files reviewed lacked documentation, as required by 4 *Foreign Affairs Handbook* (FAH)-3 H-636 and Grants Policy Directive 3, Revision 3. Recognizing this deficiency, the embassy hired a retired

LE staff member in September 2014 with grants administration experience on a temporary assignment to compile whatever documentation can be gathered for the files. Weak grants management increases the risk of fraud, waste, and abuse.

Examples of incomplete or incorrect documentation discovered by the OIG inspector include the following:

- Grants files did not use the DS-4012, Federal Assistance File Folder or Form, to track required documentation supporting the issuance and management of each assistance award, as mandated by Grants Policy Directive 23, Revision 2.
- Grantees did not complete the mandatory application form SF-424 as directed by Grants Policy Directive 3, Revision 3.
- None of the files showed evidence of competition or justification for sole-source awards, as required for the 11 grants greater than \$10,000, according to Grants Policy Directive 5, Revision 4.
- Seventeen files were missing grantee performance and financial reports as well as embassy monitoring plans and monitoring reports on grantee performance outlined in Grants Policy Directive 42.
- Eight award forms were missing the Data Universal Numbering System number identifying the grantee, as required by Grants Policy Directive 29.
- All files lacked closeout documentation, per instructions in Grants Policy Directive 41, Revision 2.
- Three amendments to grants were issued after the period of performance expired, contrary to regulations in the Federal Assistance Policy Handbook, Part 4.6. (Office of the Procurement Executive, Federal Assistance Division, Version 1.2 03-2011).

Additional violations of assistance policies are cited in the discussion of the four American Center grants. The OIG team advised the chargé d'affaires to have all personnel involved in grants awards and management, regardless of their previous training and experience, complete the online Foreign Service Institute course PY220, Introduction to Grants and Cooperative Agreements, to refresh their understanding of essential procedural and file management requirements before the embassy awards any more grants.

Recommendation 4: Embassy Antananarivo should develop and implement procedures to comply with reporting requirements for the management of grants. (Action: Embassy Antananarivo)

American Center Project at Risk

Disregard of policies and procedures concerning grants and cooperative agreements have put at risk the embassy's approximately \$700,000 project to establish an American Center in Antananarivo. The OIG team noted that the decisions and actions that led to the American Center problems predate the arrival of the employees presently assigned to the embassy.

Though current staff members will play a key role in identifying a path forward, they are not responsible for the existing situation.

Background to American Center Project

A former embassy public affairs officer in 2011 proposed an American Center for the capital on the basis of a public-private partnership model. The concept initially envisioned a partnership of the English Teaching Program (ETP), a restaurant, Voice of America, a telecommunications company, and a publisher of a free entertainment monthly. A memorandum of understanding was drafted and signed by some of the prospective partners in June 2013 after lengthy delays. However, two prospective partners failed to sign on and a final partnership memorandum never entered into force. The embassy entered into a separate memorandum of understanding with ETP on February 11, 2013, though the embassy was not a party to the proposed partnership. The embassy initiated a massive public relations campaign and announced the start of construction at a press conference in April 2012 attended by the former chargé d'affaires and the deputy coordinator of the Bureau of International Information Programs.

According to information provided to the OIG team by the embassy, the American Center was funded with embassy public affairs funds (approximately \$116,328) and by two large allotments provided in June 2012 by the Office of American Spaces in the Bureau of International Information Programs (totaling \$559,062). The amount allotted was based on furniture and equipment lists provided by the embassy in its funding request. Although cost figures cited in this section represent the best information that the OIG team was able to obtain during the inspection, the team was not in a position to perform a detailed audit of the project.

What Inspectors Observed

The OIG team visited the proposed American Center site in a shopping mall and observed that, after almost 2 years of construction, the site, covering 1,200 square meters (or 12,917 square feet), was a shell. Rooms were laid out, but lighting, flooring, doors, and other infrastructure were absent. A small bathroom shared with the rest of the mall was located at some distance from the site on the other side of the mall. Other problems included the lack of storage space, ceilings below standard height on the mezzanine level, and inadequate provision for air conditioning. On a weekday afternoon, some minor construction work was underway. However, no agreement had been reached on a final design or construction plan, including where the U.S. Government portion of the facility might be located.

As the American Center is not ready for occupancy, much of the furniture and equipment ordered for it has been stored in seven 40-foot containers located in the embassy parking lot, some of it for nearly 2 years. The OIG team spot-checked the contents of the containers and did not observe water or insect damage.

The embassy did not have a plan (which details needed resources, deadlines, partners, and costs) that could lead to a decision whether to close or salvage this project. Without such a plan, the embassy runs the risk of repeating past mistakes and failing to make the best use of funds already expended.

Recommendation 5: Embassy Antananarivo, in coordination with the Bureau of African Affairs and the Bureau of International Information Programs, should prepare a detailed plan to determine whether to continue its participation in the American Center project. (Action: Embassy Antananarivo, in coordination with AF and IIP)

English Teaching Program Grants Do Not Comply with Regulations

The OIG team examined three grants totaling \$282,838 that were awarded to ETP from American Spaces allotments and from its embassy public affairs funds from FYs 2011 through 2013:

- \$124,000 (amended) on September 27, 2011, for renovation of the venue;
- \$135,338 on September 27, 2012, also for venue renovation; and
- \$23,500 on September 30, 2013, for furniture and to complete construction.

The OIG team also examined a fourth grant in the amount of \$30,000 approved and obligated for award on September 29, 2014, for materials, finishing costs, and legal counsel for project completion. After consultation with the OIG team, the current chargé d'affaires placed disbursement of funds under the fourth grant on hold.

Embassy officers and LE staff have cited perceived end-of-fiscal-year pressure to sign the grants (all signed in late September) and disburse the funds quickly. All four grants files were incomplete and contained errors, as detailed in the public affairs grants management section. Additionally, the first two grants, with periods of performance of more than 10 months each, were written as fixed obligation grants, even though Grants Policy Directive 35, Revision 1, restricts the use of this simplified award instrument to grants of \$25,000 or less with periods of performance not exceeding 180 days. The OIG team counseled embassy staff that, given the level of direct embassy involvement in this project, cooperative agreements would have been more appropriate mechanisms for awards, as stipulated in the Federal Assistance Policy Handbook, Part 1.4.3. The team also pointed out that the grants officer did not designate grants officer representatives, although Grants Policy Directive 16, Revision 3, requires the grants officer to do so for all awards exceeding \$100,000.

ETP spent the grants funds from the first three grants on a wide range of expenses. An ETP expense spread sheet included salaries, severance pay, employee insurance coverage, catering, a gift to a former officer in the public affairs section, and Internet connection fees, in addition to construction and equipment costs. In the absence of a proposed budget or detailed description of proposed activities, the OIG team was unable to evaluate whether all these expenses would be allowable under the grant. No record exists in the files of grants monitoring, periodic evaluation, financial auditing, or extensions of grants periods. The OIG team counseled embassy staff on required grants file documentation.

No Bona Fide Need for Much of Equipment Procured for American Center

According to information the embassy provided the OIG team, the embassy has expended approximately \$400,000 to date on furniture and equipment for the American Center project. However, the embassy failed to establish a bona fide need for many of these procurements. This

failure—and the subsequent misuse of some of the furniture and equipment—constitutes a management control weakness.

A notable example of a questionable procurement is a \$47,938 telescopic theater-style seating system, which the embassy purchased even though the prevailing wage of workers who could set up and remove chairs is \$10 a day. The shipping cost for this item alone was estimated at \$19,175.

Other examples of questionable procurements abound and include the following (costs are rounded and do not include shipping):

- Twenty-five 46-inch televisions (\$21,500) and six 70-inch televisions (\$24,600).
- A motorized theater curtain system (\$7,150).
- Twenty iMacs (\$22,935), 16 HP TouchSmarts (\$14,247), 20 Wii stations (\$4,230), 20 Apple TVs (\$1,920), and 10 iPods (\$1,790).
- Fifty home theater chairs (\$26,600).
- A replica of the Seattle Space Needle, painted wall mural, and totem pole (\$4,810).
- Decorations, including more than a dozen fish and turtle sculptures (\$5,400).

Records the OIG team reviewed indicate that the public affairs section recommended specific vendors to the procurement unit, most often identified through Amazon.com. No documentation in the procurement files shows that procurements greater than \$3,000 were properly competed, as required. A number of the items ordered were not part of the original equipment lists submitted in support of the request for funds. For example, the original request did not include any food preparation equipment, yet the embassy purchased items such as a wine cooler, a \$650 residential blender, grills, a \$5,500 coffee grinder and commercial espresso maker, refrigerators, and other kitchen items.

The OIG team counseled that the officer certifying funds eligibility and the contracting officer have a duty to question the necessity of obligations and purchases that have the potential to become fiscal irregularities and that both can face personal responsibility for fiscal irregularities and improper purchases when they fail to do so.

Control of Property Purchased for American Center Does Not Comply with Regulations

As the American Center was (and still is) not ready for occupancy, much of the furniture and equipment has been stored in seven 40-foot containers located in the embassy parking lot, some of it for nearly 2 years.

Other furniture and equipment was loaned to two private businesses for their use without any documentation. The embassy loaned at least \$42,000 of computers and office equipment to one telecommunications firm alone. These items included 12 iPads, 16 iMacs, and 2 70-inch and 3 46-inch televisions. The embassy purchased a \$6,700 eBoard from this company and then lent the item back to it. The embassy told the OIG team that these items were retrieved from the firm in February 2014 after a year or so in use, though the lack of documentation makes the timing

unclear. The other firm, a restaurant chain, was lent at least \$5,000 worth of U.S. Government property. The embassy warehouse unit retrieved these items, including a refrigerator installed in the restaurant owner's private residence, on September 15, 2014—3 weeks prior to the OIG team's arrival. These deficiencies were not, but should have been, included in the 2014 chief of mission statement of assurance signed by the previous chargé d'affaires on August 11, 2014.

When the embassy warehouse unit retrieved the \$42,000 in computers and office equipment in February 2014, the general services office (GSO) unit issued a DS-584, Non-Expendable Property Transaction, form to a public affairs section employee without physically verifying and inventorying the returned property, a lack of documentation that constitutes a management control failure. Although informal lists of the loaned items were maintained—and the items located outside of the embassy were included in the FY 2014 annual inventory—that lack of documentation meant that formal accountability could not be assigned for those items found to be missing, including at least three iPads. The U.S. Government also sustained the unrecoverable loss through wear and tear and depreciation of the items that had been loaned to the private businesses.

The OIG team counseled the GSO staff about the need to document fully the loan and return of property on a DS-584 form.

Bureau of African Affairs, Bureau of International Information Programs, and Embassy Bear Responsibility

The lack of accountability for the American Center project extends beyond the embassy because additional management controls exist for projects of this scale. The Bureau of International Information Programs and its regional information resources office in Nairobi approved two large American Spaces funding requests despite warning signs. These included the requests' hyperbolic language ("the possibilities are endless") and the questionable suitability of such a large, public-private project in a very poor country, especially when the project would be managed by a public affairs officer and section lacking the necessary business and accounting acumen and grants management experience. The Bureau of African Affairs approved the project despite the fact that it had not received the necessary project details from the embassy and despite the many flaws in the grants documents that they did receive. The embassy did not caution the Department that the project's prospective partners had never cooperated in such a joint venture, had no understanding of its public purpose, and had no record of such cooperation with the embassy in the past. The Department should have drawn on its technical and regional expertise and understanding of public-private partnerships to identify flaws in the initial plan before it was approved and funds were allotted.

Special Treatment for English Teaching Program Impedes Competition for Grants

ETP, a former unit of the public affairs section, became independent of the embassy in 2010. Embassy personnel have little understanding of ETP's legal status or structure, describing it at different times as both a nongovernmental organization and a "thriving" for-profit business. In fact, ETP is legally registered as a Malagasy association with few host government requirements regarding management oversight or financial reporting. Though the embassy has never requested or seen ETP's financial records, ETP consistently is chosen to receive funds from the

embassy as a grantee, without the required justifications for noncompetitive award. The U.S. Government seal remains on ETP's graduation certificates. Its office telephone numbers are still listed in the embassy phonebook, along with embassy sections. This practice disadvantages other language schools, impeding competition in the local English teaching community. Office of the Procurement Executive Grants Policy Directive 5, Revision 4, paragraph 3, establishes full and open competition requirements for awards of Federal assistance to promote fairness, transparency, and equity in awarding grants and cooperative agreements.

Recommendation 6: Embassy Antananarivo should end special treatment for the English Teaching Program and compete future English-teaching grants. (Action: Embassy Antananarivo)

POLICY AND PROGRAM IMPLEMENTATION

Political/Economic Section

Washington end users interviewed by the OIG team consistently complimented the embassy's reporting, particularly coverage of the 2013 elections and the 2014 events leading up to the formation of the current government. The embassy provided the newly elected president with a nuanced understanding of the measures he would need to implement to convince the United States that it should lift the foreign assistance restrictions that had been imposed on Madagascar after the 2009 coup. The embassy's reporting plan does conform to the general goal structure of the ICS.

Embassy officers and their Department interlocutors are not using record email to effectively track important exchanges on policy and programs. During the inspection, at least three instances of email communication that occurred should have been labeled record email in order to retain the historical record on decisionmaking. Requirements in 5 *Foreign Affairs Manual* (FAM) 443.2 stipulate that email messages constitute Federal records if they include documentation of Department decisions and commitments not otherwise documented in Department files.

Recommendation 7: Embassy Antananarivo should disseminate a management notice that informs all employees of Department policy for use of record and nonrecord emails and requires that employees observe the policy. (Action: Embassy Antananarivo)

Leahy Vetting¹

Since 2010, the only individuals from security forces that have been trained with U.S. funds have come from Union of the Comoros. Now that restrictions on foreign assistance for Madagascar

¹ The Leahy amendments of the Foreign Assistance Act, the Arms Control Export Act, and the Department of Defense Annual Appropriations Act require screening of all foreign security units and their members for the commission of gross human rights violations. Individuals and units who have committed gross human rights violations are prohibited under these amendments from receiving training, equipment, or other forms of assistance.

have been lifted, its security forces are again eligible. During the inspection, the embassy completed work on its standard operating procedures for Leahy vetting and posted them on the internal SharePoint site. Leahy vetting is the responsibility of the human rights officer, with the economic officer as backup, and involves all the appropriate elements of the country team.

Comoros Reporting Officer

The U.S. Government does not have a physical presence in Union of the Comoros, and the U.S. Ambassador to Madagascar is dual-accredited to Comoros. One officer assigned to the embassy in Antananarivo handles all Department reporting done on Union of the Comoros. That officer supervises one LE staff member resident in Moroni, Comoros, and one eligible family member, resident in Antananarivo, responsible for administering the Special Self-Help Program. The officer is expected to spend between 50 and 70 percent of his time in Comoros, where no dedicated housing or office space exists.

Washington end users were also pleased with the quality and quantity of reporting on Comorian issues. In the 6 months prior to the inspection, 45 reporting cables covered a full spectrum of political and economic matters. All this reporting was done during the portion of the Comoros officer's time spent in Antananarivo, because no provision for drafting or releasing messages while working in Comoros exists.

Public Affairs Section

Following the 2009 coup, the public affairs section operated under a partial ban on public diplomacy programming, which ended in May 2014 with the change in government. During that period, the section maintained its base allotment in part by shifting programs to Comoros and by funding the project to establish a new American Center in Antananarivo.

The section recently updated the mission media policy and the public diplomacy implementation plan. The section's target audiences and key public diplomacy themes are appropriately varied, as evidenced by the section's timely submissions of Mission Activity Tracker reports and an inspector's review of the reports written in the first 6 months of 2014. The section contributed to the ICS.

After realigning personnel in the section to better reflect current portfolios and balance workloads, the public affairs officer revised many of the section's position descriptions, some for the first time in 10 years. However, three LE staff position descriptions, which reference incorrect responsibilities or defunct programs, remain to be updated. The work requirements statements of the public affairs officer and assistant public affairs officer do not include provisions for grants management, though both of these employees are signing and managing grants. According to 3 FAH-2 H-443, position descriptions must be kept current. Language in 3 FAH-2 H-135 states that the basis for performance evaluation is contained in the position description. The Bureau of Public Diplomacy and Public Affairs recently advised embassies to delay revision of public affairs LE staff position descriptions pending issuance of universal position descriptions by that bureau in FY 2015.

Recommendation 8: Embassy Antananarivo should revise public affairs section American officer work requirements statements. (Action: Embassy Antananarivo)

Information Unit

The unit's daily news products, circulated to domestic news media, are focused on ICS themes. These media pick up the articles, either verbatim or edited, once or twice a week.

The unit produces a daily workday headline report and a media summary. The latter, at under one page of text, provides end users with necessary press information that they can digest quickly. The summary specifies proper usage of the material and includes clearly marked embassy commentary. The thumbnail description of the media outlets is also helpful.

Inspectors attended a section press conference launching the Mandela Washington Fellowship for Young African Leaders. The event featured the chargé d'affaires and assistant public affairs officer speaking English and interpreted consecutively into Malagasy. They were followed by a USAID officer and Comorian and Malagasy Mandela Fellows speaking French and Malagasy without interpretation. The OIG team counseled the section officers to decide on one or two official languages for its press events, advise journalists of its language policy, and use its in-house simultaneous interpretation equipment.

Information Resource Center and American Corners

The Information Resource Center (IRC), located in the embassy, is open to the public without appointment and is staffed by two LE staff members. It is rebuilding a membership base following a period when it formally closed and its furniture and equipment were packed up to move to a planned Antananarivo American Center. The OIG team observed during five visits that the IRC was always full of young people, with few empty seats and each of the four Internet terminals occupied. The embassy supports American Corners in Majanga and another in Moroni.

The inspectors' review of the IRC speakers' program found that few embassy officers had participated in the past year. The public affairs officer provided examples of officers speaking there and at other venues. The OIG inspector counseled the officer not to neglect the IRC as an opportunity for public outreach.

Cultural Affairs Unit

During the years following the coup in 2009, academic and professional exchange programs excluded government officials, and the Fulbright program suspended participation by Americans. In FY 2012, four Malagasy Fulbright students were in the United States. No American Fulbright scholars have gone to Comoros because of the limited embassy presence, though one or two Comorian students have visited the United States each year. Nine Malagasy participants were in the International Visitor Leadership Program in FY 2012.

The embassy has an active English Language Program, including the Access Microscholarship classes for underprivileged youth, a mobile cultural center deployed to one city per month, and English language specialists. The shift of public affairs funds to Comoros in recent years resulted in funding of an English Language Fellow there. This American teacher advised on English

teaching curriculum and helped create the first English language department at the University of Comoros.

Digital Outreach

The embassy uses social media to reach a mainly urban, youthful, and elite audience and recognizes that only 2 percent of the Madagascar population has access to the Internet. A search of Socialbakers, a metric Web site, shows that the embassy has the most popular Facebook page in the country, with 45,825 followers. An article in the Le Daily newspaper noted that this popularity is due to the embassy posting in Malagasy, French, and English and to the frequency of posts. The embassy also launched a French language Web site in September 2014, a useful feature because French is an official language in the country.

Consular Affairs

The small consular section provides the full range of consular services, and Department end users express satisfaction with the work of the section. The embassy processed 1,579 nonimmigrant visas in FY 2014. Demand for immigration from Madagascar and Comoros to the United States has been low historically. Between FYs 2009 and 2014, the embassy issued on average fewer than 35 immigrant visas each year. The consular staff noted that few citizens of Madagascar and Comoros have taken advantage of the Diversity Visa Program that Congress created to diversify the sources of immigration to the United States. In 2013, the consular staff started publicizing the Diversity Visa Program in Madagascar and Comoros. More than 21,400 Malagasy submitted entries for the program in 2013, three times the number who applied in 2012.

Approximately 850 American citizens live in Madagascar, and 80 live in Comoros. The small community in Comoros is especially isolated, but the poor communication and transportation infrastructure in Madagascar and the large size of the country create a different set of challenges in terms of maintaining contact with American citizens. Both countries are subject to natural disasters, especially cyclones, and civil unrest. The consular staff places special emphasis on public outreach and frequent visits to various parts of the consular district. During those visits, the staff conducts town hall meetings and provides passport and notarial services for Americans who find it difficult traveling to Antananarivo.

Long Gap in Consular Section Chief Position

The consular section chief position experienced a gap of 8 months from December 2011 to August 2012 because of a voluntary curtailment by the previous consular officer. The embassy assured the Department that backup officers at the embassy could cover the gap. Several different officers served as consular officers during that period, but all had full-time duties elsewhere in the embassy and some had no experience doing consular work. Because the amount of consular work in Antananarivo was low, the Department accepted the backup assurances as acceptable and decided not to send any officers on temporary duty assignment during the 8-month gap.

When the current consular section chief arrived, he discovered several problems with consular management controls. The backup officers had not done the daily accounting for consular cash receipts from April to August 2012, a management control vulnerability that the consular section chief reported to the Bureau of Consular Affairs. The consular section chief also learned that one of the backup officers was attempting to use consular funds to pay for a nonconsular trip to Comoros and to purchase equipment, such as iPads and four flat-screen televisions, that were ostensibly for use in the consular section but in fact were meant for use elsewhere in the embassy. The current consular section chief stopped those inappropriate expenditures of consular funds and reconstructed the consular cash records for the 8-month period. He did not find any discrepancies in accounting for the consular cash. However, this incident highlights the fact that consular management controls can go awry even in small consular operations, especially when no full-time consular manager is present. The embassy gave assurances to the Department that an officer who headed another section could serve concurrently as consular section chief for 8 months. The Department needs to consider carefully the credibility of such assurances when evaluating options for filling staffing gaps,

Consular Section Chief as Backup Officer

The consular section chief has had discussions with the Bureau of Consular Affairs about the fact that his consular workload does not require a full 40 hours per week. Officials in the Bureau of Consular Affairs suggested that the consular section chief could volunteer to take on other duties in the embassy. During the inspection, in consultation with the OIG inspection team, the chargé d'affaires designated him as the backup Comoros reporting officer.

Civil Aviation Safety Issues in Comoros and the No Double Standard Policy

Civil aviation safety for internal flights between the islands that make up Comoros has been a subject of concern over the past 2 years. Flights on international airlines to and from Comoros were not at issue. In 2012, some embassy officers expressed concerns about the safety of inter-island flights in Comoros. One plane crashed in November 2012. All passengers and crew survived, but the embassy banned travel for U.S. Government employees on internal flights in Comoros from January 2013 to May 2014. In conformance with the No Double Standard policy,² the advice to American citizens on the www.travel.state.gov Web site reflected that ban.

On May 8, 2014, in a "virtual" emergency action committee meeting by email, the embassy rescinded the ban and updated the advice to American citizens. On May 12, the embassy learned that the decision to lift the ban was based on faulty information and, as a result of that, some embassy employees decided that they would not take a planned trip on an internal flight. That new information was not provided to the public. Some embassy officers protested that this constituted a violation of the No Double Standard policy. On June 10, 2014, the emergency action committee met and reaffirmed the lifting of the ban.

² The policy is explained in 7 FAM 052.1, which states that any information about threats or potential danger provided to the U.S. official community should also be provided to nonofficial U.S. citizens/nationals if that threat or danger could also affect them.

On September 29 and October 6, 2014, the embassy convened two emergency action committee meetings to review its policy. On October 17, 2014, the embassy issued a new security policy stating that embassy employees would need to get approval on a case-by-case basis before taking these flights, balancing mission needs with safety. The embassy worked with the Department to draft new advice to American citizens that noted this policy. The current travel advice meets the requirements of the No Double Standard policy and provides context to American citizens who may consider using these flights.

Problems Finding Emergency and Security Messages on Department Web Site

During the inspection, the embassy issued an emergency message to American citizens in Madagascar advising them to avoid downtown Antananarivo because of political demonstrations and at least one incident in which the police used tear gas on a crowd. The embassy and the Department handled the drafting, clearing, and disseminating of the emergency message properly and in a timely manner. The embassy immediately posted the emergency message on its Internet site.

The OIG team observed that an American citizen accessing the Country Specific Information³ for Madagascar on the Department's Web site would not have been alerted from that page of an emergency message on Madagascar. The only way to find the emergency message was to click on several links, but nothing on the Country Specific Information page advised Americans to check the embassy Internet site for up-to-date emergency and security messages for American citizens in Madagascar. American citizens checking the Department's Web site would not have known to look for such a message and could have unknowingly found themselves in danger.

The Bureau of Consular Affairs, in its intranet site on "Post Websites; Getting the Most out of a Tremendous Resource," states: "The information on our consular websites [sic] is only useful if it is logically organized and easy to find. Navigation design is truly an art; it requires insight into how members of the public, not normally initiated into consular work, might search for specific information." American citizens looking for information on traveling to Madagascar would not intuitively know that they should check the embassy Web site for the most current emergency and security messages for American citizens in Madagascar.

Recommendation 9: The Bureau of Consular Affairs, in coordination with the Bureau of International Information Programs, should place a message prominently at the top of the Country Specific Information pages for each country in the www.travel.state.gov Web site to advise American citizens to check the applicable embassy Web site for the most recent emergency and security messages for that country. (Action: CA, in coordination with IIP)

Inconsistencies in Placement and Naming of Messages on Embassy Web Sites

The OIG team also observed that, once a U.S. embassy Internet page was accessed, embassies were inconsistent regarding where the emergency and security messages were placed and how

³ On the www.travel.state.gov Web site, the Department posts a Country Specific Information page for every country in the world. This provides American citizens important information they need to know for traveling or living in that country.

they were named. The OIG team reviewed six embassy Internet homepages: Antananarivo, Cairo, Mexico City, Tokyo, Kyiv, and Tirana. Four of the six (the exceptions being Mexico City and Tokyo) did not have a link on the embassy homepage to emergency and security messages. A member of the public would have to know to look in the drop-down menu for "U.S. Citizens Services." Almost all had different names for the messages, such as "Important messages," "Messages for U.S. citizens," and "Security and Travel Information."

The Bureau of Consular Affairs intranet site cited above also advises embassies to "place safety alerts up front" and "make it easy to find emergency services information." That criterion warrants a consistent Department policy regarding the placement and naming of emergency and security messages on embassy Web sites.

Recommendation 10: The Bureau of Consular Affairs, in coordination with the Bureau of International Information Programs, should prescribe consistent naming and placement of emergency and security messages on embassy Web sites. (Action: CA, in coordination with IIP)

Foreign Assistance

Following the 2009 coup, U.S. foreign assistance to Madagascar was restricted to humanitarian programs, including health, food security, and disaster assistance. Over the past 5 years, such assistance has averaged \$70 million a year. With the lifting of the funding restrictions Madagascar will again receive security assistance and Special Self-Help funds. Although the restriction was lifted in May 2014, the budget requests that were submitted for FYs 2014 and 2015 did not include funding requests for nonhumanitarian assistance programs. Madagascar is not a USAID or Bureau of African Affairs priority country. Officials in USAID and the Department told the OIG team that it was unlikely that significant new funding could be located for Madagascar in the near term.

Foreign assistance for Comoros has been focused on security assistance and a small Special Self-Help Program. In FY 2014, a \$50,000 disaster assistance grant followed landslides on the island of Anjouan.

RESOURCE MANAGEMENT

Table 1: FY 2013 Staffing and Funding, by Agency

Agency	U.S. Direct-	U.S. Locally	Foreign	*Total	Funding (\$)
U.S. DEPARTMENT OF STATE	35	10	177	222	\$8,388,863
Diplomatic and Consular Programs	15	2	13	30	\$1,143,500
ICASS	5	7	139	151	\$5,637,700
Public Diplomacy	2		14	16	\$553,300
Diplomatic Security	3	1	6	10	\$209,435
Consular	1		2	3	\$131,776
Marine Security	8		3	11	\$104,600
Bureau of Overseas Buildings	1	0	0	1	\$608,552
U.S. DEPARTMENT OF DEFENSE	6		2	8	\$334,243
Defense Attaché Office	4		1	5	\$274,243
Office of Security Cooperation	2		1	3	\$60,000
U.S. Agency for International	12	1	47	60	\$62,838,932
Other Foreign Assistance				0	
Center for Disease Control and	1			1	
TOTAL	57	11	228	296	\$73,784,284

*Staffing totals reflect authorized positions not actual personnel.

Source: Embassy Antananarivo, Madagascar.

The embassy's overall International Cooperative Administrative Support Services (ICASS) scored above worldwide averages and above averages for all African posts in the 2014 customer satisfaction survey. Embassy management told the OIG team that some management controls may have been relaxed for the sake of customer service. Management section staff members, most of whom arrived in the summer 2014 transfer cycle, are reviewing embassy policies and procedures with a fresh view for compliance with Department regulations.

Financial Management

All financial management services scored above worldwide and regional ratings in the ICASS customer satisfaction survey for 2014.

During 2014, USAID voucher processing and cashing were consolidated under ICASS. The recently arrived financial management officer is evaluating the ability of current section staffing levels to handle the increased workload.

Use of Government Telecommunications Equipment Not Controlled

The embassy's policies and procedures for use of official telecommunications equipment, such as cellphones, BlackBerry devices, and tablets, do not comply with Department regulations in 5 FAM 511, 522, and 526. The embassy's mobile telephone policy, dated September 19, 2013, is inadequate to maintain fiscal control on the use of official telecommunications devices. The policy states that individual bills for personal calls totaling more than \$10 per month will be distributed to employees for payment monthly; however, invoices are not sent to employees for review, and the financial management section has not issued any bills since the policy was released. Language in 4 FAM 493.1 requires the embassy to manage and collect debts owed to the Department.

In a review of FY 2014 invoices for cellphones, BlackBerry devices, and iPads, the OIG team found that the September 2014 monthly bill for one 3G/4G-enabled iPad with roaming charges amounted to \$35,100. Other bills for individual devices included charges of approximately \$3,100, \$3,900, and \$1,600 for a single month. The OIG team counseled post to convene a panel to determine personal liability of employees for these and any other apparently excessive bills. The lack of adequate controls on telecommunications devices represents a management control vulnerability.

Recommendation 11: Embassy Antananarivo should revise and enforce its policy on the use of Government telecommunications equipment for personal use to conform with Department regulations. (Action: Embassy Antananarivo)

Incorrect Billing Office

The embassy financial management office is not receiving invoices for goods and services, as required by the Bureau of the Comptroller and Global Financial Services in 13 STATE 57938. Instead, GSO receives and processes invoices, thereby weakening management controls, inadequately separating duties, and complicating tracking for prompt payment purposes. Per 4 FAH-3 H-413.5 b. (1) and (3), purchasing goods and services should be separated from examining invoices and preparing vouchers. Violation of separation of duties increases the risk of error, waste, and wrongful acts.

Recommendation 12: Embassy Antananarivo should designate the financial management office as the billing office for all invoices for goods and services. (Action: Embassy Antananarivo)

ICASS Failure to Bill Agencies for Temporary Duty Employees

The embassy issued an ICASS policy, dated October 2013, for temporary duty employees. However, it has not established procedures to identify and charge agencies for services provided to temporary duty employees, in compliance with 6 FAH-5 H-363.1-5. The financial management

office also has not issued invoices to recover costs. Without a billing process, costs are not fairly and transparently distributed to the appropriate agency.

Recommendation 13: Embassy Antananarivo should track eligible temporary duty visitors and prepare partial-year invoices for agencies under International Cooperative Administrative Support Services. (Action: Embassy Antananarivo)

Human Resources

ICASS customer satisfaction ratings for both American and LE staff human resources services ranked above worldwide and regional scores in 2014.

During meetings with inspectors, both American and LE staff complained about the burden of covering backup duties. American employees were tasked with covering large gaps during the transfer season, and LE staff members were responsible for filling positions of employees on long-term temporary duty assignments to support the embassies in Afghanistan and Iraq. The OIG inspection team counseled embassy management on strategies to manage backup coverage and encouraged appropriate recognition of employees for their efforts.

Late American Employee Evaluation Reports

The previous chargé d'affaires departed the embassy without completing six interim evaluation reports for American employees he supervised, as required for periods of 120 days or more under 3 FAM 2813.4. He did not respond to email reminders from the embassy human resources office and the Bureau of African Affairs. According to 3 FAH-1 H-2815.4, rating officers should complete all employee evaluation reports in time to allow discussion by all participants before their departure from post. If employee evaluation reports are not completed, performance is not properly documented for the purposes of tenure or promotion.

Recommendation 14: Embassy Antananarivo, in coordination with the Bureau of African Affairs and the Bureau of Human Resources, should require all supervisors to complete performance evaluations within the mandated timelines, with provisions for appropriate action for noncompliance. (Action: Embassy Antananarivo, in coordination with AF and DGHR)

Awards Procedures Not Followed

In April 2014, the embassy presented group Meritorious Honor Awards to 35 American employees and group Mission Honor Awards to 66 LE staff members without proper documentation. The award certificates recognize the employees for outstanding support to the embassy's electoral observation efforts in October and December 2013. As outlined in 3 FAM 4800 and the Interagency Mission Awards Policy for LE staff, nominations must be submitted on Form JF-66, Nomination for Award, through supervisory channels to the Joint Country Awards Committee for review and recommendation to the Chief of Mission for action. No JF-66 forms and justifications were completed, and the Joint Country Awards Committee did not review and approve these awards.

The embassy has a Mission Awards Policy, dated November 2013, but the procedures were not followed. Without proper documentation on a JF-66 form, the awards cannot be included in American employees' Official Performance Folders in the Department and are not considered in tenure or promotion decisions. Likewise, without proper documentation, the awards cannot be part of the official performance files maintained at posts for LE staff members, which disadvantages them in applications for promotions within the mission and for special immigrant visa consideration.

Recommendation 15: Embassy Antananarivo should complete the Nomination for Award forms, convene the Joint Country Awards committee, and include approved awards in employees' official personnel files. (Action: Embassy Antananarivo)

Comoros Local Compensation Plan Out of Date

The local compensation plan covering the two embassy LE staff members in Comoros has not been updated since 2005. Full surveys of local compensation are required at 4- to 5-year intervals by 3 FAH-2 H-221A, and annual measures of prevailing pay practice are required by 3 FAH-2 H-215B. With no official office in Comoros, neither the embassy human resources office nor the Office of Overseas Employment in the Bureau of Human Resources in the Department has reviewed the plan for almost a decade. Without an appropriate compensation package, the mission cannot recruit, retain, and motivate high-quality local staff to achieve U.S. objectives in Comoros.

Recommendation 16: Embassy Antananarivo, in coordination with the Bureau of Human Resources, should update the Comoros local compensation plan and implement required changes to salaries and benefits for locally employed staff. (Action: Embassy Antananarivo, in coordination with DGHR)

General Services Operations

GSO is responsible for customs and shipping, motor pool, property management, procurement, housing, and travel. The 2014 ICASS customer satisfaction scores for each of the GSO units were higher than the worldwide averages.

Motor Vehicles

The process of consolidating the USAID and the ICASS motor pools started in 2012 but, as of late October 2014, is still not complete. The embassy initiated further measures during the inspection.

The embassy's motor vehicle policy states that the Chief of Mission has approved "other authorized uses" of official motor vehicles per 14 FAM 433.3-1, but no signed chief of mission statement to that effect is on file. The policy lists these allowable "other authorized uses." In practice, the embassy provides motor pool services beyond the scope of the policy for the personal convenience of employees. Additionally, the motor vehicle policy does not include or reference a motor vehicle safety management program, as required by 15 FAM 957.3.

Recommendation 17: Embassy Antananarivo should issue, under Chief of Mission signature, a comprehensive motor vehicle policy, including a specific listing and justification of allowable authorized uses. (Action: Embassy Antananarivo)

Recommendation 18: Embassy Antananarivo should issue a written motor vehicle safety policy that documents the roles and responsibilities related to its motor vehicle safety program. (Action: Embassy Antananarivo)

In March 2013, the embassy received and put into service a new program vehicle. The vehicle was a regularly scheduled replacement, and a disposal authorization for the replaced vehicle was issued on March 19, 2013. The embassy placed the vehicle for auction on October 11, 2013, and May 10, 2014. Both times, minimum bids were posted by the embassy and no acceptable bids were received for the vehicle. The vehicle remains a part of the motor pool. According to 14 FAM 439.1 c., disposal of vehicles should be accomplished within 6 weeks after receipt of the authorization.

Recommendation 19: Embassy Antananarivo should dispose of vehicle 20050024 through competitive sale as soon as possible. (Action: Embassy Antananarivo)

In September 2011, the embassy purchased a vehicle with diplomatic and consular funding to use in Comoros. The vehicle is used by the Comoros reporting officer based in Antananarivo, who spends half his time in the Comoros. In the 11 months the vehicle has been in use, it was driven approximately 2,900 miles. The vehicle is garaged in the private residence of a United Nations employee because the United States does not have a facility in Comoros. The criteria for fleet size and composition for program vehicles are outlined in 14 FAM 432.2. Language in 14 FAM 436.3 requires the motor vehicle accountable officer to establish effective management control procedures for U.S. Government vehicles. According to 14 FAM 436.4, official vehicles should be parked overnight at a central location for security, accountability, and safekeeping purposes. Inspectors counseled the GSO to verify that this vehicle was in compliance with applicable regulations.

Procurement

The procurement unit has a procurement supervisor and three procurement agents. One agent has been with the embassy for more than 20 years, but the other three employees have an average tenure of only 1 to 2 years. The quality of the procurement files is mixed. The newer files are more thoroughly documented than older files, containing both cost data and technical evaluations. Files from earlier contracts lack both types of information. The procurement staff is reviewing the older files and updating them when possible. The inspector counseled the staff about the need to compete procurements and to use sole source procurements only when essential and with compelling written justification by the requesting office.

The inspectors also counseled the procurement staff about its role in verifying a "bona fide need" for items purchased. Questionable procurements beyond those previously identified for the American Center project have been made. For example, more than \$10,000 of computer

equipment was purchased for use in Comoros, but Comoros has no U.S. Government office space in which to place that equipment.

The embassy lacks an annual procurement plan with resultant heavy end-of-fiscal-year workload in the procurement unit. Federal Acquisition Regulation Part 7.102 requires that agencies perform acquisition planning and conduct market research for all acquisitions. The procurement staff uses government purchase cards and reconciles monthly statements. However, the embassy has not conducted an annual review for FY 2014, representing a management control vulnerability. Language in 4 FAM 455.3a(4) requires an annual in-house review of the embassy purchase card program.

Recommendation 20: Embassy Antananarivo should develop an annual procurement plan. (Action: Embassy Antananarivo)

Recommendation 21: Embassy Antananarivo should conduct an annual purchase card review for FY 2014. (Action: Embassy Antananarivo)

In March 2014, the embassy wrote off more than \$44,000 of property without convening a Property Survey Board. Most of the items were of low value and should have been granted to ETP when it broke away from the embassy and removed from the inventory records at that time. However, more than 30 cellphones and 15 BlackBerry devices were also written off as part of this disposal action, a management control vulnerability. Property Survey Boards were conducted in 2014 for a missing safe and two missing iPads. Language in 14 FAM 400 explains what is required for managing personal property abroad and presents the policy, principles, responsibilities, and related requirements for receipt, management, accountability, storage, use, maintenance, reporting, and disposal of all U.S. Government-owned and leased personal property. Inspectors counseled the property management unit on the importance of properly documenting property granted by the public affairs section and of removing it from the embassy's inventory lists.

Recommendation 22: Embassy Antananarivo should bring its property management and inventory processes into compliance with regulatory requirements. (Action: Embassy Antananarivo)

Facilities Management

ICASS customer satisfaction scores for the facilities management unit exceeded worldwide averages for both residential and nonresidential building operations. The unit also scored well on the OIG's workplace and quality of life questionnaires.

Embassy Antananarivo has an active safety health and environmental management (SHEM) program. The SHEM committee met recently, though records from previous SHEM committee meetings were not available, and no SHEM safety recommendations remain unresolved. Department chauffeurs and incidental motor vehicle operators receive regular medical examinations.

Safety inspections are conducted on all residential leases before they are acquired or renewed and deficiencies are noted. Electrical grounding is not a common construction practice in Madagascar, and several residences were leased despite the fact that they lacked an effective grounding system. Per 15 FAM 252.5 a. (5), no employee may occupy a U.S. Government-owned or leased residence unless the electrical system has been grounded with a documented ground resistance of less than 25 ohms.

Recommendation 23: Embassy Antananarivo, in coordination with the Bureau of Overseas Buildings Operations, should bring all residences in the housing pool into compliance with Department requirements. (Action: Embassy Antananarivo, in coordination with OBO)

Information Management

The information management office is led by a seasoned information management officer. The section received good scores on ICASS customer surveys and OIG questionnaires, as well as A+ ratings from the Department's network and systems monitoring software. OIG Questionnaires and inspection interviews indicated that morale among staff members is excellent. The OIG team identified information systems security duties and information technology contingency testing as areas for improvement. The classified annex to this report contains one recommendation concerning emergency preparedness.

The OIG team found a number of shortcomings and counseled the section on requirements to use visitor logs for the telephone frame rooms, encryption of one laptop, and standard operating procedure for returning laptops and to create a remote security access briefing acknowledgement form for customers. These infractions were addressed and mitigated during the inspection.

Information Technology Contingency Plan Not Tested

Although the embassy has developed an information technology contingency plan, it has not tested this plan for the unclassified network, as required by 12 FAM 622.3-2. Contingency plan testing identifies deficiencies that can be addressed with modifications or alternative solutions. Information management personnel have not given sufficient priority to contingency plan testing to help ensure that the embassy can restore the network in the event of a natural disaster or other emergency.

Recommendation 24: Embassy Antananarivo should test its information technology contingency plan annually in accordance with Department regulations. (Action: Embassy Antananarivo)

Information System Security Officer Duties Not Completed

For 2 months, the information management officer did not perform necessary information security duties. He was concurrently serving as acting management officer, acting human resources officer, and acting financial management officer, and he noted that he lacked time to conduct required reviews of all systems logs during that period. According to 5 FAM 824, information security officers are responsible for ensuring that the Department's information

security policies are implemented. Although the information system security duties are time consuming, they must be completed to ensure that the networks are protected from technical threats.

Recommendation 25: Embassy Antananarivo should establish and implement a standard operating procedure so that information systems security officer duties are performed regularly for the networks. (Action: Embassy Antananarivo)

MISSION SUPPORT SERVICES

The embassy community rated both mission and personal morale as good in OIG surveys. Employees expressed satisfaction with the secure and comfortable work environment provided by the new embassy facilities, occupied since 2010. U.S. direct-hire employees receive a 20-percent cost-of-living allowance, a 25-percent hardship differential, and two rest and recuperation trips for a 2-year assignment. Hardship factors include isolation, difficult in-country travel, and unsanitary conditions.

Community Liaison Office

Community liaison office operations received high marks, exceeding both regional and worldwide scores in the 2014 ICASS customer satisfaction survey. At the time of the inspection, the community liaison coordinator position had been vacant for 2 months while the eligible family member selected for the position awaited security clearance processing. The LE staff community liaison assistant was covering the office alone during the gap. Ten eligible family members were employed within the embassy, and several family members were employed outside as teachers or working for nongovernmental organizations.

Schools

U.S. direct-hire dependents attend several schools. OIG surveys noted that parents are satisfied with the quality of education. The Chief of Mission appoints one representative to the board of directors of the [REDACTED], which is the recipient of a Department grant. In addition, the [Redacted] (b) (6) has received soft-target funding for security upgrades.

In April 2014, the Department's regional education officer visited the [Redacted] (b) (6) observed its operations; and met with administrators, school board members, teachers, parents, embassy staff, and students.

American Employee Recreation Association

The Antananarivo Recreation Association, which offers cafeteria/catering services and gift sales, held elections for new members of the board of directors in September 2014. The association is current with all reporting requirements.

Employee Association Operating at a Loss

The Antananarivo Recreation Association operated at a loss in 2013 in violation of 6 FAM 531.4, which requires an association to remain solvent to ensure its activities exist for future members. Prices charged in the embassy cafeteria are not sufficient to cover costs. Without profits, the association cannot cover its liabilities for association employee benefits and cannot make contributions to support embassy community events.

Recommendation 26: Embassy Antananarivo, in coordination with the Bureau of Administration, should require the Antananarivo Recreation Association to review its operations and revise its business plan to make services self-supporting. (Action: Embassy Antananarivo, in coordination with A)

Health Unit

The health unit's ICASS customer satisfaction scores are above worldwide averages. The unit is staffed by a Foreign Service Health Practitioner, an LE staff receptionist, and an eligible family member nurse. The unit is well equipped, and medical equipment and supplies are accounted for in accordance with regulations.

Equal Employment Opportunity

The embassy has a designated EEO counselor who has taken the required training. EEO guidance is posted in prominent locations. Three LE staff EEO liaisons have been designated, and training for them has been scheduled for early November.

Federal Women's Program

The embassy designated a Federal Women's Program coordinator during the inspection.

RECOMMENDATIONS

Recommendation 1: Embassy Antananarivo, in coordination with the Bureau of African Affairs, should determine U.S. goals and objectives for Comoros. (Action: Embassy Antananarivo, in coordination with AF)

Recommendation 2: Embassy Antananarivo, in coordination with the Bureau of African Affairs, should amend the requirement for a separate Integrated Country Strategy and Mission Resource Request for Comoros and instead incorporate any future resource requests into the Madagascar documents. (Action: Embassy Antananarivo, in coordination with AF)

Recommendation 3: Embassy Antananarivo should implement a standard operating procedure for reviewing management controls in each section and submitting relevant supporting documentation to the Chief of Mission before preparing the annual statement of assurance. (Action: Embassy Antananarivo)

Recommendation 4: Embassy Antananarivo should develop and implement procedures to comply with reporting requirements for the management of grants. (Action: Embassy Antananarivo)

Recommendation 5: Embassy Antananarivo, in coordination with the Bureau of African Affairs and the Bureau of International Information Programs, should prepare a detailed plan to determine whether to continue its participation in the American Center project. (Action: Embassy Antananarivo, in coordination with AF and IIP)

Recommendation 6: Embassy Antananarivo should end special treatment for the English Teaching Program and compete future English-teaching grants. (Action: Embassy Antananarivo)

Recommendation 7: Embassy Antananarivo should disseminate a management notice that informs all employees of Department policy for use of record and nonrecord emails and requires that employees observe the policy. (Action: Embassy Antananarivo)

Recommendation 8: Embassy Antananarivo should revise public affairs section American officer work requirements statements. (Action: Embassy Antananarivo)

Recommendation 9: The Bureau of Consular Affairs, in coordination with the Bureau of International Information Programs, should place a message prominently at the top of the Country Specific Information pages for each country in the www.travel.state.gov Web site to advise American citizens to check the applicable embassy Web site for the most recent emergency and security messages for that country. (Action: CA, in coordination with IIP)

Recommendation 10: The Bureau of Consular Affairs, in coordination with the Bureau of International Information Programs, should prescribe consistent naming and placement of emergency and security messages on embassy Web sites. (Action: CA, in coordination with IIP)

Recommendation 11: Embassy Antananarivo should revise and enforce its policy on the use of Government telecommunications equipment for personal use to conform with Department regulations. (Action: Embassy Antananarivo)

Recommendation 12: Embassy Antananarivo should designate the financial management office as the billing office for all invoices for goods and services. (Action: Embassy Antananarivo)

Recommendation 13: Embassy Antananarivo should track eligible temporary duty visitors and prepare partial-year invoices for agencies under International Cooperative Administrative Support Services. (Action: Embassy Antananarivo)

Recommendation 14: Embassy Antananarivo, in coordination with the Bureau of African Affairs and the Bureau of Human Resources, should require all supervisors to complete performance evaluations within the mandated timelines, with provisions for appropriate action for noncompliance. (Action: Embassy Antananarivo, in coordination with AF and DGHR)

Recommendation 15: Embassy Antananarivo should complete the Nomination for Award forms, convene the Joint Country Awards committee, and include approved awards in employees' official personnel files. (Action: Embassy Antananarivo)

Recommendation 16: Embassy Antananarivo, in coordination with the Bureau of Human Resources, should update the Comoros local compensation plan and implement required changes to salaries and benefits for locally employed staff. (Action: Embassy Antananarivo, in coordination with DGHR)

Recommendation 17: Embassy Antananarivo should issue, under Chief of Mission signature, a comprehensive motor vehicle policy, including a specific listing and justification of allowable authorized uses. (Action: Embassy Antananarivo)

Recommendation 18: Embassy Antananarivo should issue a written motor vehicle safety policy that documents the roles and responsibilities related to its motor vehicle safety program. (Action: Embassy Antananarivo)

Recommendation 19: Embassy Antananarivo should dispose of vehicle 20050024 through competitive sale as soon as possible. (Action: Embassy Antananarivo)

Recommendation 20: Embassy Antananarivo should develop an annual procurement plan. (Action: Embassy Antananarivo)

Recommendation 21: Embassy Antananarivo should conduct an annual purchase card review for FY 2014. (Action: Embassy Antananarivo)

Recommendation 22: Embassy Antananarivo should bring its property management and inventory processes into compliance with regulatory requirements. (Action: Embassy Antananarivo)

Recommendation 23: Embassy Antananarivo, in coordination with the Bureau of Overseas Buildings Operations, should bring all residences in the housing pool into compliance with Department requirements. (Action: Embassy Antananarivo, in coordination with OBO)

Recommendation 24: Embassy Antananarivo should test its information technology contingency plan annually in accordance with Department regulations. (Action: Embassy Antananarivo)

Recommendation 25: Embassy Antananarivo should establish and implement a standard operating procedure so that information systems security officer duties are performed regularly for the networks. (Action: Embassy Antananarivo)

Recommendation 26: Embassy Antananarivo, in coordination with the Bureau of Administration, should require the Antananarivo Recreation Association to review its operations and revise its business plan to make services self-supporting. (Action: Embassy Antananarivo, in coordination with A)

PRINCIPAL OFFICIALS

Title	Name	Arrival Date
Ambassador	Vacant	
Chargé d'Affaires	Stephen Anderson	08/2014
Management	Michael Classick	08/2014
Consular	Jeffrey Osweiler	08/2012
Political/Economic	Nicole Otallah	08/2012
Public Affairs	Luke Zahner	12/2013
Regional Security	Aaron Tambrini	08/2012
Peace Corps	Dorothea Hertzberg	01/2013
Center for Disease Control	Judith Hedje	09/2013
Defense Attaché Office	Robert Stouse	08/2013
Office of Security Cooperation	John Kruse	10/2013
U.S. Agency for International Development	Susan Riley	09/2013
National Institutes of Health	Vacant	

Source: Embassy Antananarivo, Madagascar.

APPENDIX A: SCOPE AND METHODOLOGY

This inspection was conducted in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2012 by the Council of the Inspectors General on Integrity and Efficiency, and the Inspector's Handbook, as issued by the OIG for the Department and the Broadcasting Board of Governors (BBG).

Purpose and Scope

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

- **Policy Implementation:** whether policy goals are being effectively achieved and U.S. interests are effectively represented.
- **Resource Management:** whether resources are used with maximum efficiency and effectiveness and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether operations meet the requirements of applicable laws and regulations; whether internal management controls are enforced; whether instances of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

Inspections also assess executive leadership in such areas as security, interagency cooperation, morale, EEO, and staff development.

Methodology

The inspection team's primary assessment criteria are regulations contained in the FAM and FAH, Department instructions, applicable law and generally accepted management principles.

The Office of Inspections solicits reviews of the content of inspection reports from interested offices, individuals, organizations, and activities.

The inspection focused on issues related to the establishment of an American Center in Antananarivo and other management control vulnerabilities. Over the course of the inspection, the team reviewed 166 questionnaires, interviewed 210 employees and officials (112 in Washington, D.C., during the survey phase and 98 in Antananarivo during the inspection phase), and wrote more than 200 memoranda of conversation.

ABBREVIATIONS

BBG	Broadcasting Board of Governors
Department	U.S. Department of State
EEO	Equal Employment Opportunity
ETP	English Teaching Program
FAH	<i>Foreign Affairs Handbook</i>
FAM	<i>Foreign Affairs Manual</i>
FAST	First- and second-tour
GSO	General services office
ICASS	International Cooperative Administrative Support Services
ICS	Integrated Country Strategy
IMET	International military education training
IRC	Information Resource Center
LE	Locally employed
SHEM	Safety health and environmental management
TIP	Trafficking in persons
USAID	U.S. Agency for International Development

INSPECTION TEAM MEMBERS

Ambassador Peter Prahar (team leader)

Leo Hession (deputy team leader)

David Bocskor

Karen Davidson

Jay Dehmlow

Thomas Furey

Dolores Hylander

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