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Office of Inspector General

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Office of Inspections

May 2017

Inspection of Embassy Tel Aviv, Israel

BUREAU OF NEAR EASTERN AFFAIRS



OIG HIGHLIGHTS

ISP-I-17-20

UNCLASSIFIED

May 2017

OFFICE OF INSPECTIONS

Bureau of Near Eastern Affairs

Inspection of Embassy Tel Aviv, Israel

What OIG Found

- The Ambassador promoted interagency team work, played a key part in the mission's public diplomacy programs, and effectively led Embassy Tel Aviv in advancing its strategic policy goals in Israel.
- The embassy's residential housing program lacked verification that residences met security standards.
- Motor pool operations had several deficiencies.
- The embassy's Information Management Section had technical, administrative, and contingency planning deficiencies.
- The Public Affairs Section did not submit required strategic planning documents to the Department.
- The Consular Agency in Haifa did not comply with Bureau of Consular Affairs internal controls.
- The embassy could realize \$8 million in cost savings by selling an underutilized property.

What OIG Inspected

OIG inspected U.S. Embassy Tel Aviv from October 7 to November 1, 2016.

What OIG Recommended

This report includes a total of 23 recommendations. OIG made 22 recommendations to Embassy Tel Aviv to improve operations and procedures. The report addresses deficiencies in the embassy's Management, Information Management, and Public Affairs Sections and the Haifa Consular Agency's lack of compliance with Department of State (Department) internal controls. OIG made one recommendation to the Bureau of Near Eastern Affairs regarding the Middle East Regional Cooperation Program's interagency agreement.

In their comments on the draft report, Department stakeholders concurred with 22 recommendations and deferred one to the Bureaus of Overseas Buildings Operations. The Department's response to each recommendation and OIG's reply can be found in the Recommendations Section of this report. OIG considers the recommendations resolved. The Department's formal written response is reprinted in its entirety in Appendix B.

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CONTEXT

Israel is the subject of prominent regional and global attention because of unresolved issues with the Palestinians and a number of Arab states that grew out of the country's founding in 1948. Israel's population of 8 million is approximately 75 percent Jewish and 18 percent Muslim, with smaller Christian, Druze, and other religious groups. According to the World Bank, Israel's 2015 per capita gross domestic product of \$35,440 places it between Japan and Italy in the high-income group of world nations.

The United States was the first country to recognize Israel as a state in 1948. Support for Israel's security and promotion of a negotiated Arab-Israeli peace settlement have been bedrocks of U.S. regional policy. Comprehensive, final status negotiations between Israel and the Palestinian Authority broke down in 2014.

The United States is Israel's largest single-country trading partner. Bilateral trade has grown eight-fold—to \$48.8 billion in 2014—since the two countries concluded a Free Trade Agreement in 1985. U.S. foreign direct investment in Israel was \$10.8 billion in 2014, compared with \$9 billion in Israeli foreign direct investment in the United States. The United States and Israel enjoy a wide range of government and privately sponsored people-to-people exchanges. The Department of State (Department) estimates that 300,000 American citizens are resident in Israel.

In September 2016, the United States and Israel signed a memorandum of understanding that commits the United States to provide \$38 billion in security assistance over a 10-year period, exceeding the \$30 billion provided in the prior period. In addition, the United States and Israel have a number of forums for high-level security and economic exchanges, including joint military exercises, weapons development, and cooperation to fight terrorism.

At the time of the inspection, Embassy Tel Aviv had 960 U.S. direct hire and locally employed (LE) staff members and a total FY 2016 budget of \$380 million. The embassy faces several operational challenges. Its offices are located in eight facilities, which presents security risks as well as internal coordination difficulties. This situation is a consequence of a long-standing U.S. policy to defer a decision on the permanent location of the embassy pending a negotiated peace between Israel and the Palestinians. Although the Ministry of Defense has offices in Tel Aviv, embassy staff must travel 40 miles to meet with most Israeli government officials who work in Jerusalem, the country's declared capital. While Embassy Tel Aviv and the consulate general in Jerusalem are independent diplomatic missions, they are operationally interdependent. The consulate general's district includes territory with varying degrees of Israeli presence, which requires it to coordinate with Embassy Tel Aviv across several functions, including security, management operations, consular services, reporting, and diplomatic engagement with Israeli and Palestinian officials.

Embassy Tel Aviv's strategic goals in its FY 2015-2017 Integrated Country Strategy (ICS) focus on supporting lasting Middle East peace, strengthening the U.S.-Israel economic relationship and

supporting Israeli-Palestinian economic engagement, helping Israel deter terrorism, and bolstering Israel's security and regional stability.

OIG evaluated the embassy's policy implementation, resource management, and management controls consistent with Section 209 of the Foreign Service Act.¹ OIG also assessed security, which is covered in a classified report that contains a comprehensive discussion of the conduct of the security program and issues affecting the safety of mission personnel and facilities.

EXECUTIVE DIRECTION

OIG assessed Embassy Tel Aviv's leadership on the basis of 80 on-site interviews and 24 interviews in Washington that addressed questions on the Ambassador's and the Deputy Chief of Mission's (DCM) performance; 201 questionnaires completed by U.S. and LE staff members; and OIG's review of documents and observation of embassy meetings and activities during the course of the on-site inspection. The Ambassador arrived in 2011, and the DCM arrived 3 months prior to the start of this inspection. Each had previous experience either in Israel or the Middle East region and had worked on regional issues in Washington.

Tone at the Top and Standards of Conduct

The Ambassador set a professional and collaborative tone for the embassy, consistent with the leadership principles in 3 Foreign Affairs Manual (FAM) 1214. Embassy staff told OIG that he and the DCM worked as a team and promoted cooperation between embassy sections and agencies. American and LE staff members described the Ambassador as engaged, communicative, collegial, and open to other views. The Ambassador hosted and attended events for the larger embassy community. Embassy staff noted his practice of publicly recognizing those who helped make senior official visits or other embassy activities successful. Embassy staff reported the DCM reached out to sections, agencies, and U.S. direct hire and LE staff members in her initial weeks at the embassy.

OIG observation and interviews indicated the Ambassador and the DCM promoted a constructive approach to working with Consulate General Jerusalem. The Chiefs of Mission of the two independent diplomatic missions met periodically, usually in Jerusalem. The DCM and the consulate general's Deputy Principal Officer regularly attended the other mission's country team meetings. During the inspection, Embassy Tel Aviv and Consulate General Jerusalem updated the 2011 joint operations document (first recommended in 2011 OIG inspections of the two missions²), which outlines how the two posts work together in areas of mutual interest, including managing Washington visitors, information technology, and public diplomacy. The new agreement incorporates suggestions made by OIG during this inspection.

¹ See Appendix A.

² OIG, *Inspection of Embassy Tel Aviv, Israel* (ISP-I-11-31A, March 2011); OIG, *Inspection of Consulate General Jerusalem* (ISP-I-11-34A, March 2011).

Embassy staff credited the Ambassador with setting a high ethical standard and noted he routinely checked with the embassy's ethics officer to ensure activities proposed to him were consistent with Department guidance and Federal regulations. OIG reviewed a sample of the Ambassador's 2016 travel, representation, and official residence vouchers, as well as gift records, and found no anomalies.

Execution of Foreign Policy Goals and Objectives

Washington officials reported that the Ambassador was well regarded by and had access to senior Washington policy makers. They relied on him to manage sensitive issues because of their confidence in his ability to convey U.S. positions and views to Israeli officials. According to Washington officials, the Ambassador was among the very small group of Executive Branch officials who negotiated the 10-year security assistance memorandum of understanding to which Israel agreed in 2016.

Embassy staff and Washington officials told OIG the Ambassador was well regarded by and had access to the most senior Israeli civilian and military officials. OIG's review of the Ambassador's schedule confirmed embassy staff and Washington reports of his active engagement with a wide-range of contacts and events outside the embassy.

The Ambassador communicated regularly with senior Washington policy officials on his meetings, developments in Israel related to U.S. policy objectives, and his views on issues under consideration in Washington. Most of this communication was done by email, although some occurred by phone. Officials in Washington and at the embassy said cables were rarely used to transmit information because of the sensitivity of the issues. OIG advised the embassy to archive the Ambassador's emails in accordance with Department standards. The embassy began doing this before OIG departed.

Interagency Communication and Coordination

Embassy staff credited the Ambassador for using country team and smaller functional meetings to discuss priority issues, convey his priorities, report on his meetings, and promote teamwork. They reported that he responded positively whenever they asked for his assistance. For example, the Ambassador participated in 10 events in support of the U.S. Commercial Service during the first half of 2016. In support of the embassy's Foreign Agriculture Service office, he played a key role in gaining Israeli permission to import American beef after a 13-year ban. Embassy staff also reported the Ambassador was popular with the Israeli public and was an important part of the embassy's public diplomacy work. His Hebrew language skills allowed him to convey U.S. views directly or through the media, including social media, to important segments of the Israeli political class and the public.

Dual-Mission Coordination of Permit Requests Was Ineffective

OIG found that Embassy Tel Aviv and Consulate General Jerusalem did not effectively coordinate their engagement with Israeli government officials responsible for issuing transit permits. Palestinian participants in U.S. Government exchange programs and Department-sponsored

activities, as well as U.S. Government employees who work in Gaza, require these permits to travel from the West Bank and Gaza to Jerusalem. Ensuring participants and employees have the necessary permits is critical to the success of U.S. Government humanitarian assistance and rehabilitation efforts in the West Bank and Gaza. These efforts are objectives in both Embassy Tel Aviv's and Consulate General Jerusalem's ICS.

Given the Israeli Government's regulation of travel between Gaza, the West Bank, and Jerusalem, the embassy and consulate general have a shared responsibility to monitor these permit requests. However, the two missions lacked a joint, documented standard operating procedure to track permit requests, communicate with each other on the requests, and engage Israeli government officials when necessary to expedite requests. As a result, Israeli transit permits often were not issued in a timely manner, which posed logistical challenges in implementing the consulate general's programs. For instance, when Consulate General Jerusalem's Public Affairs Section invited entrepreneurs in Gaza to participate in a 2016 Women's Microenterprise Bazaar in Jerusalem, only 8 of 30 invitees received permits in time to participate. Consulate general staff also reported that delays in processing permit requests affected the movement of Gaza-based consulate general LE staff and contractors working for the U.S. Agency for International Development (USAID), a leading provider of foreign assistance in the Palestinian Territories. U.S. Government standards for internal controls³ state that management should establish reporting lines within an organizational structure so that units can communicate the quality information necessary for each unit to fulfill its overall responsibilities.

Recommendation 1: Embassy Tel Aviv, in coordination with Consulate General Jerusalem, should adopt a joint standard operating procedure to coordinate the tracking of pending transit permits for Consulate General Jerusalem locally employed staff and residents of Gaza and the West Bank invited to participate in U.S. Government-sponsored activities. (Action: Embassy Tel Aviv, in coordination with Consulate General Jerusalem)

Strategic Planning

Embassy Tel Aviv prepared its FY 2015–2017 ICS through a process that involved all sections and agencies. The Ambassador reviewed and reiterated ICS goals in a meeting with staff before the start of this inspection. During the inspection, the embassy issued a staff notice containing the ICS goals and gave employees a wallet-sized version of the goals. The embassy's FY 2018 Mission Resource Request is linked to the ICS, as is the approval process for public diplomacy events and foreign assistance programs. The Mission Resource Request also was produced through an inclusive, interagency process.

No Periodic Review of Integrated Country Strategy

The embassy had not periodically reviewed the ICS and assessed the progress in achieving its strategic objectives, as required by 18 FAM 101.4-3. The embassy also did not have mission-

³ U.S. Government Accountability Office *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014), Principle 3.04.

wide reporting, travel, or representation plans tied to ICS goals. OIG advised the embassy that the Department's ICS guidance and instructions encourage regular strategic progress reviews. OIG further advised the embassy to link reporting, representation, and travel plans to ICS objectives and have the DCM approve those plans. During the inspection, the Ambassador and the DCM started an ICS review process that the embassy plans to complete in 2017.

Adherence to Internal Controls

The embassy's Management Counselor oversaw an internal controls review that led to the Ambassador signing the 2016 Chief of Mission Annual Management Control Statement of Assurance. The statement identified a potential material weakness related to an underground fuel storage tank, which is scheduled to be replaced when funding becomes available. OIG reviewed key elements of the embassy's internal control system and found deficiencies in the Management and Information Management Sections, described in the Resource Management section of this report.

Security of the Embassy

Embassy Tel Aviv's security climate is challenging. In 2014, missiles fired from Gaza, 57 miles to the south, attacked the Tel Aviv metropolitan area. Tel Aviv has also experienced terrorist attacks, including suicide bombings. Officials in Washington reported the Ambassador was active in dealing with embassy security. They respected his judgment on security issues, noting that he was in frequent contact during the 2014 missile attacks. Embassy staff said they appreciated the Ambassador's concern for their security and that of their families. Those who were in Tel Aviv during the 2014 missile attacks told OIG he convinced Washington to authorize staff members whose houses lacked protective shelters to move to hotels with these shelters, and he advocated other steps to respond to the threat. At the time of the inspection, all embassy residences had protective shelters.

The DCM chaired the Emergency Action Committee, which members reported met as needed, worked collegially, and allowed a sharing of views. However, the committee had not certified the embassy's Emergency Action Plan. OIG's review of the Emergency Action Plan found that it inaccurately designated alternative command centers and that the process for ensuring that U.S. direct hire staff read the plan was ineffective. OIG advised the Front Office to work through the Emergency Action Committee to make appropriate updates to the plan and related processes. OIG also found that, as of the inspection, the Ambassador had not participated in radio drills in 2016 and advised him to do so. He acknowledged this to the country team during the inspection and committed that he would participate in the future.

Developing and Mentoring Future Foreign Service Leadership

The embassy had 32 participants in its First-and-Second-Tour (FAST) program, including generalists and specialists drawn from a variety of agencies. The program was moribund for a time, but a newly arrived FAST employee revived it in August 2015 and it held 17 events between August 2015 and August 2016. FAST employees told OIG the DCM had a positive effect

on the program because she met with its participants regularly, had practical ideas to improve the programs, and encouraged other embassy officers to be part of their programming. OIG advised FAST employees, the current coordinator, and the DCM to work together to formalize what was an ad hoc program and build on a recently started goal-setting exercise to prevent future gaps in program activities. The DCM also initiated a mid-level officers group focused on professional development.

POLICY AND PROGRAM IMPLEMENTATION

Foreign Assistance

The Ambassador and the DCM provided general oversight of foreign and security assistance issues through regular meetings with section and agency heads, including the USAID Director and the Senior Defense Official, who administer or oversee foreign and security assistance in Israel. The Ambassador also engaged senior Israeli officials to facilitate USAID's West Bank and Gaza activities.

The bulk of U.S. foreign assistance to Israel is security assistance in the form of \$3.1 billion annually for the Foreign Military Financing program and additional support for missile defense. OIG reviewed \$3.66 million in embassy-managed foreign assistance used for the Middle East Regional Cooperation (MERC) program.

Department Staff Managed a USAID Program

Three Department employees in the embassy—rather than USAID staff—managed USAID's MERC program, which supports collaborative scientific research among scientists in Israel, several other countries⁴ in the region, Gaza, and the West Bank. As of October 2016, the program had 24 active grants with a value of \$12.1 million. To administer the program's grants, the Department and USAID have an interagency agreement, under which USAID transfers funds to the Department's Bureau of Near Eastern Affairs and the Department assumes responsibility for administering the grants. The embassy's officer for environment, science, technology, and health is the MERC grants officer. Two Department embassy LE staff members, one of whom is the designated Grants Officer Representative, monitor the grants.

Senior USAID and Department representatives were unable to provide a rationale for the bifurcated program structure, telling OIG they did not know why the agreement—first signed approximately 18 years ago—established it in this manner. MERC program management based in Washington told OIG that USAID's mission in Tel Aviv focused on the West Bank and Gaza rather than on Israel and, therefore, MERC's activities were inconsistent with the mission's focus. OIG concluded, however, that this is not a compelling rationale for the management structure because MERC is a regional program that includes the West Bank and Gaza.

⁴ Egypt, Jordan, Lebanon, Tunisia, and Morocco.

The existing organizational arrangement prevented the environment, science, technology, and health officer from working full time on that growing bilateral agenda. Moreover, the Bureau of Near Eastern Affairs' administrative oversight would be unnecessary if USAID managed MERC program grants. Guidance in 1 FAM 014.4 identifies mission needs, efficiency of operations, and effective use of employees among the Department's general organizational objectives. U.S. Government standards for internal controls⁵ establish as a principle of organizational structure that management assign responsibility to discrete units to operate in an efficient and effective manner.

Recommendation 2: The Bureau of Near Eastern Affairs, in coordination with Embassy Tel Aviv, should assess the efficiency and effectiveness of the Middle East Regional Cooperation Program interagency agreement to determine whether to renew the Agreement. (Action: NEA, in coordination with Embassy Tel Aviv)

Retention of MERC Program Records Presented Vulnerabilities

OIG found deficiencies in retention of MERC program records. MERC program staff retained grants files on the local drives of their computers, which were unconnected to the Department's network. In addition, program staff used personal email accounts exclusively to communicate about the program with USAID, the Department, and grantees. Standards in 5 FAM 400 and 5 Foreign Affairs Handbook (FAH)-4 H-100 set policy and practices for Federal records management. Among other standards, they establish program objectives and responsibilities for exercising effective controls for maintenance, use, security, integrity of data, and preservation of records. 5 FAM 443 prohibits employees from using non-official email accounts unless messages are copied to official email accounts. The fact that MERC program staff had been implementing the program under USAID procedures until 2016 resulted in non-compliance with Department requirements and the use of non-Department network computers. These practices present vulnerabilities for access, security, integrity, and preservation of Government records.

Recommendation 3: Embassy Tel Aviv should comply with Federal records management policies for the Middle East Regional Cooperation program. (Action: Embassy Tel Aviv)

Foreign Assistance Grant Programs Contributed to Public Diplomacy Goals

OIG found that the Public Affairs Section's administration of foreign assistance grant programs enhanced Embassy Tel Aviv's contact networks and created opportunities for public engagement. The section administers grants funded by USAID's Conflict Management and Mitigation Program, which in Israel supports people-to-people initiatives designed to promote reconciliation between Israeli Arab and Jewish citizens. Two staff members were responsible for supporting grants under the auspices of the Rabat, Morocco-based regional office of the Middle East Partnership Initiative, which funds partnerships with civil society organizations to promote participatory governance, economic reform, and educational advancement. Guidance from the

⁵ GAO-14-704G, September 2014, Principle 3.03.

Under Secretary for Public Diplomacy and Public Affairs in Department Cable 2015 State 22048⁶ directed that Public Affairs Section staff only administer grants with an intrinsic public diplomacy function in support of mission-level strategic goals and objectives. OIG reviewed the scope of all 25 FYs 2015 and 2016 Conflict Management and Mitigation Program and Middle East Partnership Initiative grants administered by the Public Affairs Section, totaling \$1,853,546, and found these projects contributed to the embassy's ICS public diplomacy goals.

Advocacy and Analysis

Political and Economic Sections Focused on Strategic Goals

OIG found that the reporting and diplomatic engagement of the Political and Economic Sections were aligned with, and conducted in support of, the mission's ICS goals. Political officers regularly engaged with a wide range of politicians, government officials, and civil society representatives in Tel Aviv and other parts of the country to discuss and report on prospects for peace and internal political developments and trends. Economic Section staff helped establish a bilateral clean energy finance task force, supported mission-wide efforts to secure Israeli authorization to import U.S. beef, and engaged Israeli officials on telecommunications and water access issues for the West Bank. Washington officials expressed high regard for the embassy's political and economic reporting and the support the sections gave to frequent U.S. Government visitors. While some told OIG they would welcome deeper analysis in reporting, they recognized that the demands generated by the embassy's heavy visitor workload and Washington requests for immediate feedback made this difficult. OIG's review of the sections' cables sent over a 6-month period in 2016 found them to be aligned with ICS goals.

Leahy Vetting Practices Complied with Department Guidance

Over a 10-month period ending in September 2016, Embassy Tel Aviv vetted 334 individuals and security units for potential gross human rights abuses in accordance with applicable laws and Department requirements.⁷ OIG confirmed that the Leahy vetting supervisor, the vetting coordinator, and the back-up coordinator completed online vetting system training. The Leahy vetting supervisor also was completing and clearing required updates to standard operating procedures during the inspection, in accordance with the Bureau of Democracy, Human Rights, and Labor's Guide to Leahy Vetting Policy and Process.

Blue Lantern Checks Submitted Late

OIG found that staffing gaps in the Political Section, heavy visitor workload, and local holidays contributed to delays in completing pre-license and post-shipment checks for U.S. defense

⁶ Department Cable 2015 State 22048, "Message from Under Secretary Stengel Regarding New Grants Policies for Public Diplomacy Officers," March 3, 2015.

⁷ The Leahy Amendment to the Foreign Assistance Act of 1961 prohibits the Department of State from furnishing assistance to foreign security forces if the Department receives credible information that such forces have committed gross violations of human rights. See 22 USC 2378d.

exports that fall under the Blue Lantern program.⁸ The Blue Lantern Guidebook requests that pre-license checks be completed in 30 days and post-shipment checks in 45 days. During the inspection, the Political Section transmitted three replies to outstanding Blue Lantern requests from July and August 2016, exceeding the requested completion time frames. OIG advised the responsible officer to communicate more frequently with the Department regarding the status of follow-up action and to prioritize the conduct of pre-license checks as much as possible because lengthy delays can be costly to U.S. exporters.

Language Proficiency Review Required for Two Economic Section Positions

Two economic officers in language-designated positions did not use Hebrew to conduct business because nearly all of their Israeli contacts were proficient in English. One criterion in 13 FAM 221.2 for determining language-designated positions is that language proficiency be essential—rather than merely helpful or convenient—for enhancing U.S. effectiveness abroad. In October 2016, the Department issued guidance on the appropriate level of language proficiency for various job requirements, which stated that missions should not automatically assume general professional proficiency is required for every language-designated position. Training to that level incurs officers' time and extra costs for the Department. The Department will conduct its triennial review of all language-designated positions in 2017, with input from U.S. missions. OIG encouraged the embassy to use the review to establish Hebrew language proficiency levels for the two economic officer positions at levels needed for the positions' job requirements.

Excess Office Management Specialist Position in Economic and Political Sections

Four office management specialist positions in the Economic and Political Sections provided administrative support for visitor surges, in particular for U.S. Government officials supporting negotiations between Israel and the Palestinian Authority under the Middle East Peace Process. However, those negotiations were suspended in 2014, with no date scheduled for resumption. In its 2016 rightsizing review of the U.S. Mission to Israel, the Department's Office of Management Policy, Rightsizing, and Innovation stated that it was unusual to have two office management specialists in each of these sections. The embassy reported that the two lower graded positions lacked a sufficient workload and that one position could be converted to a rover. Guidance in 1 FAM 013.5-3b describes the chief of mission responsibilities for staffing abroad, including approval of any changes to the size, composition, or mandate of positions under his or her authority and reviewing staffing to ensure it is consistent with mission goals and objectives. Staffing positions without a full workload waste resources.

Recommendation 4: Embassy Tel Aviv, in coordination with the Bureau of Near Eastern Affairs and the Bureau of Human Resources, should eliminate one of its four office

⁸ Blue Lantern is a Department-managed end-use monitoring program established to implement the Arms Export Control Act and International Traffic in Arms Regulations. Blue Lantern verifies the legitimacy of export transactions covered by the United States Munitions List. In order to detect and deter illegal and unauthorized arms transfers, the Department may request embassy officers to conduct inquiries with foreign government and business representatives and make site visits.

management specialist positions in the Economic and Political Sections. (Action: Embassy Tel Aviv, in coordination with NEA and DGHR)

Public Diplomacy

OIG reviewed the full range of the Public Affairs Section's operations, including media outreach, alumni engagement, exchanges, English language programs, and social media platforms. In collaboration with other embassy sections and agencies, the section used these tools to promote a better public understanding of U.S. policy and the bilateral relationship. OIG found the section supported ICS goals with an emphasis on youth empowerment, interfaith dialogue, and conflict resolution. As described below, however, OIG found deficiencies in strategic planning, grants administration, American Spaces oversight, and the legal status of the Fulbright commission.

No Public Diplomacy Implementation Plan or Country Context

OIG found the section had not submitted a Public Diplomacy Implementation Plan or Public Diplomacy Country Context. Department Cable 2015 State 115638⁹ directed public affairs officers to post an implementation plan on an internal Department site no later than November 13, 2015. Department Cable 2016 State 60912¹⁰ instructed public affairs officers to complete and file a country context no later than August 1, 2016. Without a Public Diplomacy Implementation Plan or Public Diplomacy Country Context, the section lacked key segments of the Department's prescribed strategic planning cycle.¹¹ The absence of these documents risk Department leadership not having access to key information necessary to allocate resources and budget justifications to provide to the Office of Management and Budget and Congress.

Recommendation 5: Embassy Tel Aviv should complete and publish a Public Diplomacy Implementation Plan and a Public Diplomacy Country Context in accordance with Department guidance. (Action: Embassy Tel Aviv)

Some Grants Lacked Risk Assessments and Monitoring Plans

OIG's review of the Public Affairs Section's 22 FY 2015 and FY 2016 grants valued at \$25,000 or more (totaling \$731,700) found that 9 lacked risk assessments and 15 did not have monitoring plans. Sections 2.03-A and 3.01-A of the Department's 2016 Federal Assistance Policy Directive mandate these internal controls for all grants. The warranted grants officers did not fully

⁹ Department Cable 2015 State 115638, "Annual Public Diplomacy Implementation Plan (PDIP) Due November 13," October 6, 2015.

¹⁰ Department Cable 2016 State 60912, "Relaunching the Public Diplomacy Country Context (PDCC)," May 27, 2016.

¹¹ The Office of the Under Secretary for Public Diplomacy and Public Affairs Office of Policy, Planning, and Resources' strategic planning cycle of analysis, planning, and reporting includes the triennial Public Diplomacy Country Context, the annual Public Diplomacy Implementation Plan, the Public Diplomacy Resource Allocation Management system and associated Public Diplomacy Resource Profile, and the Mission Activity Tracker. These tools help align resources to effectively advance top foreign policy priorities and enable public diplomacy officers in the field and public diplomacy managers in Washington to plan, track, and review their activities.

understand their responsibility to verify that all grant files included risk assessments and monitoring plans. Failure to conduct a risk assessment leaves the embassy vulnerable to allegations that it was not thorough in vetting potential grantees. Without a monitoring plan, the U.S. Government is vulnerable to loss of award funds or fraud and cannot document whether the grant is being carried out in the best interests of the Government.

Recommendation 6: Embassy Tel Aviv should complete risk assessments and develop monitoring plans for Public Affairs Section Federal assistance awards using Department-approved formats. (Action: Embassy Tel Aviv)

American Center in Jerusalem Was Active

OIG's inspection of the embassy's American Center in Jerusalem found it engaged priority audiences and conducted policy-relevant activities that advance ICS goals, in accordance with the Department's Standards for American Spaces.¹² It also used partnerships with local institutions and embassy personnel, including the Ambassador, to diversify and extend the embassy's outreach. The center is a "Priority" American Space—a designation reflecting its significance to U.S. foreign policy—and thus eligible for supplemental funding.¹³ The Bureau of International Information Programs provided a total of approximately \$400,000 in 2015 and 2016 for renovations and upgrades that will meet or exceed Department standards for American Spaces. OIG noted these projects, still in progress during the inspection, had intermittently limited the center's ability to host programs or events.

American Corner in Akko Did Not Meet Department Standards

The activities of the American Corner in Akko, which operated as a partnership between the embassy and the city's municipal community center, did not meet minimum standards set by the Bureau of International Information Programs, including breadth and diversity of programming, reporting, and partner management. The bureau's January 2016 Standards for American Spaces requires that Public Affairs Sections prepare an annual plan for resource development and programming in collaboration with each American Space partner organization. OIG concluded that the lack of a strategic plan resulted in these deficiencies, which limited the embassy's ability to engage priority audiences in northern Israel and to evaluate the corner's effectiveness.

Recommendation 7: Embassy Tel Aviv, in coordination with the Bureau of International Information Programs, should implement a strategic plan for the American Corner in

¹² American Spaces, including American Centers and American Corners, are open-access facilities used to engage foreign audiences overseas. The five "pillars" for American Spaces programs and services established by the Bureau of International Information Programs are English language learning, alumni engagement, educational advising, information about the United States, and community outreach.

¹³ The Department's regional bureaus, in consultation with the Bureau of International Information Programs, completed a biennial review of American Spaces in September 2016. This review resulted in the American Center in Jerusalem being listed as one of the nine Bureau of Near Eastern Affairs "Priority Spaces." Department Cable 16 State 105960, American Spaces Prioritization Biennial Review Results, September 23, 2016.

Akko to meet minimum standards for American Spaces. (Action: Embassy Tel Aviv, in coordination with IIP)

Fulbright Program's Legal Status Created Operational Challenges

OIG found that the lack of clarity in the U.S.-Israeli Educational Foundation's legal status created operational challenges related to processing value-added tax exemption claims and accepting private donations from Israeli entities. A 1956 bilateral agreement established the foundation, to which the Department contributes approximately \$1.2 million annually to administer Fulbright exchange programs. At the time of inspection, draft legislation clarifying the foundation's legal status was approaching the end of an Israeli interagency clearance process, but the Knesset—or Parliament—had yet to vote on it. The Fulbright Manual for Binational Commissions and Foundations states that a bilateral agreement and any relevant legislation of a partner government establish the authority of a binational commission to conduct a program of educational and cultural exchange between the two countries. OIG encouraged the embassy's Front Office and Public Affairs Section to continue their efforts to clarify the foundation's legal status.

Consular Affairs

Embassy Tel Aviv's Consular Section provides nonimmigrant visa and American citizen services. A consular agency in Haifa covers the northern area of the country and provides emergency American citizen services and serves as a passport and Consular Report of Birth Abroad application acceptance facility. The Consular Section experienced a 13 percent increase in nonimmigrant visa applications and an almost 21 percent increase in passport applications in FYs 2014 and 2015. The reasons for the increase are unknown. Based on the increased workload and the Department's FY 2016 review of worldwide consular staffing known as the Global Repositioning Exercise, the Bureau of Consular Affairs approved two new entry-level officer adjudicator positions for the section.

Embassy Consular Section Complies with Internal Controls; Deficiencies at Consular Agency

OIG's review of the full range of the embassy's consular operations, including nonimmigrant visas, American citizen services, consular cashier and fee collection, and the consular fraud prevention program, found that the section complied with applicable law and Department guidance. OIG found some deficiencies in the Consular Agency Haifa operation, as discussed below.

During the inspection, OIG identified minor discrepancies in the designation of accountable officers, consular systems user roles, and referral program data entry. Consular management updated the designations and user roles during the inspection. OIG advised consular managers that nonimmigrant visa staff would benefit from ongoing training to ensure continued compliance with all referral program procedures.

Consul General's Discussions of Nonimmigrant Visa Refusals Resulted in Inappropriate Pressure on Adjudicators

A majority of first- and second-tour visa adjudication officers told OIG that during discussions concerning specific adjudications, the Consul General pressured them to reconsider applications they had previously refused and issue nonimmigrant visas in those cases. The Consul General explained that he conducted these discussions and offered his advice as part of a training process for FAST officers. However, per 7 FAH-1 H-643(d), consular supervisors must never order, or inappropriately pressure, a subordinate to reach a particular outcome when adjudicating a visa or citizenship application. This is confirmed in 9 FAM 601.8-1(A)(a), which states the Immigration and Nationality Act confers upon a consular officer exclusive authority to issue nonimmigrant visas. In addition, guidance in 9 FAM 601.8-1(A)(b) states that advocacy for visa issuance is prohibited outside the formal referral process. OIG advised the Consul General, the Ambassador, and the DCM on how these FAM and FAH sections apply to consular operations and advised the Consul General to comply with the guidance.

Embassy Workspace Did Not Permit Line of Sight of All Work Stations

Embassy Tel Aviv's Consular Section workspace did not fully comply with the "open and visible" work environment line-of-sight standard in 7 FAH-1 H-281(e) on space management. The section's workspace is a series of small, sub-divided work spaces, with support poles and pillars in the middle of several areas. The American citizen services staff work on two levels, with all interview windows on the lower level and the consular manager's office on the upper level. The nonimmigrant visa chief's office is located in a separate work area from the LE staff, the adjudication windows, and officers' workspace, and lacked line of sight to any consular workspace or to the print stations. Workstations and offices for adjudicating officers are not located throughout the section to provide the greatest possible range of overlapping lines of sight. The Bureau of Overseas Buildings Operations (OBO) approved and the Bureau of Consular Affairs funded a space reconfiguration plan for the section, including new office furniture, which is scheduled for FY 2017. OIG advised consular management that even when the reconfiguration is completed, intermingling officer and LE staff workstations throughout the section would be necessary to improve line-of-sight control.

Haifa Consular Agency Did not Comply with Consular Internal Controls

The Haifa Consular Agency did not comply with guidance in 7 FAH-1 H-735.1(d) and 7 FAH-1 H-734 regarding fee collections and responsibilities. The guidance states that consular fees should be deposited once a week, at a minimum, or whenever they exceed \$1,000. The Consular Agent deposited the collected fees every 7 to 10 days, regardless of the amount. In addition, the consular agency lacked standard operating procedures for documenting consular fee collections and preparing the required Daily Accounting Sheet and monthly reconciliation reports, which must be signed by the Accountable Consular Officer and the Financial Management Officer and maintained at the Consular Agency for 60 months. The Consular Agent began preparing the monthly reconciliation reports in July 2015. However, from July 2015 to September 2016, 60 percent of the reports were signed late or never filed. During the inspection, the Consular

Agent's supervisor, the Consular Agent, and the Financial Management Officer developed a standard operating procedure for preparing and filing the reports.

Recommendation 8: Embassy Tel Aviv should implement a consular fee deposit schedule and require daily and monthly fee collection reports at the Haifa Consular Agency that comply with Department standards for internal consular management controls. (Action: Embassy Tel Aviv)

OIG also found that the Consular Agency's recently hired LE staff member, who was designated a consular sub-cashier during the inspection, did not complete the required training for consular cashiers. The Consular Agent reported taking the Foreign Service Institute's fee collections course—Accounting for Consular Fees—in November 2008 but did not have documentation. Neither the Consular Agent nor the LE staff member had completed other required training, including the course on protecting personally identifiable information. The employees relied on a Department-issued Blackberry to access the Department's internal training website, which made it difficult to take the required classes. The Consular Section had requested the equipment to permit access to the Department system via the internet. The failure to comply with Department standards, caused by managerial inexperience and lack of training, increases the risk of malfeasance and errors and threatens prompt resolution of any discrepancies.

Recommendation 9: Embassy Tel Aviv should require Haifa Consular Agency personnel to complete all required training and provide them the equipment necessary to access the Department system via internet to do so. (Action: Embassy Tel Aviv)

RESOURCE MANAGEMENT

Management Operations

OIG reviewed all major functions of the embassy's management operations—including the General Services Operations, Facility Management, Financial Management, and Human Resources Sections—and found they were generally in compliance with Department standards. However, OIG found deficiencies in the housing, motor pool, preventive maintenance, and cashier operations; in the disposition of one underused property; and in embassy position descriptions, as noted below.

General Services Operations

OIG reviewed the housing, purchasing, and motor pool operations and found that overall processes and procedures were in place or being developed, departmental systems were properly used, internal controls were mitigating risks, and oversight and supervision were sufficient. OIG advised the embassy to improve its general services operations in two areas.

Contracting Officer's Representative Files Incomplete

OIG's review of the embassy's Contracting Officer's Representative files found they did not contain all required documentation. The report from a July 2016 Office of the Procurement Executive staff assistant visit also noted this deficiency. OIG reviewed 5 Contracting Officer's Representative files out of 25 post-managed contracts and found deficiencies that included missing contract invoices, Contracting Officer's Representative designation letters, and technical and cost proposals. The embassy corrected these deficiencies during the inspection.

Residential Housing Lease Files Missing Required Supporting Documentation

OIG found that both the embassy's hard copy residential lease files and the Real Property Application lacked Post Occupational Safety and Health program and residential security surveys, as required by 15 FAM 252.4 a and 15 FAM 252.5 c. In addition, OIG found that the files lacked verification of work performed to bring residences up to security standards. The Regional Security Office failed to verify and document that the security work was performed, as required in 12 FAM 473.2-1 (2) and 12 FAM 473.2-1 2 (3). The failure to properly complete required residential security work prior to occupancy creates a life safety vulnerability in the residential security program.

Recommendation 10: Embassy Tel Aviv should verify and document that required security work is performed to standard on all residences before residents move in and that residential leasing files and the Real Property Application are up to date. (Action: Embassy Tel Aviv)

Facility Management

The Facility Management Section resolved all but one of the key recommendations from OBO's 2015 Fire Inspection Report. The one outstanding item related to fire safety standards for new office space in the warehouse, which the embassy was developing at the time of this inspection. In addition, OIG found that the embassy failed to appropriately evaluate all of its high-rise leased office spaces to determine compliance with the Office of Fire Protection's fire safety standards. The embassy inspected all leased spaces to ensure compliance with the relevant fire safety standards and updated the reports in the leased files and the Real Property Application system during this inspection.

Embassy Did Not Make a Formal Decision on the Underused Hassadot Property

OIG found that the embassy had not determined the disposition of its government-owned Hassadot property in Tel Aviv's Herzaliya district. In 2011, the embassy recorded this property as underutilized in the Real Property Application system, as required by 15 FAM 512.1(a). The embassy and OBO continue to consider it as underused. The Hassadot property includes two plots, one of which has a residence used in the embassy housing pool. The other plot is vacant. Obtaining the required government permission to construct a new building on the vacant portion of the site would take considerable time and is not guaranteed. Selling the vacant portion would require a legal subdivision of the full plot, incurring additional fees and time, and

is impractical because of the lack of street access. The embassy delayed its decision regarding the property while OBO waited for a complete feasibility analysis of the property. A March 2016 appraisal commissioned by OBO valued the property at \$8 million. The Department could put these funds to better use by selling the property.

Recommendation 11: Embassy Tel Aviv, in coordination with the Bureau of Overseas Buildings Operations, should sell the Hassadot property and put the \$8 million in estimated sales proceeds to better use. (Action: Embassy Tel Aviv, in coordination with OBO)

Incorrect Funding Source Used for Preventive Maintenance Programs

OIG found that the embassy incorrectly used building operations expense funds for its preventive maintenance programs. Guidance in 15 FAM 623b states that building maintenance expense funding is to be used for preventive maintenance service contracts for nonresidential U.S. Government-owned or leased facilities or compounds. The Management Section was unaware of this guidance. Failure to use the correct funding source creates the risk that monies will be diverted and unavailable for their proper use.

Recommendation 12: Embassy Tel Aviv should use building maintenance expense funding for its preventive maintenance programs. (Action: Embassy Tel Aviv)

Safety, Health, and Environmental Programs Needed Improvement

OIG found that Embassy Tel Aviv's Safety, Health, and Environmental Management (SHEM) program needed improvement. OIG confirmed that the embassy's SHEM committee did not hold, at a minimum, formal semiannual meetings as required in 15 FAM 933.2(a). OIG advised the Post Occupational Safety and Health Officer (POSHO) to comply with SHEM committee meeting standards, contained in 15 FAM 933.3, as these are an important tool to manage the SHEM program, help establish program goals and objectives, and mitigate life safety risks. In addition, OIG found that the POSHO did not inspect office work areas annually or "increased-risk" work areas and operations twice a year or complete the required workplace hazard identification and assessments, as required by 15 FAM 962(c). Failure to meet these standards can create vulnerabilities in the protection of personnel and capital assets and in meeting environmental requirements. OIG advised the POSHO to conduct required inspections and document all findings.

Motor Vehicle Operations

Embassy Had a High Level of Preventable Motor Vehicle Accidents

Embassy Tel Aviv had a high number of motor vehicle mishaps, a significant proportion of which the embassy recorded as preventable.¹⁴ The embassy recorded 222 motor vehicle accidents

¹⁴ The National Safety Council considers an accident to be preventable when a driver commits errors or fails to react reasonably to the errors of others. The Department uses this definition of preventable accidents.

from January 2006 through September 2016, the second highest for all Department posts worldwide during this time period. Of the 181 mishaps reported from November 2010 through September 2016, 138 (76 percent) were listed as preventable in the Mishap Reporting System. These mishaps left one person hospitalized and 17 others injured and caused \$450,754 in vehicle damage. OIG identified several deficiencies in motor pool operations, as noted below, and advised the POSHO to ensure the embassy takes corrective actions with regard to motor vehicle mishaps in accordance with 15 FAM 964.4-2a. This includes conducting effective investigations and analyses of the incidents and implementing remedies to mitigate these risks.

Embassy Drivers' Safe Driver Training Certifications Unverified

OIG found that neither the POSHO nor the General Services Officer verified that all chauffeurs and incidental drivers under Chief of Mission authority received Smith Safety¹⁵ driver training, the appropriate refresher classes every two years, or training within 90 days of a preventable mishap. This standard is stated in the Department's Motor Vehicle Safety Management Program and in 14 FAM 432.4 (c) 2. Although the embassy enforced these standards for Department drivers, the POSHO did not enforce the program for other agencies' drivers. Guidance in Department Cable 2011 State 8636¹⁶ and 15 FAM 911 requires posts to ensure that Government agencies under Chief of Mission authority that operate a motor pool implement this program. By failing to enforce these standards, the embassy cannot mitigate life safety risks for all drivers or protect U.S. Government property appropriately.

Recommendation 13: Embassy Tel Aviv should require all chauffeurs and incidental drivers under Chief of Mission authority to take the required Smith Safety driver training. (Action: Embassy Tel Aviv)

Embassy Drivers' Medical Certifications Lacking

OIG found that the embassy did not ensure that all chauffeurs and incidental drivers received the appropriate medical certifications required before driving official Government vehicles, as required in 14 FAM 432.4 (c) 4. Although the embassy enforced these standards for Department drivers, the POSHO did not enforce the program for other agencies' drivers. Department Cable 2011 State 8636 and 15 FAM 911 require posts to ensure that Government agencies under Chief of Mission authority that operate a motor pool implement this program. By failing to enforce these standards, the embassy cannot mitigate life safety risks for all drivers or appropriately protect U.S. Government property.

¹⁵ The Smith System of Training is a program that was developed by Harold Smith in 1948 and established as a company. The Smith System Driver Improvement Institute was established in 1952. They provide training to companies with vehicle fleets, driving schools, and Government agencies. There are five key concepts to the Smith System designed to see and avoid driving hazards.

¹⁶ Department Cable 2011 State 8636, "Status report on the overseas Motor Vehicle Safety Management Emphasis Program." January 29, 2011.

Recommendation 14: Embassy Tel Aviv should require that all chauffeurs and incidental drivers under Chief of Mission authority have the appropriate medical clearances before driving U.S. Government vehicles. (Action: Embassy Tel Aviv)

No Oversight of Driver Performance or Enforcement of Disciplinary Procedures

Embassy Tel Aviv did not conduct oversight of driver performance in accordance with Department Cable 2011 State 8636 and 14 FAM 432.4 (c)5, or enforce appropriate disciplinary procedures as outlined in the LE handbook. From July 2015 through July 2016, the embassy had 50 motor vehicle mishaps, 76 percent of which were determined to be preventable. During that time period, the embassy did not implement disciplinary measures for three drivers with repeated motor vehicle mishaps. Embassy management did not oversee driver performance or follow the embassy's own disciplinary procedures. Failure to institute proper oversight of all drivers and enforce disciplinary processes creates vulnerabilities in the embassy's motor vehicle program.

Recommendation 15: Embassy Tel Aviv should implement a program to establish oversight of driver performance and enforce appropriate disciplinary procedures. (Action: Embassy Tel Aviv)

Motor Pool Drivers Worked Shifts of More Than 10 Hours

OIG found that embassy motor pool drivers regularly exceeded Department limits on working hours. The Motor Vehicle Safety Management Program and the Mission Motor Pool Operations Policy limit drivers to 10 hours of duty each day. Motor pool managers neither planned nor staffed trips to avoid exceeding the 10-hour limit. Failure to limit vehicle operator duty hours increases the risk of motor vehicle mishaps.

Recommendation 16: Embassy Tel Aviv should comply with the Department's Motor Vehicle Safety Management Program policy to not exceed the daily 10-hour limit on duty shifts. (Action: Embassy Tel Aviv)

Financial Management

OIG's inspection of the Financial Management Office found it performed accounting, vouchering, and cashing operations in accordance with Department standards, with the one exception noted below. OIG assisted the office in improving its operations in four areas.

Cashiers Inappropriately Disbursed Shuttle Bus Coupons and Gas Cards

The embassy's two principal Class B Cashiers safeguarded and disbursed embassy shuttle bus coupons and gasoline cards, in violation of Department standards. Guidance in 4 FAH-3 H-393.4-3(e), prohibits cashiers from safeguarding or disbursing any other money, checks, or documents that are not part of their advance. Embassy management made a decision to have the cashiers assume responsibility for shuttle bus coupons and gas cards when the embassy employee association, which had performed that function, disbanded in 2014. Having the

cashiers act as custodians for the embassy shuttle bus coupons and gas cards takes away from their primary cashiering responsibilities and increases their oversight risk.

Recommendation 17: Embassy Tel Aviv should transfer the responsibility for maintaining shuttle bus coupons and gas cards from the cashier office to another section or seek a waiver from the Bureau of the Comptroller and Global Financial Services to allow the cashiers to continue as custodians for the coupons and gas cards. (Action: Embassy Tel Aviv)

Suspense Deposit Abroad Account Used Improperly

Embassy Tel Aviv used the Suspense Deposit Abroad account to deposit funds from private corporations and institutions to pay expenses for promotional events held at the Chief of Mission residence. Standards in 4 FAH-3 H-326.2 restrict the use of this account for specific purposes, which do not include contributions from private sources. During the inspection, the embassy requested a waiver from the Bureau of the Comptroller and Global Financial Services requesting authorization to use the Suspense Deposit Abroad account for private donations for these events.

Alternate Certifying Officer Voucher Reviews Not Documented

The Financial Management Officer conducted periodic reviews of LE staff certifying activity, but did not document the outcome of the voucher reviews, as required in 4 FAH-3 H-065. 2-2 d. During the inspection, the Financial Management Officer established a procedure to conduct and document quarterly reviews.

Representation Vouchers Reimbursed in Cash

The embassy reimbursed many of the Ambassador's representation claims in cash, although the Department required them to be reimbursed via Electronic Fund Transfer, in accordance with the Debt Collection Improvement Act of 1996. In addition, many of the items listed on his representation voucher receipts were in Hebrew without the English translation required by 4 FAH-3 H-422.1-1a(6). During the inspection, the Financial Management Officer reinstated the procedures to reimburse representation claims electronically and translate receipts into English.

Time and Attendance Documentation Not Submitted As Required

Embassy timekeepers did not submit time and attendance documentation in a timely manner, in accordance with 4 FAH-3 H-519. 3-5. OIG reminded the Financial Management Officer that sections must submit leave slips and overtime documentation together with time and attendance reports.

Human Resources

The OIG inspection of the embassy's Human Resources Office showed that it performed its functions in accordance with Department standards, with the exceptions noted below.

Evaluations and Training Improvements Needed

At the start of this inspection, supervisors of 15 Department LE staff employees had not submitted performance evaluations by the due date. During the inspection, these 10 supervisors submitted their delinquent reports to the Human Resources Office.

The Human Resources Officer approved all external training and maintained a spreadsheet of the training LE staff members received. However, the embassy did not have a mission policy that included criteria for determining training eligibility, as required in 3 FAM 7635.1. During the inspection, the embassy began drafting a mission policy and the Human Resources Office was establishing a program to review training requirements, monitor employees' independent development plans, and maintain employee training files.

Position Descriptions Out of Date

OIG reviewed 25 of the embassy's 248 LE staff position descriptions and found they were, on average, 11 years out of date. According to 3 FAH-2 H-443.1, the official in charge of an organizational unit is responsible for keeping position descriptions up to date, and the personnel officer is responsible for ensuring that the position classifications are current. According to 3 FAH-2 H-443.1, the Human Resources Officer is responsible for conducting an annual review of all positions. The Human Resources Officer neglected to require that U. S. direct hire supervisors update LE staff position descriptions as needed. Out-of-date position descriptions could prevent the proper classification of an LE staff position, which is used to determine the employee's compensation level.

Recommendation 18: Embassy Tel Aviv should update all outdated locally employed staff position descriptions. (Action: Embassy Tel Aviv)

Information Management and Information Security

The Information Management (IM) Section supports the IT requirements of Embassy Tel Aviv's eight facilities in the Tel Aviv area and at the American Center in Jerusalem. OIG reviewed the classified, unclassified, and dedicated internet computer operations; physical protection of IT resources; classified communication security; emergency communication preparedness; radio and telephone programs; and mail and pouch services.

OIG identified technical and administrative deficiencies in the Information Systems Security Officer (ISSO) duties, IT contingency planning, dedicated internet computers management, mobile devices inventory control, Sensitive-But-Unclassified network port security, and telecommunication infrastructure management. The Sensitive-But-Unclassified network port security and telecommunication infrastructure issues are discussed in the related classified report. The remaining deficiencies are discussed below. OIG also advised the IM staff on how to correct minor noncompliance issues with 12 FAH-10 information systems security controls and procedures and 5 FAH-2 H-653.2 contingency voice testing and maintenance requirements.

Information Systems Security Officers Did Not Perform All Duties

The embassy's unclassified and classified ISSOs did not perform all information systems security duties prescribed in 12 FAM 613.4, nor did they use the Bureau of Information Resource Management's Information Assurance ISSO checklist. As a result, OIG found multiple access control issues in the unclassified systems operations, such as user accounts with elevated privileges they did not require, personal email addresses added to the Department's global address list, and unmanaged dedicated internet computer networks. The Information Management Officer's lack of oversight of the ISSOs led to non-performance of key information systems security duties, which puts the Department's computer systems at risk of intrusion.

Recommendation 19: Embassy Tel Aviv should implement standard operating procedures for Information Systems Security Officer duties. (Action: Embassy Tel Aviv)

Inadequate Information Technology Contingency Planning

Embassy Tel Aviv IM managers neglected to update and test the classified and unclassified IT contingency plans annually, as outlined in 12 FAH-10 H-232.3-1b(1). The FAH requires management to develop and test the plans annually for effectiveness and an embassy's readiness to execute the plans during emergencies. Inadequate IT contingency planning and testing prevent IM managers from mitigating the risk of system and service disruptions.

Recommendation 20: Embassy Tel Aviv should complete and test the information technology contingency plans for the unclassified and the classified networks and develop a process for periodically updating the plans as systems environments and resources change. (Action: Embassy Tel Aviv)

Lack of Information Technology Contingency Plan Training

According to 12 FAH-10 H-232.2-1, management must ensure that initial and annual refresher contingency training is provided to personnel based on their contingency planning roles and responsibilities as defined in the completed IT contingency plans. IM managers did not provide this training because they did not have completed IT contingency plans. A lack of training prevents IM personnel from knowing their roles and effectively responding to systems outages.

Recommendation 21: Embassy Tel Aviv should develop a plan for conducting initial and annual refresher contingency training for personnel based on their classified and unclassified information technology contingency planning roles and responsibilities. (Action: Embassy Tel Aviv)

Unmonitored Dedicated Internet Networks Created Security Vulnerabilities

The IM staff did not effectively monitor and secure the embassy's dedicated internet networks. According to 5 FAM 872.1(a), the Management Officer must ensure that these networks are established only for purposes that cannot be accomplished on the unclassified computer

system. In addition, these networks must be registered, supported, and maintained in accordance with applicable Department policies and standards. The lack of management oversight caused a number of dedicated internet networks to become unmanageable. The IM staff was unable to effectively monitor and secure the networks, which exposed them to possible misuse.

Recommendation 22: Embassy Tel Aviv should implement standard operating procedures for managing and tracking dedicated internet networks and register those networks with the Bureau of Information Resource Management. (Action: Embassy Tel Aviv)

Ineffective Internal Control of Mobile Devices

IM Section managers did not implement effective internal controls for the procurement, inventory, and management of mobile devices, such as cell phones, tablets, and laptops, as required in 12 FAH-10 H-163.1a (3) and 12 FAH-10 H-164.1a (8). Two IM LE staff members and the General Services Office manage embassy mobile devices, and each maintains a separate inventory. The separate tracking systems limited the effectiveness of inventory control, enabled potential duplication of purchases, and led to an excess number of mobile devices.

Recommendation 23: Embassy Tel Aviv should implement standard operating procedures for managing mobile devices that include authorization, issuance, tracking, and inventory. (Action: Embassy Tel Aviv)

RECOMMENDATIONS

OIG provided a draft of this report to Department stakeholders for their review and comment on the findings and recommendations. OIG issued the following recommendations to the Bureau of Near Eastern Affairs and Embassy Tel Aviv. Their complete responses can be found in Appendix B.

Recommendation 1: Embassy Tel Aviv, in coordination with Consulate General Jerusalem, should adopt a joint standard operating procedure to coordinate the tracking of pending transit permits for Consulate General Jerusalem locally employed staff and residents of Gaza and the West Bank invited to participate in U.S. Government-sponsored activities. (Action: Embassy Tel Aviv, in coordination with Consulate General Jerusalem)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the joint standard operating procedure.

Recommendation 2: The Bureau of Near Eastern Affairs, in coordination with Embassy Tel Aviv, should assess the efficiency and effectiveness of the Middle East Regional Cooperation Program Inter-Agency Agreement to determine whether to renew the agreement. (Action: NEA, in coordination with Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, the Bureau of Near Eastern Affairs concurred with this recommendation. The bureau noted it would coordinate with Embassy Tel Aviv and USAID to assess the efficiency and effectiveness of the Middle East Regional Cooperation Program Inter-Agency Agreement to determine whether to renew the agreement.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the assessment and decision on whether to renew the agreement.

Recommendation 3: Embassy Tel Aviv should comply with Federal records management policies for the Middle East Regional Cooperation program. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy noted that it would develop a plan and a feasible deadline for migrating to an appropriate U.S. Government network.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the plan and new process.

Recommendation 4: Embassy Tel Aviv, in coordination with the Bureau of Near Eastern Affairs and the Bureau of Human Resources, should eliminate one of its four office management specialist positions in the Economic and Political Sections. (Action: Embassy Tel Aviv, in coordination with NEA and DGHR)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation in part. The embassy noted that the January 2016 Mission Israel Rightsizing Report, prepared by the Office of Management Policy, Rightsizing, and Innovation (M/PRI), recommended the conversion of one OMS position in the reporting sections to a reporting officer position. M/PRI made this recommendation in response to the embassy's continued requests for an additional U.S. direct-hire Political Officer. The embassy recognized that eliminating the position entirely would result in cost savings, but also noted that the benefits in productivity of converting the position to a Political Officer position, as recommended by the rightsizing report, would far outweigh the cost savings of eliminating it. The embassy has initiated the conversion of this position in FY 2019, upon the departure of the incumbent.

OIG Reply: OIG considers the recommendation resolved. As noted by OIG in the report, Washington officials welcomed deeper analysis in reporting, but recognized that the embassy's heavy visitor workload and Washington requests for immediate feedback made this difficult. OIG also found that staffing gaps in the Political Section, heavy visitor load, and local holidays contributed to delays in completing pre-license and post-shipment checks for U.S. exports that fall under the Blue Lantern program. The conversion of the position would help the embassy address these issues. Because OIG accepts Embassy Tel Aviv's plan to convert the position to a U.S. direct-hire Political Officer, OIG recognizes that there will be no cost savings and, therefore, has removed any mention of cost savings from the report. The recommendation can be closed when OIG receives and accepts documentation of the conversion.

Recommendation 5: Embassy Tel Aviv should complete and publish a Public Diplomacy Implementation Plan and a Public Diplomacy Country Context in accordance with Department guidance. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy noted the Public Affairs Section completed and published the 2017 Public Diplomacy Implementation Plan and Public Diplomacy Country Context.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the plan and context.

Recommendation 6: Embassy Tel Aviv should complete risk assessments and develop monitoring plans for Public Affairs Section Federal assistance awards using Department-approved formats. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy noted the Public Affairs Section now attaches a risk assessment and monitoring plan for every grant issued, using the templates recommended by the Bureau of

Administration, Office of the Procurement Executive. The bureau posted an updated, combined "Risk Assessment and Monitoring Plan" form for fixed amount awards and individual awards to their website on March 31, 2017, and the Public Affairs Officer issued instructions to grant staff to use that form for all new grants.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the use of risk assessments and monitoring plans.

Recommendation 7: Embassy Tel Aviv, in coordination with the Bureau of International Information Programs, should implement a strategic plan for the American Corner in Akko to meet minimum standards for American Spaces. (Action: Embassy Tel Aviv, in coordination with IIP)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. In November 2016, the embassy presented the Akko American Corner Director and Community Center Director with a strategic plan developed in consultation with the Bureau of International Information Programs' (IIP) Regional Engagement Specialist and is working with them on its implementation. According to the embassy, these initiatives and a more hands-on management of the relationship have restored some of the trust, confidence, and energy that had waned in recent years. The embassy, with IIP, will continue to assess the longer term capacity of the corner to implement a strategic plan based on IIP standards.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation and implementation of the strategic plan.

Recommendation 8: Embassy Tel Aviv should implement a consular fee deposit schedule and require daily and monthly fee collection reports at the Haifa Consular Agency that comply with Department standards for internal consular management controls. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy noted the Consular Agent in Haifa began to make deposits of consular fees weekly and to provide completed, reconciled, and signed daily accounting sheets to Embassy Tel Aviv's Financial Management Office no later than the 10th day of the following month.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the most recent scheduled deposits and daily accounting sheets.

Recommendation 9: Embassy Tel Aviv should require Haifa Consular Agency personnel to complete all required training and provide them the equipment necessary to access the Department system via internet to do so. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy noted the Consular Assistant had completed all mandatory and recommended training and the Consular Agent was in the process of completing all the training. The embassy's Counter Intelligence Working Group authorized the Consular Agent to install an RSA token on his mobile device to allow him to complete training from the consular agency instead of traveling to the embassy.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the mandatory training completion for both the Consular Assistant and Consular Agent.

Recommendation 10: Embassy Tel Aviv should verify and document that required security work is performed to standard on all residences before residents move in and that residential leasing files and the Real Property Application are up to date. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy noted that security surveys and pre-occupancy certificates were added to the lease files and uploaded to the Real Property Application.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that residential leasing files and the Real Property Application are up to date.

Recommendation 11: Embassy Tel Aviv, in coordination with the Bureau of Overseas Buildings Operations, should sell the Hassadot property and put the \$8 million in estimated sales proceeds to better use. (Action: Embassy Tel Aviv, in coordination with OBO)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv disagreed with this recommendation. The embassy noted representatives of the Bureau of Overseas Buildings Operations Office of Planning and Real Estate (OBO/PRE) visited post in February 2017 and are in the process of drafting the final business case and action memo with recommendations for the disposition of the Hassadot property. The embassy prefers to retain this property in its housing pool because it meets their need to accommodate larger-sized families. However, the embassy noted it will comply with whatever recommendation OBO/PRE makes.

OIG Reply: OIG considers the recommendation unresolved. The recommendation can be closed when OIG receives and accepts documentation of OBO/PRE's recommendation and the embassy plan to implement OBO/PRE's recommendation.

Recommendation 12: Embassy Tel Aviv should use building maintenance expense funding for its preventive maintenance programs. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy noted that it expected all contracts to be converted to building management expense funding within 6 months.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the embassy converted preventative maintenance contracts.

Recommendation 13: Embassy Tel Aviv should require all chauffeurs and incidental drivers under Chief of Mission authority to take the required Smith Safety driver training. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy noted that, in coordination with the Office of Safety, Health, and Environmental Management, Department motor vehicle policy and safety experts visited the embassy in January 2017 to review motor pool operations and make recommendations for improvements. The embassy noted that it was in the process of implementing the recommendations. In addition, the embassy has completed a thorough review of mishap trends and identified the offices that account for the majority of mishaps and require closer scrutiny. The embassy reinforced the Motor Vehicle Policy and training requirements, discussing these with offices, as appropriate. The Chargé d'Affaires informed the country team of this on March 23, 2017, and followed up with a management notice on April 24, 2017.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of Smith Safety driver training for all chauffeurs and incidental drivers.

Recommendation 14: Embassy Tel Aviv should require that all chauffeurs and incidental drivers under Chief of Mission authority have the appropriate medical clearances before driving U.S. Government vehicles. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy confirmed all chauffeurs and incidental drivers under Chief of Mission authority have the appropriate medical clearances.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the medical clearance tracking for the drivers.

Recommendation 15: Embassy Tel Aviv should implement a program to establish oversight of driver performance and enforce appropriate disciplinary procedures. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy noted that all reported motor vehicle mishaps are entered into the Mishap Reporting System, drivers are required to undergo remedial training, and damages are reported to the property survey board as appropriate. The embassy also noted that the Human Resources Office is notified to make a determination regarding potential disciplinary action.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the driver oversight and disciplinary process.

Recommendation 16: Embassy Tel Aviv should comply with the Department's Motor Vehicle Safety Management Program policy to not exceed the daily 10-hour limit on duty shifts. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy noted it would increase the driver duty week from 40 to 45 hours, assign three of its nine drivers to staggered shifts, and fill an existing driver position to work on Sundays.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the driver schedule adjustments.

Recommendation 17: Embassy Tel Aviv should transfer the responsibility for maintaining shuttle bus coupons and gas cards from the cashier office to another section or seek a waiver from the Bureau of the Comptroller and Global Financial Services to allow the cashiers to continue as custodians for the coupons and gas cards. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy noted it is in the process of seeking a waiver from the Bureau of the Comptroller and Global Financial Services.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the waiver or transfer of responsibility.

Recommendation 18: Embassy Tel Aviv should update all outdated locally employed staff position descriptions. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy noted it was in the process of updating position descriptions, and issued a Mission Classification Policy (MP-HRO-10) on November 28, 2016, which requires supervisors to review position descriptions annually, usually in conjunction with the performance review.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the Mission Classification Policy.

Recommendation 19: Embassy Tel Aviv should implement standard operating procedures for Information Systems Security Officer duties. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The Information Systems Security Officer is using the ISSO Desktop to include the "ISSO Tasks" lists, which serves as a standard operating procedure.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the use of the standard operating procedure.

Recommendation 20: Embassy Tel Aviv should complete and test the information technology contingency plans for the unclassified and the classified networks and develop a process for periodically updating the plans as systems environments and resources change. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy has completed technology contingency plans for the unclassified and the classified networks and will test them in the third quarter of FY 2017 to coincide with a planned Department-led crisis management exercise.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the contingency plans and their testing.

Recommendation 21: Embassy Tel Aviv should develop a plan for conducting initial and annual refresher contingency training for personnel based on their classified and unclassified information technology contingency planning roles and responsibilities. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy noted that it plans to send a U.S. direct-hire staff member to a course called Disaster Recovery and Contingency Planning in April 2017. Upon return to post, the trained staff member will develop a standard operating procedure, update existing contingency plans, and conduct on-site training.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the plan.

Recommendation 22: Embassy Tel Aviv should implement standard operating procedures for managing and tracking dedicated internet networks and register those networks with the Bureau of Information Resource Management. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. The embassy identified and registered 24 dedicated internet networks with the Bureau of Information Resource Management.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the registered dedicated internet networks.

Recommendation 23: Embassy Tel Aviv should implement standard operating procedures for managing mobile devices that include authorization, issuance, tracking, and inventory. (Action: Embassy Tel Aviv)

Management Response: In its April 26, 2017 response, Embassy Tel Aviv concurred with this recommendation. In March 2017, the embassy implemented the use of the Integrated Logistics Management System (ILMS) Loanable Property Module to manage mobile devices.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the use of the module to manage the mobile devices.

PRINCIPAL OFFICIALS

Title	Name	Arrival Date
Chiefs of Mission:		
Ambassador	Daniel Shapiro	07/11
Deputy Chief of Mission	Leslie Tsou	08/16
Chiefs of Sections:		
Management	Jonathan Schools	07/16
Consular	David Schwartz	08/14
Political	Michael Snowden	08/16
Economic	Jonathan Shrier	08/15
Public Affairs	Tom Genton	07/14
Regional Security	Paul Brown	09/14
Other Agencies:		
Department of Defense	BG Ricky Rupp	09/15
U.S. Security Coordinator	LTG Fred Rudesheim	01/15
U.S. Commercial Service	Gregory Briscoe	06/15
USAID Director	Vacant	
Legal Attaché	Cary Gleicher	06/13

Source: Embassy Tel Aviv

APPENDIX A: OBJECTIVES, 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 OIG for the Department and the Broadcasting Board of Governors.

Objectives and Scope

The Office of Inspections provides the Secretary of State, the Chairman of the Broadcasting Board of Governors, and Congress with systematic and independent evaluations of the operations of the Department and the Broadcasting Board of Governors. 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 inspections, OIG uses a risk-based approach to prepare for each inspection; reviews pertinent records; reviews, circulates, and compiles the results of survey instruments, as appropriate; conducts interviews; and reviews the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by the review.

For this inspection, OIG conducted 242 documented interviews. OIG also reviewed 895 documents and responses to 201 personal questionnaires.

APPENDIX B: MANAGEMENT RESPONSES



*U.S. DEPARTMENT OF STATE
U.S. EMBASSY TEL AVIV, ISRAEL*

April 26, 2017

UNCLASSIFIED

THRU: NEA – Acting A/S Stu Jones

TO: OIG – Sandra Lewis, Assistant Inspector General for Inspections

FROM: Embassy Tel Aviv - Leslie Tsou, Chargé d’Affaires

SUBJECT: Response to Draft OIG Report – Inspection of Embassy Tel Aviv

Embassy Tel Aviv and NEA have reviewed the draft OIG Inspection report. We provide the following comments in response to the recommendations provided by OIG:

OIG Recommendation 1: Embassy Tel Aviv, in coordination with Consulate General Jerusalem, should adopt a joint standard operating procedure to coordinate the tracking of pending transit permits for Consulate General Jerusalem locally employed staff and residents of Gaza and the West Bank invited to participate in U.S. Government sponsored activities. (Action: Embassy Tel Aviv, in coordination with Consulate General Jerusalem)

Management Response: Embassy Tel Aviv accepts the recommendation and will work with Consulate General Jerusalem to develop and document a standard operating procedure to coordinate the tracking of pending transit permits for Consulate General Jerusalem locally employed staff and residents of Gaza and the West Bank invited to participate in U.S. Government- sponsored activities.

OIG Recommendation 2: The Bureau of Near Eastern Affairs, in coordination with Embassy Tel Aviv, should assess the efficiency and effectiveness of the Middle East Regional Cooperation Program Inter-Agency Agreement to determine whether to renew the Agreement. (Action: NEA, in coordination with Embassy Tel Aviv)

Management Response: The Bureau of Near Eastern Affairs accepts the recommendation and will coordinate with Embassy Tel Aviv and USAID to assess the efficiency and effectiveness of the Middle East Regional Cooperation Program Inter-Agency Agreement to determine whether

to renew the Agreement. In anticipation of this recommendation, Embassy Tel Aviv has already initiated preliminary consultations with relevant State and USAID stakeholders, including USAID's Bureau for the Middle East and NEA's Offices of Assistance Coordination, Israel and Palestinian Affairs, and Regional Affairs.

OIG Recommendation 3: Embassy Tel Aviv should comply with Federal records management policies for the Middle East Regional Cooperation program. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation and will develop a plan and a feasible deadline for migrating to an appropriate U.S. Government network.

OIG Recommendation 4: Embassy Tel Aviv, in coordination with the Bureau of Near Eastern Affairs and the Bureau of Human Resources, should eliminate one of its four office management specialist positions in the Economic and Political Sections. (Action: Embassy Tel Aviv, in coordination with NEA and DGHR)

Management Response: Embassy Tel Aviv accepts the recommendation in part. Post has requested an additional U.S. Direct Hire Political Officer position in its FY 2016, FY 2017, and FY 2018 Mission Resources Requests (MRRs), and plans to include the same request in its FY 2019 MRR as well. Post's rationale in the FY 2018 MRR was as follows: "The Political Section's need for an additional Foreign Service Officer (FSO) has become acute, and POL requests a new mid-level FSO. Long-term TDYs from other agencies from which the Section benefitted in the past have been suspended, effectively leaving POL permanently down one officer. Additionally, the Global Issues portfolio, responsible for several Congressionally-mandated annual reports among other issues, is currently covered by an EPAP position, which is subject to annual approval and funding availability."

The January 2016 Mission Israel Rightsizing Report prepared by the Office of Management Policy, Rightsizing, and Innovation (M/PRI) recommended the conversion of one OMS position in the reporting sections to a reporting officer position, in response to Post's continued requests for an additional U.S. Direct Hire Political Officer. M/PRI's rationale, which Post concurred with at that time, was as follows (from page 13): "M/PRI notes that there are 2 OMS positions each in both the Political and Economic Sections. In this day and age that is unusual. Rather than add another USDH position to the Political Section, M/PRI recommends the conversion of 1 of the OMS positions in the reporting sections from OMS to reporting officer."

Based on the Rightsizing Report recommendation, Post has initiated the conversion of one of the Political OMS positions to a Political Officer position in FY 2019, upon the departure of the incumbent for this position. In this inspection, the OIG found that "Washington consumers welcomed deeper analysis in reporting, but recognized that the embassy's heavy visitor workload and Washington requests for immediate feedback made this difficult.... The OIG also found that staffing gaps in the Political Section, heavy visitor load, and local holidays contributed to delays in completing pre-license and post-shipment checks for U.S. exports that fall under the Blue Lantern program." While Post recognizes that eliminating the position entirely would result in cost savings, Post also believes that the benefits in productivity of converting the position to a Political Officer position, as recommended by the Rightsizing Report, would far outweigh the cost savings of eliminating it.

OIG Recommendation 5: Embassy Tel Aviv should complete and publish a Public Diplomacy Implementation Plan and a Public Diplomacy Country Context in accordance with Department guidance. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation. The Public Diplomacy Section completed and published the 2017 Public Diplomacy Implementation Plan and Public Diplomacy Country Context prior to the deadline in November 2016.

OIG Recommendation 6: Embassy Tel Aviv should complete risk assessments and develop monitoring plans for Public Affairs Section Federal assistance awards using Department-approved formats. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation. The Public Diplomacy Section now attaches a Risk Assessment and Monitoring Plan for every grant issued, using the templates recommended by A/OPE. An updated, combined “Risk Assessment and Monitoring Plan” form for Fixed Amount Awards and Individual Awards form was posted to the A/OPE website on March 31, 2017, and the PAO has issued instructions to grant staff to use that form for all new grants.

Background: Most Public Diplomacy (PD) grantees are established and reputable organizations or individuals, often known to PD, and often with proven track records; other grants are small grants that support specific program-related expenses where the costs are specific and the risks are low (e.g., transportation to bring key audiences to an event, rental of a venue or equipment, per diem, transportation and honorarium for a guest speaker). These considerations have been routinely taken into account by Grants Officers and GORs when vetting and evaluating grant applications.

Risk Assessment: During the grant pre-award phase, Program Support and Grants Management staff have consistently evaluated the organization/individual’s capability and commitment to carry out the approved project. The EPLS (Excluded Parties List System) is checked, Duns number is obtained, the organization’s bona fides is verified, and the budget for the project is reviewed and negotiated. PD has effectively vetted and managed the potential risks using this system until mid-2016, when, as the result of an internal review of grants procedures, the PAO and Grants Specialist instructed PD grants officers and GORs to conduct risk assessments using the A/OPE Risk Assessment form.

Monitoring Plans: As a standard practice in PD, a Grant Proposal Letter is prepared by the Grants Officer for the PAO’s approval for each PD grant, specifying milestones, site visits, and GO/GOR attendance at ceremonies and events held under the grant. These terms were usually included in the actual grant documents under “Award Specifics,” “Timeline,” or “Milestones,” but not always; however, Grants Officers and GORs closely followed the progress and performance of the grants via site visits, phone consultations, and/or review of interim and final reports. As a rule, grantee performance was reviewed prior to the approval and issuance of installment payments; however, the OIG is correct to note that the A/OPE Monitoring Plan form was not always used, and thus the monitoring of the grants was not always clearly documented in the grants folders. Following the OIG’s finding, the Embassy has corrected this error.

OIG Recommendation 7: Embassy Tel Aviv, in coordination with the Bureau of International Information Programs, should implement a strategic plan for the American Corner in Akko to meet minimum standards for American Spaces. (Action: Embassy Tel Aviv, in coordination with IIP)

Management Response: Embassy Tel Aviv accepts the recommendation. In November 2016, Post presented the Akko American Corner Director and Community Center Director with a strategic plan developed in consultation with IIP's Regional Engagement Specialist (REPS), and is working with them on its implementation. To demonstrate the Embassy's commitment to the relationship, and in furtherance of the strategic plan designed to meet IIP standards for American Spaces, Post has: (a) approved the Corner's request for a grant to fund a three-month women's empowerment program; (b) donated property (including furniture and computers); (c) upgraded the Corner's internet line; (d) hosted EducationUSA events and English classes there; (e) sent Embassy speakers to American Corner programs; and (f) signed a new one-year MOU. These initiatives and a more hands-on management of the relationship have restored some of the trust, confidence, and energy that had waned in recent years. Post and IIP/REPS will continue to assess the longer term capacity of the Corner to implement a strategic plan based on IIP standards.

OIG Recommendation 8: Embassy Tel Aviv should implement a consular fee deposit schedule and daily and monthly fee collection reports at the Haifa Consular Agency that comply with Department standards for internal consular management controls. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation. The Consular Agent has begun to make deposits of consular fees weekly, and to provide the completed, reconciled, and signed Daily Accounting Sheet to the Embassy's Financial Management Office no later than the 10th day of the following month.

OIG Recommendation 9: Embassy Tel Aviv should require Haifa Consular Agency personnel to complete all required training and provide them the equipment necessary to access the Department system via internet to do so. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation. The recently hired consular assistant who began employment during the OIG visit has completed all mandatory and recommended training. This training consisted of: Cyber Security Awareness Course (PS 800) – October 5, 2016; Collecting Consular Fees: Training for the Consular Cashier (PC 419) – November 17, 2016; Protecting Personally Identifiable Information (PA 459) – October 14, 2016; Annual Counterintelligence Awareness Training for LE Staff (EX 251) – January 9, 2017; Passport Data Security Awareness (PC 441) – March 3, 2017; and Examining U.S. Passports (PC 545) – March 22, 2017

The Consular Agent, who has served in this capacity since 1986, completed an updated version of the Consular Agent Course (PC 107) at FSI on February 17, 2017, as well as the following mandatory trainings: Consular Fees: Training for the Consular Agent (PC 418) – November 2008; and Cyber Security Awareness Course (PS 800) – September 26, 2016

He will complete the following remaining mandatory and recommended courses by the end of June 2017: Protecting Personally Identifiable Information (PA 459); Examining U.S. Passports (PC 545); Detecting Fraudulent Documents (PC 544); Passport Data Security Awareness (PC 441); Collecting Consular Fees: Training for the Consular Cashier (PC 419); Detecting Impostors (PC 128); Annual Counterintelligence Awareness Training for LE Staff (EX 251); Working with Federal Benefits at Post (PC 425); and Consular Management Controls (PC 400).

On March 13, 2017, Post's Counter Intelligence Working Group authorized the Consular Agent to install the RSA token on his blackberry, which is scheduled to be installed on April 24, 2017. This will allow him to access OpenNet from the Consular Agency so he can complete training in his office rather than travel to the Embassy to do so.

OIG Recommendation 10: Embassy Tel Aviv should verify and document that required security work is performed to standard on all residences before residents move in, and that residential leasing files and the Real Property Application are up to date. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation. Security surveys and pre-occupancy certificates have been added to the lease files and uploaded in the Real Property Application (RPA). Files on all residences were up to date as of April 19, 2017.

OIG Recommendation 11: Embassy Tel Aviv, in coordination with the Bureau of Overseas Buildings Operations, should sell the Hassadot property and put the \$8 million in estimated sales proceeds to better use. (Action: Embassy Tel Aviv, in coordination with OBO)

Management Response: Embassy Tel Aviv disagrees with the recommendation as written. Representatives of OBO's Office of Planning and Real Estate (OBO/PRE) visited Post in February 2017 and are in the process of drafting the final business case and action memo with recommendations for the disposition of the Hassadot property. Post prefers to retain this property in its housing pool because it meets our need to accommodate larger-sized families, but will comply with whatever recommendation OBO/PRE makes.

OIG Recommendation 12: Embassy Tel Aviv should use building maintenance expense funding for its preventive maintenance programs. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation. Post is currently resolving this issue per guidance in 15 FAM 623b. All current work utilizing building operations expense funds that is eligible to be funded using Building Maintenance Expense (BME) funding has been identified. New contracts are currently in the process of being developed in accordance with Overseas Building Operations (OBO) Bureau requirements. Once the contracts are reviewed and accepted by OBO, this work will be performed using BME funding. Post expects all contracts to be converted to BME funding within 6 months.

OIG Recommendation 13: Embassy Tel Aviv should require all chauffeurs and incidental drivers under Chief of Mission authority take the required Smith Safety driver training. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation. Post consistently tracks the status of driver training compliance, notes this requirement in its post policy (MP-GSO-02), issued November 28, 2016, and does not allow use of motor pool vehicles without proof that training is current. In order to compel other agencies at post to comply with driver training requirements, the Executive Office has instituted a policy making approval of home-to-office transportation contingent upon certification of training compliance.

In coordination with the Office of Safety, Health, and Environmental Management (SHEM), State Department motor vehicle policy and safety experts visited Post in January 2017 to review motor pool operations and make recommendations for improvements which Post is in the process of implementing. In addition, Post has completed a thorough review of mishap trends and identified the offices which account for the majority of mishaps and require closer scrutiny. The Executive Office has reinforced the Motor Vehicle Policy and training requirements, discussing with offices as appropriate. Chargé informed the Country Team of this on March 23, 2017, and Post followed up with a Management Notice which was issued on April 24, 2017.

OIG Recommendation 14: Embassy Tel Aviv should require that all chauffeurs and incidental drivers under Chief of Mission authority have the appropriate medical clearances before driving U.S. Government vehicles. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation. Post confirms that all chauffeurs and incidental drivers under Chief of Mission authority have the appropriate medical clearances. Post consistently tracks the status of driver medical examinations and notes this requirement in its post policy. Post notes that the OIG team commended its Health Unit for record keeping and compliance during the inspection. During the January 2017 SHEM inspection, the Motor Pool Supervisor was also commended for "...doing a great job with keeping records for medical certification of drivers."

OIG Recommendation 15: Embassy Tel Aviv should implement a program to establish oversight of driver performance, and enforce appropriate disciplinary procedures. (Action: Embassy Tel Aviv)

Embassy Tel Aviv accepts this recommendation. All reported motor vehicle mishaps are entered into the Mishap Reporting System (MRS), drivers of avoidable mishaps are required to undergo remedial training, damages are referred to the property survey board as appropriate, and the Human Resources Office is notified in order for it to make a determination regarding potential disciplinary action. The January 2017 SHEM inspection commended Post for progress in the safety and health program and found Post to be in compliance with the safe driver award program.

OIG Recommendation 16: Embassy Tel Aviv should comply with the Department's Motor Vehicle Safety Management Program policy to not exceed the daily 10-hour limit on duty shifts. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation. Post will increase the driver duty week from 40 to 45 hours, has assigned three of its nine drivers to staggered shifts, and will fill an existing driver position to work on Sundays. Post never schedules drivers

to work beyond the 10 hour plus 10 percent maximum duty time but acknowledges that on occasion operational needs in support of national security objectives conflict with strict adherence to this standard.

OIG Recommendation 17: Embassy Tel Aviv should transfer the responsibility for maintaining shuttle bus coupons and gas cards from the cashier office to another section, or seek a waiver from the Bureau of the Comptroller and Global Financial Services to allow the cashiers to continue as custodians for the coupons and gas cards. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation and is seeking a waiver from the Bureau of the Comptroller and Global Financial Services.

OIG Recommendation 18: Embassy Tel Aviv should update all outdated locally employed staff position descriptions. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation and is in the process of updating locally employed staff position descriptions. Post issued a Mission Classification Policy (MP-HRO-10) on November 28, 2016, which requires supervisors to review position descriptions annually, usually in conjunction with the performance review. Post also requires a review of the position description before initiating recruitment action and works with a regional classification center to re-classify positions that are five or more years old.

OIG Recommendation 19: Embassy Tel Aviv should implement standard operating procedures for Information Systems Security Officer duties. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation. The ISSO is using the ISSO Desktop to include the "ISSO Tasks" list which serves as an SOP, and to comply with 12 FAM 600 requirements. Post has worked to identify and correct defects, including ensuring that external e-mails (not .gov or .mil) have been removed from the GAL and that no user accounts with elevated privileges exist.

OIG Recommendation 20: Embassy Tel Aviv should complete and test the information technology contingency plans for the unclassified and the classified networks, and develop a process for periodically updating the plans as systems environments and resources change. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation. Post has completed technology contingency plans for the unclassified and the classified networks and will test them in the third quarter of Fiscal Year 2017, to coincide with a planned State Department-led crisis management exercise. Post is developing a process for periodically updating these plans as systems environments and resources change.

OIG Recommendation 21: Embassy Tel Aviv should develop a plan for conducting initial and annual refresher contingency training for personnel based on their classified and unclassified information technology contingency planning roles and responsibilities. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation. Post is utilizing SAIT/ET IT Core program funding for U.S. Direct Hire staff member to attend YW263 IT Disaster Recovery and Contingency Planning in April 2017, and will specifically add contingency training management to the work requirements statement of the Information Management Officer. Upon return to Post, the trained staff member will develop a Standard Operating Procedure, update existing contingency plans, and conduct on-site training.

OIG Recommendation 22: Embassy Tel Aviv should implement standard operating procedures for managing and tracking dedicated internet networks and register those networks with the Bureau of Information Resource Management. (Action: Embassy Tel Aviv)

Embassy Tel Aviv accepts the recommendation. A total of 24 Dedicated Internet Networks (DINs) have been identified and registered with the Bureau of Information Resource Management. Post has created a Windows Active Directory domain to better manage the networks and is taking steps to reduce/consolidate the number of DINs in use.

OIG Recommendation 23: Embassy Tel Aviv should implement standard operating procedures for managing mobile devices that include authorization, issuance, tracking, and inventory. (Action: Embassy Tel Aviv)

Management Response: Embassy Tel Aviv accepts the recommendation. Post implemented the use of the Integrated Logistics Management System (ILMS) Loanable Property Module in March 2017 to manage the range of property management functions for mobile devices.

Additional Embassy Comment

Embassy Tel Aviv would like to offer the following response to the section entitled, “Consul General’s Discussions of Nonimmigrant Visa Refusals Resulted in Inappropriate Pressure on Adjudicators” (page 13 of the Discussion Draft):

That section of the report reads:

A majority of first- and second-tour visa adjudication officers told the OIG that during discussions concerning specific adjudications, the Consul General pressured them to reconsider applications they had previously refused and issue non-immigrant visas in those cases. The Consul General explained that he conducted these discussions and offered his advice as part of a training process for FAST officers. However, per 7 FAH-1 H-643(d), consular supervisors must never order, or inappropriately pressure, a subordinate to reach a particular outcome when adjudicating a visa or citizenship application. This is confirmed in 9 FAM 601.8-1(A)(a), which states the Immigration and Nationality Act confers upon a consular officer exclusive authority to issue non-immigrant visas. In addition, guidance in 9 FAM 601.8-1(A)(b) states that advocacy for visa issuance is prohibited outside the formal referral process. OIG advised the Consul General, the Ambassador, and the DCM how these FAM and FAH sections apply to consular operations, and advised the Consul General to comply with the guidance.

Embassy Response:

Following the OIG inspection, the DCM met with all visa adjudicating officers at Post to discuss the OIG's finding. Officers who had been adjudicating visas prior to April 2016 confirmed that they had felt pressure to change their decisions, both to issue and to deny, concerning specific adjudications, but that had ended in April 2016 – six months before the OIG inspection – and that there had not been any such pressure since that time.

The Consul General reaffirmed to the DCM what he had told the OIG: that he believed that he conducted these discussions as part of a required training process for FAST officers, and that he had not intended to order or pressure any adjudicating officer to reach a particular outcome. 9 FAM 601.4-2(a) states that consular managers are required to train adjudicators on proper adjudication standards to ensure decisions are appropriate, fair and uniform, and are required to conduct case reviews and provide feedback to adjudicating officers to guide them toward meeting those standards, while 13 FAM 022.5 (1) states that managers and supervisors are responsible for determining the specific needs of their employees and ensuring that employees receive training for effective job performance.

The point of contact for this memorandum is Management Counselor Jonathan Schools.

APPENDIX C: FY 2016 STAFFING AND FUNDING BY AGENCY

Agency	U.S. Direct-hire Staff	U.S. Locally Employed Staff	Foreign National Staff	Total Staff ¹⁷	Funding (\$)
Department of State					
Diplomatic and Consular Programs	67	5	20	92	6,827,551
International Cooperative Administrative Support Services	11	60	347	418	34,412,609
Public Diplomacy	7	3	29	39	4,081,265
Diplomatic Security	11	1	37	49	3,660,373
Consular Affairs	14	8	31	53	3,508,877
Marine Security	11	0	4	15	383,500
Representation	0	0	0	0	93,612
Overseas Buildings Operations	6	1	2	9	6,251,866
Subtotal	127	78	470	675	59,219,653
Department of Agriculture					
Foreign Agriculture Service	0	1	2	3	301,913
Department of Commerce					
U.S. Commercial Service	2	3	8	13	1,257,216
Subtotal	2	4	10	16	1,559,129
Department of Defense					
AMC	1	0	0	1	63,000
Defense Attaché Office	33	0	4	37	1,630,392
Department of Defense	2	0	0	2	291,368
Defense Contract Audit Agency	3	0	0	3	140,000
Force Protection Detachment	3	1	0	4	326,986
Defense Contract Mgt. Agency	6	1	9	16	529,000
Missile Defense Agency	5	0	0	5	352,000
Office of Defense Cooperation	9	2	0	11	922,800
U.S. Special Operations Command	1	0	0	1	29,200
U.S. Army Training and Doctrine Command	1	0	0	1	71,150
U.S. Army Corps of Engineers	17	4	14	35	857,352
U. S. Air Forces in Europe	1	0	2	3	40,000

¹⁷ Authorized positions.

UNCLASSIFIED

Agency	U.S. Direct-hire Staff	U.S. Locally Employed Staff	Foreign National Staff	Total Staff ¹⁷	Funding (\$)
Subtotal	82	8	29	119	5,253,248
Department of Justice					
Legal Attaché Office	4	0	0	4	397,242
Department of Homeland Security					
Immigration and Customs Enforcement	3	1	1	5	387,634
Other					
USAID	26	2	89	117	309,521,018
Open Source Enterprise	4	0	20	24	4,198,000
Foreign Military Funding	0	0	0	0	3,100,000,000
Subtotal	37	3	110	150	3,414,503,894
Total	248	93	619	960	\$3,480,535,924

Source: Generated by OIG from data provided by the Department.

ABBREVIATIONS

DCM	Deputy Chief of Mission
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
FAST	First- and Second-Tour
ICS	Integrated Country Strategy
IM	Information Management
IIP	Bureau of International Information Programs
ISSO	Information Systems Security Officer
LE	Locally employed
MERC	Middle East Regional Cooperation
M/PRI	Office of Management Policy, Rightsizing, and Innovation
OBO	Bureau of Overseas Buildings Operations
OBO/PRE	Bureau of Overseas Buildings Operations Office of Planning and Real Estate
POSHO	Post Occupational Safety and Health Officer
SHEM	Safety, Health, and Environmental Management
USAID	U.S. Agency for International Development

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