



**OIG**

**Office of Inspector General**

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

---

ISP-I-19-08

Office of Inspections

October 2018

---

# Inspection of Embassy Nairobi, Kenya

BUREAU OF AFRICAN AFFAIRS

---



# OIG HIGHLIGHTS

ISP-I-19-08

UNCLASSIFIED

October 2018

OFFICE OF INSPECTIONS

Bureau of African Affairs

## Inspection of Embassy Nairobi, Kenya

### What OIG Found

- Embassy Nairobi leadership coordinated the foreign assistance and policy advocacy activities of the 31 U.S. Government agencies in Nairobi to ensure they were consistent with, and contributed to, achieving Integrated Country Strategy goals.
- The 2017 Annual Chief of Mission Management Control Statement of Assurance did not identify multiple internal control deficiencies in the management and information technology operations as well as in the Regional Security Office.
- The embassy did not follow Department of State requirements to monitor unliquidated obligations, resulting in up to \$1.7 million that could be put to better use.
- Embassy Nairobi reported over \$3.6 million in inventory shortages over the past two fiscal years and had \$14 million in non-expendable inventory that should have been replaced or disposed of and the funds put to better use.
- Cybersecurity deficiencies left Department information technology systems vulnerable.
- The Consular Section delivered efficient services under challenging conditions.
- Spotlights on Success: Embassy Nairobi implemented successful measures to solicit staff feedback, create a climate of intercultural respect, make effective use of the Integrated Country Strategy, improve crisis readiness, combat disinformation, deliver consular services in Mogadishu, and reduce vehicle accidents through the Drive-Cam driver safety program.

### What OIG Inspected

OIG inspected the executive direction, program and policy implementation, resource management, and information management operations of Embassy Nairobi.

### What OIG Recommended

OIG made 33 recommendations, including 31 recommendations to Embassy Nairobi to improve internal controls in general services, financial management, human resources, information management, foreign assistance, and public diplomacy. OIG also made 2 recommendations to the Bureau of International Narcotics and Law Enforcement Affairs on contract oversight.

In its comments on the draft report, the Department concurred with 32 recommendations and disagreed with 1 recommendation. OIG considers all recommendations, except one, resolved. The Department's response to each recommendation, and OIG's reply, can be found in the Recommendations section of this report. The Department's formal written responses are reprinted in their entirety in Appendix B.

\_\_\_\_\_  
Office of Inspector General  
U.S. Department of State • Broadcasting Board of Governors

UNCLASSIFIED

# CONTENTS

---

CONTEXT .....	1
EXECUTIVE DIRECTION .....	2
Tone at the Top and Standards of Conduct.....	2
Embassy Morale and Performance .....	3
Equal Employment Opportunity .....	4
Execution of Foreign Policy Goals and Objectives.....	4
Adherence to Internal Controls.....	6
Security and Emergency Planning.....	6
Developing and Mentoring Future Foreign Service Professionals .....	7
U.S. PERMANENT MISSION TO THE UN IN NAIROBI.....	8
POLICY AND PROGRAM IMPLEMENTATION.....	9
Political and Economic Sections .....	9
Foreign Assistance .....	10
Public Diplomacy.....	14
Consular Services.....	16
RESOURCE MANAGEMENT .....	19
General Services.....	20
Financial Management .....	27
Human Resources.....	29
INFORMATION MANAGEMENT .....	30
Information Systems Security .....	31
Records Management and Storage.....	32
Communications Systems .....	33
Inventory Management.....	33
RECOMMENDATIONS .....	35
PRINCIPAL OFFICIALS.....	44
APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY.....	45
APPENDIX B: MANAGEMENT RESPONSE .....	46
ABBREVIATIONS .....	56
OIG INSPECTION TEAM MEMBERS.....	57

## CONTEXT

---

Kenya is a lower middle-income country with the fifth-largest economy in sub-Saharan Africa. Kenya's real GDP growth has averaged over 5 percent for the last decade. Eleven percent of Kenya's 47.6 million population is Muslim, and more than 40 percent of the total population is under the age of 15. The country's protracted and contentious 2017 elections took a toll on its democratic institutions and exacerbated long-standing ethnic and social divisions. However, the March 9, 2018, meeting and handshake between the president and his main political rival paved the way for reconciliation and a cessation of political violence.

Kenya is a security, trade, investment, and development partner of the United States, which was the third largest destination for Kenya's exports and the seventh largest source of its imports in 2017. Nairobi's geographic location and its air transportation and communication links make it an attractive regional hub for U.S. Government agencies. Approximately 30,400 U.S. citizens reside in Kenya, and an estimated 8,800 U.S. citizen visitors are present in Kenya at any given time.

The four overarching goals of U.S. engagement with Kenya, as identified in the February 2017 Integrated Country Strategy (ICS), are to support Kenya's efforts to: 1) consolidate its democratic reforms, including rule of law and human rights protection; 2) achieve rapid and sustainable economic growth; 3) support American citizens residing in and visiting Kenya; and, 4) build the capacity to prevent and respond to threats of crime, violent extremism, and terrorism in the country and in the Horn of Africa region, consistent with the U.S. national security objective of defeating transnational terrorist groups such as Al-Shabaab and ISIS.

Embassy Nairobi is a designated high-threat, high-risk post. Kenya has long been a target of terrorist activity and has struggled with instability along its northeastern borders. Terrorist attacks have resulted in the death and injury of hundreds of people since 2011. Terrorists may attack with little or no warning, targeting Kenyan and foreign government facilities, tourist locations, transportation hubs, markets, and shopping malls. The embassy's security posture and staffing were last reviewed in January 2018 by the high-threat, high-risk post review process and approved by the Senior Committee for Overseas Risk Evaluation.<sup>1</sup>

At the time of the inspection, Embassy Nairobi was the largest U.S. embassy in the Bureau of African Affairs, consisting of 380 U.S. direct-hire, 1,004 locally employed (LE) staff, and 57 eligible family member positions representing 31 U.S. Government offices and agencies. The embassy hosts and provides International Cooperative Administrative Support Services (ICASS) support to the U.S. Permanent Mission to the UN in Nairobi and the U.S. Mission to Somalia.

---

<sup>1</sup> The Senior Committee for Overseas Risk Evaluation officially replaced the vital presence validation process on April 28, 2014. This is an institutionalized, repeatable, transparent, and corporate process to make risk-managed decisions regarding U.S. presence at high-threat locations, including whether to begin, restart, continue, reconsider the personnel footprint, or discontinue operations. This process must take place annually for all embassies and consulates on the high-threat, high-risk post list but also may take place on an ad hoc basis.

In FY 2017, the U.S. Government spent \$743 million in foreign assistance funding for Kenya, including \$1 million in overseas contingency operations funding. The U.S. Government requested \$639.4 million in foreign assistance funding for FY 2018 and \$624.3 million for FY 2019; there is no overseas contingency operations funding in either request. Embassy Nairobi's FY 2018 budget for Department of State (Department) programs, including public diplomacy, consular, and ICASS costs, was \$27.9 million.

OIG evaluated the embassy's policy implementation, resource management, and management controls consistent with Section 209 of the Foreign Service Act.<sup>2</sup> A related classified inspection report discusses the embassy's security program and issues affecting the safety of embassy personnel and facilities.

## **EXECUTIVE DIRECTION**

---

OIG assessed Embassy Nairobi leadership on the basis of 115 interviews that included comments on the performance of the Ambassador and the Deputy Chief of Mission (DCM), a review of staff questionnaires, and OIG's review of documents and activities during the course of the on-site portion of the inspection.

### **Tone at the Top and Standards of Conduct**

The Ambassador, a career member of the Senior Foreign Service, arrived in Nairobi in 2012 as the Chargé d'Affaires and was sworn in as Ambassador in 2013. The Ambassador served previously as Chief of Mission in Tunis, acting DCM and Minister Counselor for Economic Affairs in Pretoria, and Economic Counselor in Nairobi.

OIG found the Ambassador demonstrated the Department's leadership and management principles outlined in 3 Foreign Affairs Manual (FAM) 1214. OIG questionnaires and interviews indicated that the majority of the U.S. direct-hire staff found the Ambassador to be well-informed, engaged, forward-looking, and able to communicate his strategic vision. However, some U.S. direct-hire staff expressed to OIG that they felt he was dismissive or unappreciative of their work and contributions and they felt marginalized and demoralized. OIG advised the Ambassador to seek opportunities to convey to staff his willingness to listen to all viewpoints and to engage constructively with and recognize the contributions of all agencies and sections in achieving the embassy's goals. During the inspection, the Ambassador met with section leadership to open dialogue, solicit feedback, and reach agreement on the way forward.

The DCM, a career member of the Senior Foreign Service, arrived in Nairobi in May 2017. She had extensive experience in Africa and the Middle East, including serving as the DCM in Doha, Qatar. OIG found that she demonstrated the Department's leadership and management principles in 3 FAM 1214. Staff told OIG that the DCM was engaged, familiar with the issues of

---

<sup>2</sup> See Appendix A.

every section and agency, approachable, and inclusive. She was credited with organizing and structuring the embassy's interagency coordination process around the ICS goals to ensure that all 31 agencies were aligned and focused on developing strategies to achieve results. Embassy staff, both U.S. direct-hire and LE staff, described the DCM as invested in embassy morale and engaged in resolving issues that negatively affected morale and performance.

## **Embassy Morale and Performance**

OIG questionnaires and a February 2018 morale survey, administered by the Regional Medical Officer/Psychiatrist at the request of the Ambassador, indicated that embassy staff morale suffered because of a heavy workload and long hours associated with the months-long Kenyan election process and post-election violence. Interviews conducted by OIG indicated that, with the end of election-related violence in mid-April 2018, the embassy had returned to a more normal work-life balance but officers were still recovering from the effects of the heavy workload and long hours.

The Front Office was actively working to resolve the morale and performance concerns identified by U.S. direct-hire and LE staff in the morale survey. The Ambassador held quarterly town hall meetings with embassy staff and solicited their views on these concerns. The Front Office also met regularly with the LE staff Executive Committee to discuss issues of concern. Executive Committee members told OIG that they appreciated the Front Office's attention and, in particular, its commitment to address the lack of adequate and secure parking facilities for the over 600 LE staff who drove to work. At the same time, the Executive Committee told OIG that the Management Counselor and his staff, including the Human Resources Officer, who are responsible for managing the embassy's LE staff employment program, did not meet with the committee. OIG advised the Management Counselor and his staff to establish regularly scheduled meetings.

## **Spotlight on Success: Soliciting Staff Feedback and Identifying Areas for Improvement**

The Front Office used the morale survey tool, developed by a Regional Medical Officer/Psychiatrist, to solicit feedback from staff and identify issues that negatively affected morale. At the request of the Ambassador, the Nairobi-based Regional Medical Officer/Psychiatrist administered the survey in February 2018. Based on the survey results, the Front Office took steps to address the four major issues identified: security, housing, parking, and awards. The Ambassador told OIG that he found the survey to be an excellent management tool and highly recommended its use worldwide by all chiefs of mission. Embassy staff told OIG that they saw a direct correlation between the survey and the Front Office's actions to address those issues and welcomed the Front Office's attention. The morale survey has been presented at chief of mission conferences, the Foreign Service Institute, and the Office of the Director General of the Foreign Service, as well as to leaders in the regional bureaus. It is available to all chiefs of mission.

### **Spotlight on Success: Fostering a Culture of Respect and Tolerance in the Work Place**

The Ambassador told OIG that following a 2016 discussion with Kenya-based African-American members of "Black Lives Matter," he recognized that open dialogue about race was needed at the embassy. Initially, the Front Office focused on facilitating community-wide dialogue on race relations and then, at the request of LE staff, added ethnic relations to address tribal-based tensions in Kenyan society. Following on the initiative of embassy staff, the Front Office started a cultural dialogues forum, in which U.S. direct-hire and LE staff addressed common cultural miscommunications and misperceptions. Embassy staff told OIG that the Front Office's leadership and initiative in creating a race and ethnic relations group and the cultural dialogues forum, as well as the Front Office's initiative to add a cultural component to the newcomers briefing, had eased tensions between U.S. direct-hire and LE staff and among the multi-ethnic LE staff. The initiatives also provided opportunities for candid discussions of race and ethnic relations and fostered an environment of mutual respect and tolerance in the workplace.

### **Equal Employment Opportunity**

OIG found that the embassy's Equal Employment Opportunity (EEO) program met Department requirements in 3 FAM 1514.2. In February 2018, at the Front Office's request, a team from the Department's Office of Civil Rights conducted EEO training, including how to identify and report sexual harassment and assault; the Front Office made attendance mandatory for all embassy staff. EEO counselors told OIG they had good access to the Front Office. The counselors briefed U.S. direct-hire and LE supervisors on their responsibilities and posted EEO notices and information in the chancery and U.S. Agency for International Development annex. They also invited embassy staff to attend sessions put on by the LE staff EEO liaisons, in which they acted out scenarios to demonstrate how to report an EEO complaint and to reassure staff of the Department's commitment to protect against retaliation.

### **Execution of Foreign Policy Goals and Objectives**

The Ambassador played a leading role in formulating and executing U.S. foreign policy in Kenya. Domestic bureaus, other agencies, and embassy staff credited the Ambassador with using his extensive contacts with all elements of Kenyan society to help shape and facilitate the relatively free and fair electoral process in late 2017, which had less violence than during previous elections. They also commended him for using his credibility with both the ruling and opposition parties to facilitate the mid-April 2018 rapprochement between the president and the opposition leader that ended election-related violence.

### ***Interagency Coordination***

During the inspection, the embassy began revising its ICS in accordance with 18 FAM 100. The DCM coordinated the ICS preparation, ensuring that all 31 U.S. agencies cleared the draft, and the draft reflected the overarching strategy and goals outlined in the draft U.S. National Security Council Strategy for Kenya.

### **Spotlight on Success: Using the ICS to Drive Interagency Coordination**

The Front Office restructured the embassy's four working groups, chaired by the DCM, to align with the four ICS goals: democracy and governance, economic prosperity, security, and health. The Front Office used the working groups, plus over a dozen sub-working groups chaired by mid-level officers, to coordinate foreign assistance and develop strategies for achieving embassy-wide policy objectives. These efforts were consistent with Department guidance in 18 FAM 301.2-4(C)b on strategic planning and 2 FAM 113.1b on the chief of mission's role in directing an integrated mission strategy. To reinforce the policy development and advocacy role of these groups, the Front Office conducted separate country team meetings for every working group, with agency members contributing information relevant to each working group's own ICS goal. Section and agency heads told OIG that, even though having multiple meetings was more time consuming, they found the working group structure to be an effective way to share information and to de-conflict programs, especially the many law enforcement agency programs used to train Kenyan police.

### ***Front Office Actively Engaged in Public Outreach***

The Ambassador actively engaged in public outreach, especially through traditional and social media. Stakeholders from the Department and agency representatives at the embassy told OIG they credited the Ambassador with leading a group of other foreign chiefs of mission to shape international messaging on the conduct of Kenya's elections, an approach that contributed to lowering the level of election-related violence as compared to previous years. The DCM supported public affairs efforts through her involvement in programs that empower women. For example, she participated in a film viewing and discussion of the female characters in a popular movie and hosted a roundtable on the role of women in combating violent extremism. In addition, both the Ambassador and DCM hosted Iftar events during Ramadan.

### ***Ambassador's Twitter Account Did Not Follow Department Naming Guidance***

The Ambassador's Twitter account that the embassy used for official communications did not comply with Department naming conventions. According to 10 FAM 182,<sup>3</sup> senior officials whose positions require them to engage in official communications on behalf of the Department must use official social media accounts, created and owned by the Department, that do not include personal names. The embassy created the account before the current Department guidance but did not follow instructions from the Bureau of International Information Programs to comply with the guidance. Specifically, the embassy did not want to make a change ahead of or during the November 2017 Kenyan elections out of concern that the change would cause confusion among followers and diminish the embassy's influence at a critical time. Now that the election and related concerns have passed, OIG advised the embassy to bring the Ambassador's Twitter account into compliance with Department social media guidance. Doing so will help ensure that, consistent with existing guidance, the same social media account can be passed from one ambassador to the next without loss of followers.

---

<sup>3</sup> The Department finalized the current guidance in 10 FAM 182 in August 2017.

## Adherence to Internal Controls

The Chief of Mission's 2017 Statement of Assurance, submitted to the Department on August 31, 2017, identified significant deficiencies in property management. During the inspection, however, OIG also identified internal control deficiencies in general services, financial management, cybersecurity, facilities, and security as discussed in this report and in the classified inspection report. The embassy followed the format required by the Statement of Assurance process in cable 18 STATE 30272<sup>4</sup> and 2 FAM 022.7 but did not use the Statement of Assurance checklists to identify vulnerabilities. As a result, the embassy did not identify widespread internal control deficiencies subsequently found by OIG. The failure to identify management and security deficiencies, which the checklists help guide, increases the risk of security vulnerabilities and misuse of resources.

**Recommendation 1:** Embassy Nairobi should review and update its process for preparing the annual Statement of Assurance prior to preparing its 2018 statement, in accordance with Department guidance. (Action: Embassy Nairobi)

OIG found that the DCM complied with the requirements of 9 FAM 403.9-2(D)<sup>5</sup> to regularly review the Consular Section chief's visa adjudications.

## Security and Emergency Planning

The Ambassador and DCM conducted their security responsibilities in accordance with 12 Foreign Affairs Handbook (FAH)-1 H-721. The memorandum of agreement between the Chief of Mission and the Combatant Commander, U.S. Africa Command, for the security and force protection of Department of Defense elements and personnel in Kenya was up to date, and the Ambassador signed the document in August 2017. The DCM chaired the Emergency Action Committee, which met as needed to discuss security-related developments and emergency preparedness. The Ambassador and DCM met with the Regional Security Officer (RSO) at least weekly and more frequently as needed. During the inspection, the RSO conducted a series of crisis management exercises, accountability and security drills, and radio checks of all embassy personnel, and the Ambassador and DCM participated in all of them. Overall, OIG confirmed that Embassy Nairobi conducted its security and emergency preparedness programs in accordance with Department standards and guidance. However, OIG identified deficiencies related to physical, technical, and residential security, which are discussed in the classified inspection report.

### Spotlight on Success: Building Crisis Readiness at the Alternate Command Center

By establishing a new alternate command center, the embassy improved its capability to maintain continuity of operations during a crisis, thereby reducing the risk that an attack on the

---

<sup>4</sup> Cable 18 STATE 30272, "Your Role in Assuring Strong Management Controls and Oversight Over Post Operations," April 3, 2018.

<sup>5</sup> The Department updated and moved this guidance into a new section of the FAM in July 2018; the updated guidance is at 9 FAM 403.12.

embassy would degrade embassy personnel's ability to operate. The embassy established the new alternate command center on an existing residential compound near the embassy where many staff members lived. The compound had a robust generator plant and a substantial physical set-back. The new location was chosen, in part, because the residential compound was large enough to accommodate all U.S. direct-hires and family members by assigning two families to each residence in an emergency. In addition, the embassy's Information Resource Management (IRM) Office equipped the new center to communicate externally via OpenNet, wireless network, and radio and by both terrestrial and satellite telephone and data services. Commenting from a user's perspective, Embassy Nairobi's Consul General said that in a crisis, his consular team would be able to accomplish everything in the ACC that they could do at the embassy except issue visas.

To share what they learned in assembling the new alternate command center, Nairobi's IRM Section developed a 5-day course that it administered to a group of 10 IRM professionals from 9 diplomatic posts in Africa (including Nairobi). The course focused on information technology emergency preparedness. Participants learned how to plan, develop, and establish a full-range alternate command center, such as the one at Embassy Nairobi. Participants also developed plans during the course that were tailored for their individual posts. By sharing its experience, the embassy contributed to the crisis preparedness of other diplomatic posts in Africa.

## **Developing and Mentoring Future Foreign Service Professionals**

Consistent with the best practices cited in cable 15 STATE 23542,<sup>6</sup> the embassy had a written policy and a well-organized, self-directed and active first- and second-tour group that included entry-level Foreign Service generalists and specialists and first- and second-tour personnel from all agencies. In accordance with 3 FAM 2242.4, the DCM served as the group's mentor, attended regularly scheduled group meetings, and made herself available to meet with individuals. She also ensured that supervisors of entry-level personnel complied with their responsibilities in this area, including authorizing staff to attend group activities during the workday.

Tapping into the talents and interests of individual staff members, the DCM encouraged the creation of a mission-wide mentoring program, open to both U.S. direct-hire and LE staff. According to the U.S. Agency for International Development officer who spearheaded the initiative, over 100 embassy staff members registered and were matched with mentors and mentees. For example, the DCM was matched with three Kenyan LE staff; they mentored her on Kenyan culture and behavior in the workplace, and she mentored them on time management and work-life balance.

---

<sup>6</sup> Cable 15 STATE 23542, "Mentoring for a Stronger Department of State," March 5, 2015.

## U.S. PERMANENT MISSION TO THE UN IN NAIROBI

---

The U.S. Permanent Representative and staff of the U.S. Permanent Mission to the UN in Nairobi managed U.S. representation to the UN Environment Program<sup>7</sup> and the UN Human Settlements Program.<sup>8</sup> Both the U.S. Permanent Representative and Permanent Mission engaged with the UN Office in Nairobi<sup>9</sup> in support of the broader U.S. agenda for reform of the United Nations. The mission is an independent entity housed within Embassy Nairobi that reports to the Bureau of International Organizations Affairs. In 2017, the United States contributed approximately \$10 million to the UN Environment Program, of which around \$6 million was core<sup>10</sup> funding. The United States also contributed \$700,000 in core funding to the UN Human Settlements Program.

The Permanent Representative demonstrated the leadership and management principles in 3 FAM 1214. She actively supported EEO objectives: for example, she initiated a "Women Diplomats Group" that included diplomats from the UN and other foreign missions in Nairobi and, together with the Embassy Nairobi DCM, she organized representational events around the theme of women's empowerment. She and her staff also attended the mandatory EEO training held by Embassy Nairobi. The Permanent Representative's policy counterparts were senior UN officials and foreign ambassadors accredited to Kenya (and dual-accredited to the UN organizations in Kenya) who, in protocol terms, outranked her. The Permanent Representative told OIG, however, that she was treated as a peer by other ambassadors, including the U.S. Ambassador to Kenya, and had ready access to senior UN officials.

The mission advocated on behalf of U.S. policy objectives in the UN Environment Program and the UN Human Settlements Program and supported high-level U.S. delegations to annual conferences. The mission also pursued U.S. governance reform policy objectives within the UN Environment Program, the UN Office in Nairobi, and especially the UN Human Settlements Program. It did so by pressing for stronger administrative oversight by member states and for the organization to move away from political matters and instead to concentrate on technical and substantive work. OIG found that the mission worked to advance the Bureau of International Organizations Affairs goals, as stated in the Functional Bureau Strategy. OIG also

---

<sup>7</sup> Headquartered in Nairobi, Kenya, the UN Environment Program was established with the mandate to "provide leadership and encourage partnership in caring for the environment by inspiring, informing and enabling nations and peoples to improve their quality of life without compromising that of future generations." The program is focused on six cross-cutting thematic areas: climate change, resource efficiency, disasters and conflicts, environmental governance, harmful substances and hazardous waste, and ecosystem management.

<sup>8</sup> The UN Human Settlements Program, headquartered in Nairobi, Kenya, supports housing and urban issues in developing countries. It has a wide range of diverse projects, such as post-disaster reconstruction programs in Haiti, efforts to address slum growth and housing problems in the Democratic Republic of the Congo, and work to support the Organization of Eastern Caribbean States to develop land policy guidelines.

<sup>9</sup> The UN Office in Nairobi serves as the representative office of the Secretary-General in Nairobi and performs representation and liaison functions with permanent missions, the host country and other governments, intergovernmental and nongovernmental organizations in Nairobi, and other organizations of the United Nations system in Kenya.

<sup>10</sup> Core funding is general budgetary support. Non-core funding is program-specific at the discretion of the donor.

found that Department stakeholders were generally pleased with the mission's reporting, representation, and visitor support.

## **POLICY AND PROGRAM IMPLEMENTATION**

---

OIG assessed Embassy Nairobi's policy and program implementation through a review of the Political and Economic Sections' advocacy and analysis work, the Public Affairs Section's public diplomacy efforts, and the Consular Section's provision of American citizen and visa services. OIG found the embassy generally met Department requirements for policy and program implementation, as described below.

### **Political and Economic Sections**

OIG reviewed the sections' leadership, management, policy implementation, reporting and advocacy, export control programs, coordination with other embassy sections, and Leahy vetting procedures.<sup>11</sup> OIG found the sections generally complied with Department standards and policies.

#### ***Political and Economic Sections Advanced Integrated Country Strategy Goals***

OIG found that the Political and Economic Sections worked effectively to advance ICS goals, especially those related to elections and human rights, economic growth, and regional security. For instance, Washington stakeholders and embassy officers credited the Political Section with leading the embassy's support of the 2017 elections. The two sections collaborated on implementing the embassy's efforts around the elections. Particularly important efforts included observing voting in 29 of Kenya's 47 counties and participating in the Ambassador's meetings with candidates to urge a peaceful resolution of the elections. In addition, the Economic Section worked closely with representatives of other agencies, including the Foreign Commercial Service, the Foreign Agricultural Service, the U.S. Agency for International Development, and the Transportation Security Administration, to promote progress on ICS economic growth goals.

Washington consumers of the sections' reporting consistently described it as being valuable and useful in filling in gaps in information and balancing reporting from other sources. OIG reviewed 158 cables and record emails sent from November 2017 to April 2018 and found them to be relevant to ICS goals and well sourced, consistent with 2 FAM 113.1c (10,11) guidance on reporting selectively and maintaining broad-based contacts.

#### ***Leahy Vetting Met Department Requirements***

Embassy Nairobi conducted Leahy vetting according to applicable laws and Department requirements on 1,438 cases from May 11, 2017, through March 7, 2018. The Bureau of

---

<sup>11</sup> 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.

Democracy, Human Rights, and Labor approved the embassy's standard operating procedure for Leahy vetting in November 2017, and embassy staff coordinating Leahy vetting had completed the requisite training to use the International Vetting and Security Tracking system.

## **Foreign Assistance**

The Department identified Kenya as a key U.S. Government partner in Africa. U.S. assistance totaled \$743 million in FY 2017 and targeted key issues such as security, health, economic inclusion, and governance. The Department's Washington-based program officers and U.S. Agency for International Development program officers managed most of the assistance except for a relatively small amount of funds expended directly by the embassy through assistance awards (which totaled \$843,063 in FY 2017). OIG reviewed the embassy's foreign assistance coordination and the foreign assistance contracts and grants managed by embassy staff, including a sample review of embassy-issued awards. OIG found that the embassy's foreign assistance programs generally conformed to Department standards. However, as discussed below, OIG identified deficiencies related to foreign assistance coordination and the acceptance of incomplete building renovations.

### ***Embassy Had Not Formalized Its Foreign Assistance Coordination***

The embassy had improved foreign assistance coordination as part of its ICS working group structure but had not formalized how Washington-based foreign assistance programs should be coordinated with the embassy. Language in 1 FAM 013.2g(6)<sup>12</sup> and the President's letter of instruction to chiefs of mission give the Ambassador authority to direct and supervise all programs authorized under the Foreign Assistance Act. Chapter 3C of the Department's Federal Assistance Directive also states that domestic functional bureaus initiating programs overseas should notify regional bureaus and coordinate with post during the design phase of the program and prior to issuing assistance awards over \$25,000.

Embassy staff stated, however, that Washington-administered programs, regardless of whether the embassy had any formal oversight role, can sometimes cause difficulties for the embassy because their input was not always sought at the beginning of a program. In particular, this lack of coordination with post by Washington-based bureaus regarding their awards can create disagreements with the host government; this, in turn, may increase the workload of embassy staff as they strive to resolve those disagreements. For example, OIG found two instances where the Bureau of Democracy, Human Rights, and Labor did not sufficiently coordinate its programs with the embassy. In one instance, the embassy disagreed with a proposed media program during the technical panel review, which was held in Washington, DC, but the panel approved the award nonetheless. The Ambassador had to intervene directly to cancel the program. In another instance, the Bureau of Democracy, Human Rights, and Labor awarded a grant with which the embassy disagreed, but the embassy still had to assist the bureau with oversight of the award.

---

<sup>12</sup> The Department updated and moved this guidance to 1 FAM 013.2h(6) in June 2018.

The embassy had an informal coordination process for foreign assistance and had begun to use its working group structure to coordinate programming priorities and decisions. However, the embassy had not developed a formal process outlining how functional bureaus should coordinate with the embassy and obtain chief of mission approval for Kenya programming. Without proper coordination and chief of mission approval, foreign assistance programs risk duplication, waste, lack of alignment with ICS goals, unintended effects on the bilateral relationship, and imposition of a monitoring burden the embassy cannot meet.

**Recommendation 2:** Embassy Nairobi, in coordination with the Bureau of African Affairs, should develop a foreign assistance coordination process for use by the embassy and all Department bureaus to ensure all assistance programming receives chief of mission approval prior to implementation. (Action: Embassy Nairobi, in coordination with AF)

***Bureau of International Narcotics and Law Enforcement Affairs Staff Accepted Incomplete Building Renovations***

Bureau of International Narcotics and Law Enforcement Affairs (INL) staff accepted a renovated building as successfully completed in February 2017<sup>13</sup> without an adequate inspection of the construction. As a result, more than 15 months after acceptance, the building still cannot be used as intended.

In March 2016, INL awarded a contract for \$685,606 to complete renovations and repairs for a building to provide space for a Kenyan police unit. OIG found that the INL contracting officer representative (COR) completed the final walkthrough and approval in February 2017 and certified the building as “successfully completed.” However, according to embassy staff, within weeks of the walkthrough, it became evident that the building had significant deficiencies. Two embassy facilities maintenance staff (an engineer and a maintenance inspector) determined, during an inspection in May 2017, that the subcontractor installed substandard or incorrect products, such as incorrect plumbing systems, pumps that flooded, and toilets that did not function. Their report also stated that the subcontractor did not install a power panel that could sustain all the electrical power in the building and, as a result, critical equipment, such as computers or training projectors, could be harmed by overloaded electrical circuits. In addition, the embassy’s pictures from September 2017 showed significant building deterioration within seven months of the final review and acceptance (see Figures 1 and 2).<sup>14</sup>

---

<sup>13</sup> The contract’s period of performance ended in November 2016, and the contracting officer representative (COR) backdated the acceptance letter to reflect the end of the contract. According to the COR’s report for January to February 2017, the contracting officer did not extend the period of performance because the contractor willingly worked beyond the contract period at no cost to correct the deficiencies. OIG used February 2017 instead of November 2016 because the final walkthrough occurred in February 2017.

<sup>14</sup> OIG did not conduct a detailed, technical review of the construction work performed by the contractor and its subcontractor.



**Figures 1 and 2: Renovated building deterioration.** The photos show the vehicle parking area roofing deterioration. Figure 1, on the left, shows the front side of the vehicle parking structure, figure 2, on the right, shows the back side of the parking structure. (Source: Embassy Nairobi staff pictures taken in September 2017)

Embassy staff attributed these deficiencies to the contractor's failure to ensure that its subcontractor completed the work in compliance with the contract terms and conditions. According to 14 FAH-2 H-113, a COR must have sufficient technical expertise in the contract subject matter to be able to provide technical direction and to determine whether the contractor is providing goods and services that conform to the terms of the contract. INL staff, however, told OIG that they accepted the incomplete renovations because they did not have a COR with sufficient construction expertise to perform effective oversight. In addition, embassy staff stated that the Bureau of International Narcotics and Law Enforcement Affairs does not have a sufficient number of program staff with construction experience to oversee such contracts.

INL planned to execute a second phase of renovations for the same building, which would include repairing the phase one deficiencies and conducting additional work to finish the renovations. There is, accordingly, a risk that the U.S. Government could pay twice for the same work. INL staff stated that they were assessing different options to help with technical oversight for its project in Kenya but, at the time of the inspection, they had not identified an appropriate method to ensure such oversight. Absent necessary expertise, INL runs the risk of again incorrectly certifying construction work as successfully completed.

**Recommendation 3:** The Bureau of International Narcotics and Law Enforcement Affairs, in coordination with Embassy Nairobi, should designate a contracting officer representative with the appropriate technical experience required to review and certify construction work in Kenya in accordance with Department standards. (Action: INL, in coordination with Embassy Nairobi)

### ***Lack of a Warranty Limited Contractor Liability for Defective Renovations***

INL did not include a warranty in the contract terms and conditions for the renovation and repair of the same building that it planned to use to provide space for a Kenyan police unit. As a result, INL had limited options to hold the contractor accountable for its poor workmanship and performance.<sup>15</sup> The contract terms and conditions included the Federal Acquisition Regulation clause 52.246-12, "Inspection of Construction," required by the Federal Acquisition Regulation subchapter 46.312, which states, "acceptance shall be final and conclusive except for latent defects, fraud, [or] gross mistakes amounting to fraud." Without a review of the defective renovations to determine whether the contractor is liable to remedy them, the embassy is at risk of being liable for the repairs.

**Recommendation 4:** The Bureau of International Narcotics and Law Enforcement Affairs, in coordination with Embassy Nairobi, should determine if the defective renovations identified in the building intended for the Kenyan police unit can be classified as latent defects, fraud, or gross mistakes amounting to fraud, as outlined in the contract terms and conditions, and if so, require the contractor to correct the deficiencies at no cost to the U.S. Government, in accordance with the Federal Acquisition Regulation. (Action: INL, in coordination with Embassy Nairobi)

### ***Foreign Assistance Grant Files Were Generally Completed in Accordance with Department Guidance***

OIG did not find any substantive deficiencies in its review of foreign assistance grant files managed by the embassy; however, some files lacked documentation required by Department guidance.<sup>16</sup>

Three offices manage foreign assistance grants—the Political Section, Economic Section, and the President's Emergency Plan for AIDS Relief Coordination Office. The embassy awarded and managed 42 foreign assistance grants during FY 2017 and FY 2018, totaling \$997,668.<sup>17</sup> OIG reviewed 20 grants files, totaling \$337,558, and found that 11 files did not include required documentation such as a risk assessment, a monitoring plan, a grants officer representative

---

<sup>15</sup> Federal Acquisition Regulation clause 52.246-21, "Warranty of Construction," allows the contracting officer to include a warranty clause in a fixed-price construction contract, which INL used for the contracted renovations and repairs. A warranty provisions clause states that the contractor warrants the work performed under the contract conforms to the contract requirements and is free of any defects in equipment, material, design, or workmanship. In addition, the warranty continues for a period of 1 year from the date of final acceptance of the work. Although not required, such clauses protect the Department when the completed work does not conform to the contract requirements or has defects. A warranty requires the contractor to remedy, at the contractor's expense, any failure to conform or for any defect.

<sup>16</sup> Grants reviewed by OIG were subject to the Department's Federal Assistance Directive (issued in May 2017) and the Federal Assistance Policy Directive (issued in March 2015, revised in January 2016).

<sup>17</sup> The embassy had not received the special self help funding for FY 2018 at the time of the inspection. The Public Affairs Section awarded and managed two foreign assistance awards totaling \$505,307, and OIG included its review of those files in the assessment of the public affairs grant files.

designation letter, and required closeout documents. However, during the inspection, the grants officer representatives found most of the missing documentation and added the documents to the grants files at OIG's direction. Moreover, the embassy included the required documents in the files for the more recent awards. OIG discussed specific requirements and deficiencies identified in each file with the grants officer and grants officer representative to ensure that staff fully understood the documentation requirements.

## **Public Diplomacy**

OIG reviewed public diplomacy operations in the areas of strategic planning and reporting, section leadership, resource management, federal assistance, media engagement, and exchanges and other cultural affairs programs and found that they advanced ICS goals. The Public Affairs Section supported the Ambassador's frequent interaction with the media. The section also actively engaged with the public through grants, exchanges, and American Spaces programs. These efforts focused on entrepreneurship, women's empowerment, and youth outreach to strengthen democratic institutions, promote economic development, and counter violent extremism. The embassy's public diplomacy activities took full advantage of Kenyans' interest in social media and study in the United States to increase understanding of American policies and society. OIG found the mission's public diplomacy activities met Department standards and guidance, with the exceptions noted below.

### ***Public Diplomacy Grants Lacked Timely Closeouts***

The section generally managed its grants program in compliance with Federal and Department requirements with the exception of timely closeouts of awards. The section issued 71 grants in FY 2016 totaling \$711,555; 97 grants in FY 2017 totaling \$445,610; and 23 grants in FY 2018, as of April 30, 2018, totaling \$109,448. OIG reviewed files for at least 10 percent of the grants awarded each year, including all those over \$10,000. OIG found 14 grants from FY 2016 and 31 grants from FY 2017 had not met closeout requirements, including financial reports and program assessments.<sup>18</sup> The section's principal grants officer had begun delegating additional grants responsibilities to LE staff who had been trained as grants officer representatives. However, much of the burden for tracking deadlines and collecting documentation fell to an administrative employee who had been covering the responsibilities of two positions for 2 years due to the Department's hiring freeze.<sup>19</sup> Notwithstanding the identified staffing limitations, this concern should be addressed, as failure to financially reconcile and evaluate the use of grants through required closeout procedures risks the misuse or waste of U.S. Government funds.

---

<sup>18</sup> Grants reviewed by OIG were subject to the Department's Federal Assistance Policy Directive (issued March 2015, revised January 2016) and the Procedural Guide for Grants and Cooperative Agreements to Non-Federal Entities Not Recognized as Foreign Public Entities (issued December 2015). On May 20, 2017, the Office of the Procurement Executive consolidated these two documents into the updated Federal Assistance Directive.

<sup>19</sup> A government-wide hiring freeze was first announced by the Office of Management and Budget on January 23, 2017. Secretary Pompeo officially lifted the hiring freeze on May 15, 2018.

**Recommendation 5:** Embassy Nairobi should close out its outstanding grants awards in compliance with Department standards. (Action: Embassy Nairobi)

***Some LE Staff Performance Evaluations Were Overdue***

Some LE staff in the Public Affairs Section did not receive timely annual performance evaluations. As of May 2018, the embassy reported that six staff performance evaluations for the Public Affairs Section LE staff had been submitted between 4 and 11 months after the due dates. Two LE staff members last received evaluations for work performed in 2016. As stated in 3 FAH-2 H-135.5a(2), supervisors are required to submit LE staff evaluations by the date established in the embassy's annual rating cycle. In addition to providing employee performance feedback, these evaluations are the basis for determining eligibility for promotion and salary increases. Delays in preparing, submitting, and processing performance evaluations could have financial repercussions, affect promotion prospects, and cause morale problems for the LE staff.

**Recommendation 6:** Embassy Nairobi should require Public Affairs Section supervisors to complete all locally employed staff performance evaluations in accordance with Department guidance. (Action: Embassy Nairobi)

***Public Affairs Grants Officer Signed Grants for Other Sections***

OIG found that a grants officer in the Public Affairs Section signed 13 grants totaling \$631,139 during the fourth quarters of FY 2016 and FY 2017 for the Political Section and the President's Emergency Plan for AIDS Relief Coordination Office. The grants officer took this approach because the other offices lacked officers with grants warrants or sufficient warrant levels. Nonetheless, the grants officer's administration of these awards was contrary to Department guidance, which states that public affairs grants officers should not serve as grants officers on awards that do not have an intrinsic public diplomacy objective in support of mission strategic goals.<sup>20</sup> The officer transferred 11 grants over to officers in the Political Section and the President's Emergency Plan for AIDS Relief Coordination Office once they received their warrants. However, the public diplomacy officer retained grants officer responsibility for two of the Political Section grants because the total value of each award exceeded the \$100,000 warrant level of that section's grants officer; the Public Affairs Section also took the position that retaining the grants was proper because both grants dealt with countering violent extremism, which is a shared strategic goal. Subsequently, though, the Public Affairs Section, working with the Political Section, brought all 13 grants into compliance with Department guidance. OIG advised the embassy to ensure that it had non-public diplomacy grants officers with appropriate grants warrant levels to award non-public diplomacy grants, especially during and immediately following the summer transfer season when fourth quarter funds are distributed.

---

<sup>20</sup> Applicable guidance was first stated in cable 15 STATE 22048, "Message From Under Secretary Stengel Regarding New Grants Policies for Public Diplomacy Officers," issued on March 3, 2015, and later captured in chapter 1.D.2.d of the Federal Assistance Directive, issued by the Department's Office of the Procurement Executive on May 20, 2017.

## Spotlight on Success: Media Literacy Campaign Combats Disinformation

The Public Affairs Section conducted an extensive media literacy campaign to combat disinformation targeted at the embassy during the Kenyan elections. The campaign, known as "YALI<sup>21</sup> Checks: Stop, Reflect, Verify," employed the full range of public diplomacy tools, including speakers, exchanges, videos, and online resources, to amplify a Bureau of International Information Programs initiative. Kenyan journalists from traditional and social media, including the blogging community, engaged in embassy programs to help Kenyans understand the role of responsible journalism and apply critical thinking skills to information they see on the internet. The Ambassador launched the campaign in March 2018 through extensive media efforts that included interviews with Kenyan and international media. In surveys conducted following "YALI Checks: Stop, Reflect Verify" programs, 100 percent of respondents said they gained a better understanding of how to recognize false news reports; more than 90 percent said they would recommend the program to friends. Expanding on the successes of the "YALI Checks" program, the embassy launched Africa's first academic institution for the study of social media development and trends, in partnership with U.S. International University–Africa in April 2018.

## Consular Services

OIG reviewed Embassy Nairobi's implementation and oversight of consular operations, including consular leadership, American citizen services, crisis preparedness, management controls, visa services and processing, and anti-fraud programs. The embassy provided consular services to five other countries in addition to Kenya. Embassy Nairobi processed immigrant visas for Burundi, Uganda, Eritrea, and South Sudan; nonimmigrant visas for South Sudan; and all consular services for Somalia. The diverse workload meant that Nairobi regularly conducted interviews in multiple regional languages and relied on interpreters, which required greater time for interviews.

Nearly all the countries served by Embassy Nairobi lacked reliable civil documents, which necessitated greater scrutiny and made casework more labor intensive. Additionally, many of the visa applicants from these countries were displaced from their home countries and resettled as refugees. The result was a visa workload of great complexity that required consular officers to be familiar with local customs, migration patterns, educational norms, and family habits of a wide range of cultures. Presidential Proclamation 9645<sup>22</sup> also required enhanced vetting of visa applicants and necessitated additional processes for approximately 20 percent of Nairobi's immigrant visa workload. These efforts were in addition to the security review that the Department of Homeland Security Visa Security Unit at Embassy Nairobi conducted on all visas issued.

Embassy Nairobi's consular personnel addressed these varied needs effectively and efficiently. Managers encouraged LE staff and consular officers to identify problems, propose solutions, and

---

<sup>21</sup> The Public Affairs Section launched the campaign with the Young African Leaders Initiative (YALI) Network.

<sup>22</sup> Presidential Proclamation, Enhancing Vetting Capabilities and Processes for Detecting Attempted Entry Into the United States by Terrorists or Other Public-Safety Threats, September 24, 2017.

develop more effective work practices. Except as described below, OIG found that all consular programs complied with guidance in 7 FAM, 9 FAM, 7 FAH, applicable statutes, and other Department policies.

### ***Consular Internal Controls Lacked Rigor***

OIG found that the Consular Section did not always meet required standards for internal controls. Specifically, officers performed fee reconciliation procedures that did not comply with end-of-day procedures in 7 FAH-1 H-726.2-5, and back-up officers did not always perform all necessary reconciliation activities. These deficiencies increase the risk that U.S. Government funds could be lost. OIG advised the embassy to amend its fee reconciliation procedures to meet FAH requirements or obtain the Department's approval for its non-standard procedure.

Consular managers responsible for reviewing visa and passport decisions of their subordinate officers did not always examine the minimum number of cases that 9 FAM 403 and 7 FAM 1368.1<sup>23</sup> require. When managers fall behind in reviewing consular decisions, it increases the risk that inappropriate decisions might pass unnoticed or uncorrected. OIG advised the embassy of the need to remain vigilant in reviewing consular decisions. OIG noted that managers had recently improved compliance and emphasized the importance of reviewing consular decisions.

OIG found that Nairobi used 25 different physicians to conduct the required medical exams for immigrant visa applicants. This number is approximately 10 times more than 9 FAM 302.2-3(E)(2)c recommends for posts with Nairobi's level of immigrant visa workload. Because 9 FAM 302.2-3(E)(3)f(2) requires consular managers to closely monitor and review the work of these physicians, using 25 physicians required more monitoring and review and increased the risk that managers might miss errors or other problems. OIG advised the embassy to reduce the number of physicians to a more manageable number appropriate for the size of Nairobi's immigrant visa workload. Consular managers, in consultation with the Bureau of Consular Affairs, developed a plan to do so.

The Department advised OIG that in fall 2017, the Consular Section had amassed a large backlog of American citizens services cases (passport applications and applications for consular reports of birth abroad) that had not been completed. The backlog resulted in delays in U.S. citizens receiving their passports and reports of birth abroad. Nairobi's consular managers addressed the problems, completed the cases, and eliminated the backlog before the inspection began. Consular managers also implemented procedures to more closely monitor the processing of American citizens services casework and improved staff training. OIG advised consular managers to institutionalize these improvements to reduce the risk that backlogs could again occur.

---

<sup>23</sup> The Department updated and moved this guidance to 8 FAM 1002.1-1 in June 2018.

### ***Consular Section Used Extensive Training and Outreach for Crisis Readiness***

Nairobi's consular crisis preparations were comprehensive, in line with the country's history of crime, political violence, and terrorism. For example, the Department's website, Travel.State.Gov, advises U.S. citizens traveling to or residing in Kenya to exercise increased caution due to crime and terrorism. Nairobi's ICS included an objective to expand outreach to U.S. citizens and to strengthen consular crisis preparedness. In the months leading up to the two contentious presidential elections in 2017, the Consular Section launched a comprehensive plan to improve its crisis readiness. That effort, which continued through OIG's inspection, included a wide range of activities to connect with U.S. citizens. Consular personnel held town hall meetings in five Kenyan cities where there was a concentration of U.S. citizen residents or tourists. On those trips, they met with local officials, hospital representatives, and U.S. citizen wardens.<sup>24</sup> The Ambassador appeared at many of these town hall meetings and hosted one at his residence. The section also held a conference in Nairobi for wardens from throughout Kenya. Consular personnel carried out a schedule of continuous training for all staff, and they conducted drills in which they practiced the roles they would play in a crisis. Consular personnel reached out to the Foreign Service Institute to help them craft a Nairobi-specific consular crisis exercise, and they participated in crisis exercises of the European Union and United Kingdom missions in Nairobi.

To test the consular staff's familiarity with crisis skills, consular personnel held a "Crisis Olympics" day, where staff members competed with each other to demonstrate their expertise operating satellite phones, using fly-away kits,<sup>25</sup> and manipulating crisis software. Consular staff practiced crisis roles at the embassy's alternate command center and during a crisis drill conducted during OIG's inspection. Finally, consular managers consolidated all crisis planning and readiness documents on a shared drive that was available to all consular staff and was accessible to officers from remote locations.

### **Spotlight on Success: Quarterly Trips to Deliver Consular Services to Somalia**

None of Embassy Nairobi's many responsibilities was more challenging than its mandate to assist U.S. citizens in Somalia. The embassy's ICS included a goal to improve consular capabilities in Somalia. The importance of this goal was underscored when two terrorist truck bombs exploded in Mogadishu in October 2017, killing hundreds of people, including three U.S. citizens. To improve its abilities to assist U.S. citizens, the Consular Section implemented a policy of quarterly consular visits to Somalia and made its first such visit in November 2017. The consular team met with Somali immigration officials to improve their ability to confirm the identity of travelers and with airline and hospital representatives to enhance assistance for U.S. citizens. The team appeared on Somali radio and online to clarify details about the diversity visa program, and they met with members of the Somali-American Parliamentarian Caucus of Somalia's Parliament to obtain input on how to improve consular services to U.S. citizens in

---

<sup>24</sup> According to 7 FAM 071, wardens are "individuals, usually but not always U.S. citizens resident in the host country, who volunteer to facilitate communication between the U.S. embassy/consulate and the U.S. citizen community."

<sup>25</sup> A fly-away kit, also known as a disaster assistance kit, contains the supplies, equipment, and information a consular officer would need in order to function off-site in an emergency.

Somalia. On that first trip, they also met with the next-of-kin of U.S. citizens killed in the October terrorist attack and engaged with U.S. citizen wardens who assisted U.S. citizens affected by that attack.

In a second quarterly visit to Mogadishu in March 2018, a consular team, for the first time, provided routine American citizens services to U.S. citizens; they delivered passports and consular reports of birth abroad and accepted passport applications. The team met with representatives of the Somali Ministry of Education and with hospital officials, and they participated in a radio interview to publicize the availability of consular services. In establishing these quarterly visits, Nairobi's consular team demonstrated that with thoughtful planning, a focused message, and by development of key contacts, consular services could be delivered in a dangerous environment.

## RESOURCE MANAGEMENT

---

OIG reviewed the general services, financial management, facility management, and human resources operations at the embassy. OIG found that the Management Section implemented some required processes and procedures in accordance with applicable laws and Department guidance. However, OIG also found instances of insufficient management oversight and internal control deficiencies in general services, financial management, and human resources, as detailed below.

### *ICASS Council Not Used Effectively*

OIG found that the embassy's Management Section did not follow Department guidance on the role of the ICASS<sup>26</sup> council. As outlined in 6 FAH-5 H-222.3, the ICASS council exercises oversight and leadership in its installation of the ICASS infrastructure and the administration of the ICASS system. However, the council did not meet regularly, and the section had no documentation of the council's involvement in key budget, policy, or staffing decisions related to ICASS. OIG advised the DCM and the Management Counselor that encouraging the council to lead in setting and administering ICASS policy—and communicating and taking responsibility for those policies—could help to hold agencies accountable for the costs and challenges of growth in embassy-wide staffing.

### *Information Management Position Not Programmed to ICASS*

OIG found that ICASS funded only one of the embassy's eight information management U.S. direct-hire positions, even though two positions in the section provided full-time support for other agencies. This finding is consistent with a 2015 review by the Department's Office of Management Policy, Rightsizing, and Innovation, which recommended that the embassy convert

---

<sup>26</sup> ICASS, established in 1997, is the principal means by which U.S. Government agencies share the cost of common administrative support services at more than 250 diplomatic and consular posts overseas. Through the ICASS working capital fund, service providers recover the cost of delivering administrative support services to other agencies at overseas missions, in accordance with 6 FAM 911 and 6 FAH-5 H-013.2.

one additional U.S. direct-hire position to an ICASS-funded position. However, Embassy Nairobi did not comply with that recommendation. In accordance with 6 FAH-5 H-341.9-1(B), ICASS costs should include salaries and benefits of all U.S. direct-hire and LE staff who deliver services to other agencies, the overhead associated with those staff, and the equipment required to provide services. According to 6 FAH-5 H-013.2, agencies are to pay their share of post administrative costs based on usage. Otherwise, the Department may be subsidizing the operations of other U.S. Government agencies.<sup>27</sup>

**Recommendation 7:** Embassy Nairobi, in coordination with the Bureau of African Affairs and the Bureau of the Comptroller and Global Financial Services, should reprogram one program-funded information management position to an International Cooperative Administrative Support Services-funded position in accordance with Department guidelines and put \$81,331 to better use. (Action: Embassy Nairobi, in coordination with AF and CGFS)

## General Services

### *Embassy Lacked an Annual Acquisition Plan*

Embassy Nairobi did not have an annual acquisition plan. The Management Section sought inputs from embassy sections to forecast contracting requirements for FY 2018 and the beginning of FY 2019 but received no response. In addition, the Management Section did not seek input from the U.S. Mission to Somalia, although the mission subscribes to Embassy Nairobi's contracting services. As a result of this lack of information the embassy did not have an acquisition plan. Moreover, a fuel contract integral to Mission Somalia's operation lapsed. Federal Acquisition Regulation 7.102(a) requires acquisition planning to be performed for all purchases, and 14 FAM 221.1b requires that advanced acquisition plans must be submitted for all actions that exceed the threshold of \$100,000. In FY 2017, Embassy Nairobi processed 24 actions over the \$100,000 threshold, valued at more than \$8 million, without an advanced acquisition plan. Without an annual acquisition plan, the embassy cannot determine optimal contracting methods or plan ahead to ensure there is no lapse in services.

**Recommendation 8:** Embassy Nairobi should prepare an annual acquisition plan and obtain input from the U.S. Mission to Somalia on its plan. (Action: Embassy Nairobi)

### *Procurement Section's Contract Files Complied with Department Standards*

OIG reviewed files for 12 of 22 FY 2017 active contracts, which are maintained by the embassy's procurement section. These files document the basis for acquisitions and awards valued at more than \$113 million. OIG found that all files reviewed were in compliance with documentation requirements outlined in 14 FAH-2 H-573.3. OIG also found that the procurement section

---

<sup>27</sup>OIG's Management Assistance Report on information management positions estimated annual cost savings to the Department of \$81,331 for each position converted to ICASS. See OIG, *Management Assistance Report: Cost of Information Management Staff at Embassies Should Be Distributed to Users of Their Services* (ISP-17-23, April 2017).

instituted standard operating procedures that helped it to improve its contracting process and ensure the completeness of contract files.

***Contracting Officer Representatives Did Not Administer Contracts in Accordance With Department Standards***

OIG reviewed COR files for 17 of 22 contracts with a total value of over \$116 million and found that the CORs did not perform their duties or maintain their files in accordance with Department standards, despite having the required training. Specifically, most CORs did not document invoice approvals, and none of them conducted assessments of the contractor's performance. Extensive guidance explains that these are key COR responsibilities. Guidance in 14 FAM 222c(1, 2), for example, states that the COR is the primary individual assigned to monitor a contract and evaluate the contractor's performance. Furthermore, guidelines in 14 FAH-2 H-142 outline those responsibilities, which include monitoring the contractor's technical progress and the expenditures relating to the contract. In addition, as stated in Federal Acquisition Regulation 42.1502(a), past performance evaluations shall be prepared annually and entered into the contractor performance assessment reporting system. Failure to comply with these provisions increases the risk of excessive costs, misuse of U.S. Government resources, and substandard contractor performance.

**Recommendation 9:** Embassy Nairobi should require all contracting officer representatives to administer their contracts in accordance with Department standards. (Action: Embassy Nairobi)

***Progress in Electronic Filing of Acquisitions but Backlog Remained***

The embassy had not met the Department's March 31, 2015, deadline<sup>28</sup> for implementing the Department's electronic filing system for simplified acquisitions. In particular, Department cable 14 STATE 111542 requires that all simplified acquisitions be documented using the electronic filing system in the Integrated Logistics Management System, thereby eliminating the need to maintain paper files. The procurement section did not, however, implement the electronic filing system until the arrival of the current procurement officer in July 2016. The procurement section had been working to clear the backlog, but, notwithstanding Department guidance, most files were still pending financial certification, a key step in the close-out process. At the time of the inspection, 1,778 of 4,038 files were awaiting financial certifications, and 1,557 were awaiting the contracting officer's close out. Failure to clear the backlog creates inaccuracies in Department records and increases the risk of internal controls deficiencies in procurement operations.

**Recommendation 10:** Embassy Nairobi should clear its electronic filing backlog in accordance with Department guidelines. (Action: Embassy Nairobi)

---

<sup>28</sup> Cable 14 STATE 111542, "A/OPE and A/LM/PMP Electronic Filing (eFiling) Deployment," September 16, 2014.

### ***Embassy Risked Paying Contractors for Make-Ready Services Not Rendered***

Embassy Nairobi awarded five contracts for residential make-ready<sup>29</sup> work with a total estimated value of more than \$12 million, a value that will likely be higher than the amount of work required. The contracts guaranteed each contractor a minimum of 20 residences per year. The contracts were in their base year at the time of inspection and due for renewal in August 2018. Although the procurement section closely monitored the contracts to ensure that each contractor received its minimum number of residences, the embassy's make-ready schedule showed that the embassy could likely guarantee only 15 residences per contractor through the end of the base year. Unless other residences became available for the make-ready process before August, the embassy will have to pay the contractors for work not performed. As stated in Federal Acquisition Regulation 16.504(a)(2, 4) and 16.504(b), the minimum quantity of services should not exceed the amount that the U.S. Government is fairly certain to order, and it is inadvisable for the Government to commit itself for more than the minimum quantity. By setting the minimum requirement too high, the embassy runs the risk of paying contractors for services not rendered.

**Recommendation 11:** Embassy Nairobi should renegotiate the terms of the five make-ready contracts and lower the minimum number of residences guaranteed to each of the contractors. (Embassy Nairobi)

### ***Drivers Lacked Training and Medical Certifications***

Embassy Nairobi did not adhere to the Department's motor vehicle safety standards, which require safety training and medical clearances for all drivers and incidental operators. As stated in 14 FAM 432.4c(1, 2), embassies that employ professional drivers or authorize incidental operators to self-drive official vehicles must implement the Department's motor vehicle safety management program for overseas posts.<sup>30</sup> Of the 394 professional drivers and incidental (self-drive) operators, however, 65 were pending safety training, and 154 lacked medical clearances. OIG found that this occurred because the motor vehicle accountable officer did not implement controls to ensure that only properly trained and medically-cleared drivers operated official vehicles. Inadequate oversight of motor pool operations can lead to motor vehicle accidents and increase the embassy's risk of liability.

---

<sup>29</sup> Make ready is the process of preparing a property for occupancy. Make-ready services typically include painting the interior walls, cleaning the floors, as well as placing furniture and hanging curtains. 6 FAH-5 Exhibit H-524 4, "What is Make-Ready?"

<sup>30</sup> The Department's motor vehicle safety program for overseas posts requires all professional drivers and incidental operators to receive safety training upon initial assignment of an official vehicle and at least every 2 years thereafter. The program also requires that all chauffeurs be medically cleared every 2 years and that incidental drivers be medically cleared every 4 years.

**Recommendation 12:** Embassy Nairobi should bring all professional drivers and incidental operators into compliance with the Department’s standards for motor vehicle safety management. (Action: Embassy Nairobi)

### Spotlight on Success: Drive-Cam Program Improved Driver Safety

Embassy Nairobi operates the largest Drive-Cam Program of the 22 participating diplomatic posts worldwide and has used the program to improve motor pool drivers’ performance and reduce the number of accidents. Since implementing the program, the embassy saw a reduction of 78 percent in severity and 79 percent in frequency of risky driving incidents. This is because Embassy Nairobi required drivers to take safety refresher training for each incident that was captured by the Drive-Cam. In May 2018, the Bureau of Overseas Buildings Operations (OBO) Office of Safety Health and Environmental Management gave the embassy a Department award in recognition of its record of improving driver performance. Embassy management and the Front Office have been fully engaged in supporting the program and ensuring training to improve driver performance.



Figures 3 and 4: Drive-Cam photos. (Source: Embassy Nairobi)

### *Embassy Ended Use of Motor Pool Shuttle That Did Not Comply with Department Standards*

During the inspection, Embassy Nairobi ended a home-to-office motor pool shuttle service that lacked written justification by the Ambassador for use of embassy vehicles. Guidance in 14 FAM 433.3-1 allows the Chief of Mission to approve other authorized use of official vehicles only when public transportation is unsafe or not available or when such use is advantageous to the U.S. Government. OIG informed management of this deficiency, and the Management Section issued a policy that halted this use of the motor pool; OIG therefore did not make a recommendation.

### *Residences Not Certified for Occupancy*

OIG found that 248 of 275 residences were not certified for occupancy by the Post Occupational Health and Safety Officer (POSHO) or the RSO. Although residential surveys were conducted, the

files lacked POSHO program certification showing that hazards had been effectively controlled or eliminated, as required by 15 FAM 252.5 and 15 FAM 252.5c. OIG also found that the Regional Security Office did not document security work performed to bring residences up to security standards as required in 12 FAM 473.2-1a.(1-3).<sup>31</sup> Management was aware of the issue and stated that all new residences were being certified for occupancy. OIG reviewed 26 residences that were recently added to the housing pool and found that they were all certified for occupancy by the current POSHO and RSO; however, certification had not been completed for houses already in the pool. During the course of the inspection, the RSO developed an action plan for the summer 2018 transfer season that would guarantee that 30 residences would be certified prior to occupancy. Although OIG acknowledges the embassy's efforts to address this issue, a comprehensive remedial plan to address a lack of documentation in houses already in the pool is necessary. The failure to properly document required residential safety and security reviews prior to occupancy creates potential life and safety vulnerabilities in the residential security and safety programs.

**Recommendation 13:** Embassy Nairobi should establish a comprehensive corrective action plan to certify all residences for occupancy in accordance with Department standards. (Embassy Nairobi)

### ***Residential Leases Did Not Meet Department Standards***

OIG reviewed all residential leases and found 42 of 187 did not comply with Department standards. Of the 42 noncompliant leases, OIG found 30 leases did not use the Department's model lease but instead had been amended when they were renewed. Other leases used the model lease, but specific articles within the leases had been modified to reduce landlord responsibilities for maintenance. Permitting these amendments and modifications did not comply with 15 FAM 343a, which states that renegotiation of a lease requires the execution of a new lease document. In addition, the section failed to follow requirements in cable 17 STATE 52956<sup>32</sup> regarding landlord responsibilities. The cable also requires that any deviation from the model lease language must be formally approved by the OBO Office of Real Property Leasing, but the embassy did not seek OBO approval. OIG notes that the approach taken had harmful consequences, as landlords refused to perform maintenance because it was not specified in the leases. Failure to follow the model lease improperly transfers responsibilities from landlords to the embassy.

**Recommendation 14:** Embassy Nairobi should renegotiate all residential leases that do not comply with Department guidance and use the model lease as required by Department standards. (Action: Embassy Nairobi)

---

<sup>31</sup> The Department updated and moved this guidance to 12 FAM 333.2-1 in July 2018.

<sup>32</sup> Cable 17 STATE 52956, "Maintenance and Repairs of Leased Properties," May 26, 2017. The cable issued new requirements for changes to be made to the model lease.

### *Property Leases Signed Without Proper Authority*

The RSO signed two leases for a property to use as a tactical holding facility for the Special Program for Embassy Augmentation and Response team, a host government tactical reaction force available to respond to threats to embassy security. The leases did not comply with Department guidance contained in 15 FAM 312.2 through 15 FAM 312.7 as follows:

- The Regional Security Office was not authorized to sign the leases.
- The leases did not conform to OBO's model lease language.
- The POSHO did not inspect and certify the property prior to leasing.
- OBO and the Bureau of Diplomatic Security did not approve the leases.
- The leases were not entered into the embassy's real property application system.

Embassy officials told OIG they did not follow the required leasing procedures because of the urgent need to stand-up the tactical response team before national elections in August 2017, when there was heightened potential for political violence and civil unrest. Even acknowledging these concerns, the lease should be modified now, as failure to follow required leasing procedures weakens management controls in determining the safety of properties for occupancy and diminishes the Department's accountability and oversight of its overseas property holdings.

**Recommendation 15:** Embassy Nairobi should execute a new lease for the tactical holding facility in accordance with Department leasing procedures. (Action: Embassy Nairobi)

### *Multiple Deficiencies in Property Management*

In FY 2017, Embassy Nairobi reported a shortage of 10.6 percent in its non-expendable inventory,<sup>33</sup> valued at \$2.8 million, which exceeded the Department's 1 percent threshold for shortages. The embassy convened a property survey board<sup>34</sup> as required by 14 FAM 416.5 and also reported the shortage as a significant deficiency in its annual Chief of Mission Statement of Assurance. As a result, the embassy requested an investigation into the losses to determine whether there was theft or fraud. The investigation led to the termination of five LE staff within the property management section in April 2017. In February 2018, at the embassy's request, the Bureau of Administration conducted an Integrated Logistics Management System tune-up<sup>35</sup> to improve processes and strengthen internal controls. The Integrated Logistics Management

---

<sup>33</sup> Non-expendable property is property of a durable nature with an anticipated useful life of over 2 years. See 14 FAM 411.4.

<sup>34</sup> As required by 14 FAM 416.5-2a, the property survey board acts on reported instances of missing, damaged, or destroyed U.S. Government-owned expendable and nonexpendable property referred by the property management officer. The board has the authority to determine the extent of liability for property that is missing, damaged, or destroyed as a result of negligence, improper use, or willful action.

<sup>35</sup> The tune-up service, administered by the Bureau of Administration, provides missions with more than 95 hours of hands-on Integrated Logistics Management System training and establishes a transformation plan for improvements.

System team also provided the embassy with a transformation plan and a list of recommendations to implement.

In FY 2018, Embassy Nairobi reported a shortage of 3.4 percent, valued at \$800,000. Although this amount was an improvement over the preceding year, it still exceeded the 1 percent threshold. Accordingly, the embassy once again convened a property survey board and established a corrective action plan. In its plan, the embassy stated that the scheduled move to a new warehouse in 2018 would reduce the current inventory and allow for better tracking due to the warehouse's proximity to the embassy. The embassy also planned to implement the Integrated Logistics Management System's new annual inventory modernization initiative, which promises to improve property management processes and strengthen management controls. OIG acknowledges the embassy's efforts, including its implementation of standard operating procedures and training staff on the use of the Integrated Logistics Management System, but OIG nonetheless found additional deficiencies and areas of weaknesses as detailed below.

### ***Excessive Inventory in Warehouse and Office Buildings***

According to Embassy Nairobi's inventory listing, the embassy maintained more than \$26 million in non-expendable inventory; of that amount, \$14 million should be disposed of or replaced, as the date for replacing these assets had passed. For example, OIG found assets in the warehouse and residences that were due to be replaced in 1984 but were still in the inventory. OIG also noted that a number of assets had inaccurate dates of replacement. As set forth in 14 FAH-1 H-711, property that is not required, or is in such a condition that economical repairs cannot be made, should not be allowed to accumulate in offices or warehouses. In addition, 14 FAM 411.2-2b(8) requires the accountable property officer to conduct an annual utilization survey to ensure that property is correctly assigned and cared for and to identify unneeded property for reassignment. Notwithstanding these requirements, the property section had never conducted an annual utilization to identify obsolete items or replace aging assets. Excessive inventory creates an administrative burden for the property management staff and stresses internal controls. Moreover, funds from the sale of items in the obsolete inventory could be put to better use.

**Recommendation 16:** Embassy Nairobi should conduct a utilization survey and sell or dispose of excess inventory in accordance with Department standards, and put up to \$14 million to better use. (Action: Embassy Nairobi)

### ***Embassy Did Not Conduct Spot Checks at Warehouse, Resulting in Multiple Deficiencies***

OIG conducted a random spot check of warehouse assets, reviewing 27 assets with a total value of more than \$500,000, and found deficiencies, as detailed below:

- Four assets had been auctioned or removed from the warehouse but were never disposed of in the inventory system using the DS-132 form as required by 14 FAM 411.2-3c(1).

- At least nine assets had been transferred to different locations, but the transfer had not been documented in the inventory system using the DS-584 form as required by 14 FAM 414.3a.
- Two assets did not have inventory tags as required by 14 FAH-1 H-312.8-2a and belonged to agencies that did not subscribe to warehouse operations.

Guidelines in 14 FAM 411.2-2c state that the accountable officer is responsible for conducting periodic, unannounced spot counts of expendable and nonexpendable property in the warehouse to verify the accuracy of property records. The embassy, however, was unable to provide OIG with evidence that it conducted spot checks. Failure to conduct and document regular spot checks leaves the embassy vulnerable to theft and hinders accurate property inventories.

**Recommendation 17:** Embassy Nairobi should conduct spot checks of all of its expendable and non-expendable property in accordance with Department standards prior to moving to its new warehouse. (Action: Embassy Nairobi)

### ***Residential Inventories Not Certified***

OIG reviewed 14 of 275 residential inventory files and found that 7 of the 14 did not comply with Department standards because the inventories had not been signed by the occupants. As stated in 14 FAM 416.3a, a separate inventory file must be created for each residence, the physical inventory of property assigned to the residence must be taken at the time of a change in occupancy, and all parties must sign the inventory. Although the embassy conducted 100 percent residential inventories as part of its corrective action plan to address inventory shortages, the property staff did not sign to certify the transfer of property or obtain signatures from the occupants to certify receipt of property. Without such documentation, the embassy may not be able to hold occupants financially liable for missing or damaged property.

**Recommendation 18:** Embassy Nairobi should ensure that all residential inventories are accounted for and documented in its files in accordance with Department guidelines. (Action: Embassy Nairobi)

## **Financial Management**

### ***Payments Made to Domestic Employees of Another Agency Without Proper Documentation***

From April 2017 to April 2018, Embassy Nairobi used official funds to pay for services of private domestic employees of another agency, contrary to Department guidance. The embassy used Department of Defense (DoD) funds to pay for private employment agreements between DoD personnel and local nationals for services provided at the residences of DoD personnel. Each agreement stated that the local national was "not an employee of the Embassy of the United States or any agency thereof." These payments were inconsistent with 4 FAM 082.6(1), which requires Financial Management Officers to ensure that a legally obligating document is present

prior to certifying payment. These documents did not so qualify. Instead, payments were made pursuant to private agreements that were not federal contracts per the Federal Acquisition Regulation; moreover, the DoD memo providing the funds was not a legally obligating document in accordance with cable 11 STATE 100167<sup>36</sup> on providing financial services for DoD entities. Because the Financial Management Officer did not ascertain whether legally obligating documentation was in place, official funds were misused for these private agreements.

**Recommendation 19:** Embassy Nairobi should terminate official payments for private domestic staff without legally obligating documentation. (Action: Embassy Nairobi)

### ***Embassy Lacked Procedures to Track and Collect Employee Receivables***

Embassy Nairobi had no procedure to record and track employee receivables, such as charges for personal cell phone use, missing or damaged residential furniture, or home-to-office transportation, as required by 4 FAM 033.2-6 and 4 FAM 232.1-2 through 4 FAM 232.1-7. Billing was decentralized and handled by several offices, including the General Services and IRM Offices, but the Financial Management Office was not included in their accounting and billing processes. Lack of standard procedures to record and track employee receivables increases the risk of loss of funds that should be reimbursed to the U. S. Government and may facilitate the misuse of government resources.

**Recommendation 20:** Embassy Nairobi should develop and implement standard procedures to accurately track and record employee receivables in accordance with Department requirements. (Action: Embassy Nairobi)

### ***Subcashing Program Did Not Comply with Department Guidelines***

The embassy's subcashing program was not conducted in accordance with Department guidelines. OIG identified several concerns. Supervisors of the embassy's 21 subcashiers did not comply with Department requirements to conduct unannounced cash verifications at monthly or quarterly intervals. In addition, the embassy's Class B cashiers documented the required verifications for only 2 of 21 designated subcashiers.<sup>37</sup> Requests from other agencies for the designation of subcashiers did not include justifications and were not approved by the Department's Class B Cashier and Management Officer, as required by 4 FAH-3 H-399.1-2. Subcashiers with advances equivalent to \$1,000 or more did not use automated cashing programs to document unannounced cash verifications, as required by the Bureau of the Comptroller and Global Financial Services' Cashier User Guide.<sup>38</sup> The deficiencies OIG identified resulted primarily from a lack of specific guidance from the Financial Management Officer and a

---

<sup>36</sup> Cable 11 STATE 100167, "Providing Financial Services for Non-Serviced DoD Activities and Entities Operating Overseas," October 5, 2011.

<sup>37</sup> In accordance with 4 FAH-3 H-397.2-3, an unannounced verification of subcashier funds is required at least monthly when the advance amount is \$1,000 or greater, or quarterly if the amount is less than \$1,000.

<sup>38</sup> The Cashier User Guide 13.5.2.3, "ACP Subcashier Verification Procedures," June 26, 2017.

lack of training for U.S. direct-hire supervisors of subcashiers. These issues should be addressed, as failure to comply with program requirements increases the risk of misuse or loss of funds.

**Recommendation 21:** Embassy Nairobi should bring the subcashiering program into compliance with Department requirements. (Action: Embassy Nairobi)

### ***Lack of Effective Procedures to Review Unliquidated Obligations***

OIG found that Embassy Nairobi lacked written procedures to identify and efficiently deobligate financial obligations that were no longer valid. As required by 4 FAM 225a, each officer responsible for managing, tracking, and obligating allotted funds must establish procedures to review documentation supporting unliquidated obligations and take actions to deobligate the obligations as appropriate. The Financial Management Office, however, had no information to determine the validity of aging obligations due to a lack of responses from serviced offices and the lack of written guidance to require the Financial Management Office to review unliquidated obligations. Failure to review financial obligations and deobligate unused funds promptly results in the waste of Federal funds.

**Recommendation 22:** Embassy Nairobi should implement written procedures to review unliquidated obligations, including deobligating all funds when offices do not provide documentation that the obligations are valid. (Action: Embassy Nairobi)

### ***Review of Inactive Unliquidated Obligations Was Overdue***

Embassy Nairobi had unliquidated financial obligations of \$19 million as of April 30, 2018, including \$5.5 million in the U.S. Mission to Somalia's accounts for which the embassy provided financial services. The total included 274 open obligations totaling \$1.7 million that had no expenditures since FY 2016. Unliquidated obligations with no activity in over one year must be targeted and deobligated unless they can be documented as valid obligations in accordance with 4 FAM 225d. However, the offices which had been allocated these funds had not responded to the Financial Management Office's queries as to whether the aging obligations remained valid; thus, the obligations remained open. Failure to review and deobligate unliquidated obligations results in an accumulation of funds which can be put to better use.

**Recommendation 23:** Embassy Nairobi should review all unliquidated obligations with no activity for over one year, deobligate those that are no longer valid in accordance with Department standards, and put up to \$1.7 million to better use. (Action: Embassy Nairobi)

## **Human Resources**

### ***American Employee Association Payroll Service Did Not Meet Department Standards***

In February 2018, as a service to the Ambassador and DCM, the American Employee Association began processing payroll for the Ambassador's and DCM's official residence staff. The Department's Office of Commissary and Recreation Affairs advised the association that, in order

to comply with relevant standards, the association should seek local legal advice, offer the same service to all members, and charge a fee to ensure the service was not subsidized by other cost centers in accordance with 6 FAM 531.5. However, the association had not completed these steps. Without doing so, the employee association risks assuming unknown liabilities and subsidizing a service at the expense of other members.

**Recommendation 24:** Embassy Nairobi should cease using the American Employee Association to provide payroll services for official residence staff until it has complied with the requirements of 6 Foreign Affairs Manual 500. (Action: Embassy Nairobi)

### *Per Diem Rates for Kenya Localities Were Out of Date*

Foreign per diem rates for some listed localities in Kenya had not been updated since 2008, and others had not been updated since 2012. The embassy had not submitted the data used to establish maximum rates for lodging and meals and incidental expenses for Nairobi since 2011. Department Standardized Regulations, Section 074, requires embassies to submit surveys with current hotel and restaurant pricing data to the Office of Allowances every 2 years or when justified by substantial changes in costs. This data is evaluated by the Department and used to establish accurate per diem rates, which are published for use by all Federal agencies. Embassy management told OIG it was unaware that per diem information was out-of-date. Outdated per diem rates can cause official travelers to be reimbursed for travel expenses at an inaccurate rate.

**Recommendation 25:** Embassy Nairobi should submit the hotel and restaurant report for all listed localities in Kenya to the Office of Allowances. (Action: Embassy Nairobi)

## INFORMATION MANAGEMENT

---

OIG reviewed the embassy's Information Resource Management Office programs, including classified, unclassified, dedicated internet networks; communications and cybersecurity; emergency communications readiness; satellite, radios, and telephone systems; mobile computing; records management; diplomatic post office and pouch services; and the regional diplomatic courier hub. The information technology platform supported more than 1,400 employees at 16 sites in Nairobi and the U.S. Mission to Somalia in Mogadishu.

Since 2017, the IRM Office implemented several technology upgrades that helped to advance embassy operations and goals by improving connectivity between the embassy and remote office locations and outfitting the new alternate command center. The section also provided effective remote management and on-site technical systems maintenance for Mission Somalia. Based on ICASS survey scores, OIG's survey questionnaire, and interviews, OIG found high customer satisfaction with IRM support and determined that IRM services generally complied with 5 FAM 120. However, OIG identified deficiencies in information systems security, records management, and inventory management, as discussed below.

## Information Systems Security

### *Information Systems Security Reviews Were Not Performed*

Information Systems Security Officers (ISSO) were not performing regular reviews and analysis of information systems and mobile devices for indications of inappropriate or unusual activity, as required by 12 FAM 613.10-1. OIG issued a management assistance report<sup>39</sup> in May 2017 that highlighted widespread Department failures to perform ISSO duties. In a subsequent cable, 17 STATE 104970,<sup>40</sup> the Department directed diplomatic posts to prioritize resources to ensure compliance with mandatory ISSO responsibilities. Notwithstanding the cable, the embassy ISSOs stated that they were not performing these duties because of competing priorities. Continued failure to perform these duties, however, places the security of the Department's systems at risk.

**Recommendation 26:** Embassy Nairobi should perform all Information Systems Security Officer duties, including consistent reviews, in accordance with Department standards. (Action: Embassy Nairobi)

### *Information Systems Were Vulnerable to Compromise*

Embassy Nairobi had not implemented corrective measures for vulnerabilities in information systems that had been identified in recent cybersecurity reviews. From January to March 2018, the embassy underwent two Bureau of Diplomatic Security reviews and one Bureau of Information Resource Management review.<sup>41</sup> All three assessments itemized specific information systems vulnerabilities that required immediate corrective measures. OIG confirmed, however, that the embassy ISSOs and security engineers had not complied with these recommendations, which implicated 5 FAH-2 H-128.5 responsibilities to adequately resolve physical security protection deficiencies of OpenNet and dedicated internet network computers at remote staff offices or in residential offices, due to a lack of coordination and effort. The continued inattention to resolving Department recommendations<sup>42</sup> results in undue risk and potential compromise to Department information systems.

**Recommendation 27:** Embassy Nairobi, in coordination with the Bureau of Diplomatic Security and the Bureau of Information Resource Management, should remediate all physical cybersecurity recommendations from Department reviews. (Action: Embassy Nairobi, in coordination with DS and IRM)

---

<sup>39</sup> OIG, *Management Assistance Report: Non-Performance of Information Systems Security Officer Duties by Overseas Personnel* (ISP-17-24, May 2017).

<sup>40</sup> Cable 17 STATE 104970, "Documenting Information Systems Security Officer (ISSO) Duties," October 18, 2017.

<sup>41</sup> Regional Information Management Center Frankfurt, "RISSO Review – Nairobi," January 2018.

<sup>42</sup> OIG, *Management Assistance Report: Deficiencies Reported in Cyber Security Assessment Reports Remain Uncorrected* (ISP-17-39, July 2017).

## Records Management and Storage

### *Records Management Program Did Not Comply with Department Standards*

Embassy Nairobi's records<sup>43</sup> management program did not comply with Department standards for records organization, oversight, and retirement. For example, the embassy did not organize electronic and paper files according to traffic analysis by geography, relationship, and subject per 5 FAM 415.2c. In addition, the embassy delegated records management responsibility to each section, but none of those sections had assigned a responsible person per 5 FAH-4 H-215.3-2 and 5 FAM 414.5b. Lastly, the embassy did not dispose of records in accordance with 5 FAM 433 and Department cables.<sup>44</sup> OIG discovered official records holdings dating back to 1997, some with no apparent purpose or value, which should have been retired or destroyed. Without a records management program that complies with organization, oversight, and records retirement standards, the mission is vulnerable to inefficient information retrieval and potential loss of critical documentation.

**Recommendation 28:** Embassy Nairobi should implement a records management program that complies with Department standards. (Action: Embassy Nairobi)

### *Inactive Records Storage Area Did Not Meet Environmental Protection Standards*

Embassy Nairobi had inactive records stored at the chancery, the U.S. Agency for International Development annex, the old warehouse, and the large basement of a leased residential compound. OIG found that the residential compound basement did not meet 5 FAH-4 H-318.2 environmental protection standards for storage areas, as it was vulnerable to insects, dampness, vermin, and flooding. Notwithstanding these deficiencies, the embassy planned to consolidate all mission inactive records in that basement because the new warehouse did not have any available space. Continued records storage at the residential compound basement without meeting environmental protection requirements could lead to further damage to vital records, some of which must be retained for seven years. In addition, all future records stored in this location could be vulnerable to similar damage.

---

<sup>43</sup> Official records in 44 U.S.C. Ch. 33 § 3301 "includes all books, papers, maps, photographs, machine readable materials, or other documentary materials, regardless of physical form or characteristics, made or received by an agency of the United States Government under Federal law or in connection with the transaction of public business and preserved or appropriate for preservation by that agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the Government or because of the informational value of data in them."

<sup>44</sup> Cable 14 STATE 128030, "State Department Records Responsibilities and Policy," October 30, 2014; cable 18 STATE 11006, "Policy and Procedures for the Use of Electronic Messaging Applications in the Conduct of State Department Business," February 5, 2018; and, cable 18 STATE 42344, "Records Management Requirements for Messaging Services and Social Media," May 3, 2018.

**Recommendation 29:** Embassy Nairobi should upgrade the residential compound basement storage area to meet environmental standards or identify a suitable location for inactive records storage. (Action: Embassy Nairobi)

## Communications Systems

### *Monthly Emergency Action Committee Radio Network Testing Not Completed*

Embassy Nairobi was fulfilling most monthly communications equipment testing requirements, but was not complying with the monthly testing requirement for the encrypted emergency action committee radio network, as required by 5 FAH-2 H-732.7. OIG found that this testing was not performed because IRM personnel and the emergency action committee chair made no proactive effort to coordinate with committee members for monthly equipment and encrypted network tests. Without testing the encrypted emergency action committee radio network, the embassy could not ensure that emergency action plan needs could be met, thus risking the embassy's preparedness in the event of an emergency.

**Recommendation 30:** Embassy Nairobi should implement monthly testing of the emergency action committee radio network, in accordance with Department standards. (Action: Embassy Nairobi)

### *Emergency Action Plan Communications Appendix Not Accurate*

The embassy did not have an accurate communications appendix in the emergency action plan, as required in 12 FAH-1 Appendix 7.1<sup>45</sup> and 12 FAH-1 H-024.8. The embassy had not fully updated the appendix with all recent changes to the emergency and evacuation radio networks or documented all portable satellite assets. The IRM Office told OIG that these updates were not completed due to competing priorities. A properly documented emergency action plan is crucial, however, as it allows embassies to operate effectively in the event of a disaster or unforeseen incident. Without an accurate communications appendix, the embassy risks poor preparation for an emergency.

**Recommendation 31:** Embassy Nairobi, in coordination with the Bureau of Information Resource Management, should update the communications appendix in the emergency action plan. (Action: Embassy Nairobi, in coordination with IRM)

## Inventory Management

### *Embassy Mobile Devices Inventory Was Incomplete*

Embassy Nairobi did not have an accurate inventory of its accountable mobile devices and encrypted flash drives. The embassy established standard operating procedures for managing and tracking such mobile devices as required in 14 FAM 414.3b but did not conduct an annual

---

<sup>45</sup> The Department updated and moved this guidance to 12 FAH H-782 in July 2018.

validation by serial number, as also required. According to the mobile computing office supervisor and information systems center staff, previous inventories had been conducted incorrectly. Inadequate inventory controls create the potential for fraud and mismanagement of government property, as well as a security vulnerability.

**Recommendation 32:** Embassy Nairobi should implement its standard operating procedures for managing and tracking mobile devices and encrypted flash drives, as required by Department standards. (Action: Embassy Nairobi)

***Obsolete Classified Equipment Not Disposed of In Accordance with Department Standards***

OIG discovered 60 obsolete and excess sensitive pieces of information technology equipment occupying secure storage space and staff offices within the post communications center and diplomatic pouch vault. This storage did not comply with guidance for decertification, decommissioning, and disposal of this equipment contained in 12 FAH-6 H-633.5-9. The embassy told OIG that competing workload demands had prevented them from disposing of old assets. Excessive inventory adds security risks and occupies limited storage space and staff offices.

**Recommendation 33:** Embassy Nairobi should dispose of obsolete sensitive information processing equipment, in accordance with Department guidance. (Action: Embassy Nairobi)

## 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 Embassy Nairobi and the Bureau of International Narcotics and Law Enforcement Affairs. The Department's complete responses can be found in Appendix B.

**Recommendation 1:** Embassy Nairobi should review and update its process for preparing the annual Statement of Assurance prior to preparing its 2018 statement, in accordance with Department guidance. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the embassy updated the process for preparing its annual Statement of Assurance.

**Recommendation 2:** Embassy Nairobi, in coordination with the Bureau of African Affairs, should develop a foreign assistance coordination process for use by the embassy and all Department bureaus to ensure all assistance programming receives chief of mission approval prior to implementation. (Action: Embassy Nairobi, in coordination with AF)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of a foreign assistance coordination process to ensure all assistance programming receives chief of mission approval prior to implementation.

**Recommendation 3:** The Bureau of International Narcotics and Law Enforcement Affairs, in coordination with Embassy Nairobi, should designate a contracting officer representative with the appropriate technical experience required to review and certify construction work in Kenya in accordance with Department standards. (Action: INL, in coordination with Embassy Nairobi)

**Management Response:** In its October 16, 2018, response, the Bureau of International Narcotics and Law Enforcement Affairs concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation the bureau designated a contracting officer representative with the appropriate technical experience required to review and certify construction work in Kenya in accordance with Department standards.

**Recommendation 4:** The Bureau of International Narcotics and Law Enforcement Affairs, in coordination with Embassy Nairobi, should determine if the defective renovations identified in the building intended for the Kenyan police unit can be classified as latent defects, fraud, or gross mistakes amounting to fraud, as outlined in the contract terms and conditions, and if so, require the contractor to correct the deficiencies at no cost to the U.S. Government, in accordance with the Federal Acquisition Regulation. (Action: INL, in coordination with Embassy Nairobi)

**Management Response:** In its October 16, 2018, response, the Bureau of International Narcotics and Law Enforcement Affairs concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the bureau's determination regarding the defective renovations and if required, the contractor corrects the deficiencies at no cost to the U.S. Government, in accordance with the Federal Acquisition Regulation.

**Recommendation 5:** Embassy Nairobi should close out its outstanding grants awards in compliance with Department standards. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation the embassy's outstanding grants awards closed out.

**Recommendation 6:** Embassy Nairobi should require Public Affairs Section supervisors to complete all locally employed staff performance evaluations in accordance with Department guidance. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the completed performance evaluations for all Public Affairs Section locally employed staff.

**Recommendation 7:** Embassy Nairobi, in coordination with the Bureau of African Affairs and the Bureau of the Comptroller and Global Financial Services, should reprogram one program-funded information management position to an International Cooperative Administrative Support Services-funded position in accordance with Department guidelines and put \$81,331 to better use. (Action: Embassy Nairobi, in coordination with AF and CGFS)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation. The embassy noted an estimated compliance date of December 31, 2018.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that one program-funded information management position was converted to an International Cooperative Administrative Support Services-funded position and that the embassy put \$81,331 to better use.

**Recommendation 8:** Embassy Nairobi should prepare an annual acquisition plan and obtain input from the U.S. Mission to Somalia on its plan. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the embassy's annual acquisition plan that includes input from the U.S. Mission to Somalia.

**Recommendation 9:** Embassy Nairobi should require all contracting officer representatives to administer their contracts in accordance with Department standards. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the embassy's contracting officer representatives administer their contracts in accordance with Department standards.

**Recommendation 10:** Embassy Nairobi should clear its electronic filing backlog in accordance with Department guidelines. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation. The embassy noted an estimated compliance date of March 31, 2019.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the embassy has cleared its electronic filing backlog in accordance with Department guidelines.

**Recommendation 11:** Embassy Nairobi should renegotiate the terms of the five make-ready contracts and lower the minimum number of residences guaranteed to each of the contractors. (Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the renegotiated make-ready contracts and

that the embassy has lowered the minimum number of residences guaranteed to each of the contractors.

**Recommendation 12:** Embassy Nairobi should bring all professional drivers and incidental operators into compliance with the Department's standards for motor vehicle safety management. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that all embassy professional drivers and incidental operators comply with the Department's standards for motor vehicle safety management.

**Recommendation 13:** Embassy Nairobi should establish a comprehensive corrective action plan to certify all residences for occupancy in accordance with Department standards. (Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation. The embassy noted an estimated compliance date of September 30, 2019.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of a comprehensive corrective action plan to certify all residences for occupancy in accordance with Department standards.

**Recommendation 14:** Embassy Nairobi should renegotiate all residential leases that do not comply with Department guidance and use the model lease as required by Department standards. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation. The embassy noted an estimated compliance date of December 31, 2020.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the embassy has renegotiated all residential leases that do not comply with Department guidance and the embassy uses the model lease as required by Department standards.

**Recommendation 15:** Embassy Nairobi should execute a new lease for the tactical holding facility in accordance with Department leasing procedures. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi disagreed with the recommendation. The embassy noted that there is no requirement to bring this lease into compliance with Department leasing procedures because the facility is used solely for the Kenyan police force that provides security services to Embassy Nairobi. Additionally, the

embassy noted a third-party contractor has assumed payment of this lease and it has asked the contractor to amend the lease to remove the embassy from the landlord-lessee relationship.

**OIG Reply:** OIG considers the recommendation unresolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Nairobi has been removed from the tactical holding facility lease agreement or executes a new lease that complies with Department leasing procedures.

**Recommendation 16:** Embassy Nairobi should conduct a utilization survey and sell or dispose of excess inventory in accordance with Department standards, and put up to \$14 million to better use. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the embassy conducted a utilization survey, sold or disposed of its excess inventory, and put up to \$14 million to better use.

**Recommendation 17:** Embassy Nairobi should conduct spot checks of all of its expendable and non-expendable property in accordance with Department standards prior to moving to its new warehouse. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation the embassy conducts spot checks of all its expendable and non-expendable property in accordance with Department standards.

**Recommendation 18:** Embassy Nairobi should ensure that all residential inventories are accounted for and documented in the files in accordance with Department guidelines. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation. The embassy noted an estimated compliance date of December 31, 2018.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that all residential inventories are accounted for in accordance with Department guidelines.

**Recommendation 19:** Embassy Nairobi should terminate official payments for private domestic staff without legally obligating documentation. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the termination of official payments for private domestic staff without legally obligating documentation.

**Recommendation 20:** Embassy Nairobi should develop and implement standard procedures to accurately track and record employee receivables in accordance with Department requirements. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation. The embassy noted an estimated compliance date of October 31, 2018.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of standard procedures to accurately track and record employee receivables in accordance with Department requirements.

**Recommendation 21:** Embassy Nairobi should bring the subcashing program into compliance with Department requirements. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the embassy's subcashing program complies with Department requirements.

**Recommendation 22:** Embassy Nairobi should implement written procedures to review unliquidated obligations, including deobligating all funds when offices do not provide documentation that the obligations are valid. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the embassy's written procedures to review unliquidated obligations, including deobligating all funds when offices do not provide documentation that the obligations are valid.

**Recommendation 23:** Embassy Nairobi should review all unliquidated obligations with no activity for over one year, deobligate those which are no longer valid in accordance with Department standards, and put up to \$1.7 million to better use. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the embassy has reviewed all unliquidated obligations with no activity for over one year, deobligated those which are no longer valid in accordance with Department standards, and put up to \$1.7 million to better use.

**Recommendation 24:** Embassy Nairobi should cease using the American Employee Association to provide payroll services for official residence staff until it has complied with the requirements of 6 Foreign Affairs Manual 500. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the embassy ceased using the American Employee Association to provide payroll services for official residence staff until it has complied with the requirements of 6 Foreign Affairs Manual 500.

**Recommendation 25:** Embassy Nairobi should submit the hotel and restaurant report for all listed localities in Kenya to the Office of Allowances. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation. The embassy noted an estimated compliance date of April 30, 2019.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the embassy submitted the hotel and restaurant report for all listed localities in Kenya to the Office of Allowances.

**Recommendation 26:** Embassy Nairobi should perform all Information Systems Security Officer duties, including consistent reviews, in accordance with Department standards. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the embassy performing all Information Systems Security Officer duties, including consistent reviews, in accordance with Department standards.

**Recommendation 27:** Embassy Nairobi, in coordination with the Bureau of Diplomatic Security and the Bureau of Information Resource Management, should remediate all physical

cybersecurity recommendations from Department reviews. (Action: Embassy Nairobi, in coordination with DS and IRM)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation. The embassy noted an estimated compliance date of August 2019.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation the embassy remediated all physical cybersecurity recommendations from Department reviews.

**Recommendation 28:** Embassy Nairobi should implement a records management program that complies with Department standards. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation. The embassy noted an estimated compliance date of December 1, 2018.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of a records management program that complies with Department standards.

**Recommendation 29:** Embassy Nairobi should upgrade the residential compound basement storage area to meet environmental standards or identify a suitable location for inactive records storage. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation. The embassy noted an estimated compliance date of June 1, 2019.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the embassy upgrades the residential compound basement storage area to meet environmental standards or the embassy identifies a suitable location for inactive records storage.

**Recommendation 30:** Embassy Nairobi should implement monthly testing of the emergency action committee radio network, in accordance with Department standards. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation. The embassy noted an estimated compliance date of November 15, 2018.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the embassy's monthly testing of the emergency action committee radio network, in accordance with Department standards.

**Recommendation 31:** Embassy Nairobi, in coordination with the Bureau of Information Resource Management, should update the communications appendix in the emergency action plan.

(Action: Embassy Nairobi, in coordination with IRM)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the updated communications appendix in the embassy's emergency action plan.

**Recommendation 32:** Embassy Nairobi should implement its standard operating procedures for managing and tracking mobile devices and encrypted flash drives, as required by Department standards. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation. The embassy noted an estimated compliance date of April 2019.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the embassy's standard operating procedures for managing and tracking mobile devices and encrypted flash drives.

**Recommendation 33:** Embassy Nairobi should dispose of obsolete sensitive information processing equipment, in accordance with Department guidance. (Action: Embassy Nairobi)

**Management Response:** In its October 17, 2018, response, Embassy Nairobi concurred with the recommendation. The embassy noted an estimated compliance date of January 2020.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the embassy's disposal of obsolete sensitive information processing equipment, in accordance with Department guidance.

## PRINCIPAL OFFICIALS

---

Title	Name	Arrival Date
<b>Chief of Mission:</b>		
Ambassador	Robert Godec	01/13
Deputy Chief of Mission	Mirembe Nantongo	04/17
<b>Chiefs of Sections:</b>		
Consular	Glen Keiser	08/16
Economic	Pushpinder Dhillon	08/15
International Narcotics and Law Enforcement Affairs	Vacant	
Management	James Vanderpool	09/15
Political	Eric Kneeder	08/17
Political–Regional Affairs	Kevin Higgins	07/16
President’s Emergency Plan for AIDS Relief Coordination Office	Tamu Daniel	05/17
Public Affairs	Daniel Travis	08/15
Regional Security	Lance Bailey	07/16
<b>Other Agencies:</b>		
Centers for Disease Control & Prevention	Kevin DeCock	12/12
Department of Defense	Gregory Broecker	09/15
Department of Homeland Security- Customs and Border Patrol	Kevin Martinson	09/16
Department of Justice – Drug Enforcement Administration	Carmen Desheplo	08/16
Department of Justice – Federal Bureau of Investigation	Andrea Dobranski	07/14
Foreign Agricultural Service	Kevin Sage-El	09/16
U.S. Commercial Service	James Rigassio	08/16
U.S. Agency for International Development	Tina Dooley-Jones	06/13
<b>Permanent Representative:</b>		
United Nations Office Nairobi	Lori Dando	09/16

**Source:** Embassy Nairobi

## APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

---

This inspection was conducted from March 19 to July 23, 2018, 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 of State 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, circulates, and compiles the results of survey instruments, as appropriate; conducts interviews with Department and on-site personnel; observes daily operations; and reviews the substance of the report and its findings and recommendations with offices, individuals, and organizations affected by the review. OIG uses professional judgment, along with physical, documentary, testimonial, and analytical evidence collected or generated, to develop findings, conclusions, and actionable recommendations.

During this inspection, OIG conducted 372 interviews in Washington and at Embassy Nairobi, and reviewed 348 questionnaires completed by American and LE staff.

## APPENDIX B: MANAGEMENT RESPONSE

---

October 17, 2018

UNCLASSIFIED

THRU: AF/EX - Ben Dille, Director

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

FROM: U.S. Embassy Nairobi – Robert F. Godec, Ambassador

SUBJECT: Response to Draft OIG Report – Inspection of U.S. Embassy Nairobi

The U.S. Embassy Nairobi team welcomed the recent OIG inspection of its operations and collectively appreciates the insights, encouragement, and opportunities for improvement identified in the draft OIG report. We encourage the OIG and the Department to seek opportunities to further expand institutional awareness of the many transformational initiatives underway in Nairobi, some of which are included in the draft as “Spotlights for Success.” These include the Ambassador’s morale survey, our strong interagency working group structure built around our Integrated Country Strategy, our volunteer culture that includes a Race and Ethnic Relations Committee, and our use of the Deliberative Planning Process to help secure the Mission and our staff and families. In brief, the U.S. Mission Nairobi team is working to reinvent how embassies operate with the goal of more efficiently and effectively implementing U.S. policy and programs while maintaining high morale and keeping everyone safe.

After having reviewed the draft report, we have the following comments in response to the recommendations provided by OIG:

**OIG Recommendation 1:** Adherence to Internal Controls -- Embassy Nairobi should review and update its process for preparing the annual Statement of Assurance prior to preparing its 2018 statement, in accordance with Department guidance. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and implemented it during preparation of the 2018 statement of assurance, using comprehensive checklists. In addition to frequently reminding supervisors of the need to take checklists seriously, the DCM met with all supervisors individually to discuss each individual checklist prior to submission.

**OIG Recommendation 2:** Foreign Assistance -- Embassy Nairobi, in coordination with the Bureau of African Affairs, should develop a foreign assistance coordination process for use by the embassy and all Department bureaus to ensure all assistance programming receives chief of mission approval prior to implementation. (Action: Embassy Nairobi, in coordination with AF)

**Management Response:** Post accepts this recommendation and is working to implement it via interagency discussion at post and with Washington.

**OIG Recommendation 3:** Building of International Narcotics and Law Enforcement Affairs Accepted Incomplete Building Renovations -- The Bureau of International Narcotics and Law Enforcement Affairs, in coordination with Embassy Nairobi, should designate a contracting officer representative with the appropriate technical experience required to review and certify construction work in Kenya in accordance with Department standards. (Action: INL, in coordination with Embassy Nairobi)

**Management Response:** Post and INL accept this recommendation. INL/RM/MAPS Construction Management Specialist (CMS), an experienced FAC-COR Level III, has reviewed and assessed the work previously completed and has provided recommendations for corrective actions in accordance with Department standards. Additionally, INL has established required technical review and approval processes and procedures for all INL-funded construction projects. In March 2017, Action Memo 2017-01 (17 STATE 27338) was implemented requiring all INL Posts and Program Offices to obtain CMS review and approval on any construction-related activities prior to obligating funds or, where required, submitting proposed projects for funding actions. Additionally, INL Standard Operating Policy Procedure (SOPP) 4080 establishes minimum qualification requirements for nominating Contracting Officer Representatives (CORs) and Government Technical Managers (GTMs) on INL-funded construction contracts.

**OIG Recommendation 4:** Lack of a Warranty Limited contractor Liability for Defective Renovations -- The Bureau of International Narcotics and Law Enforcement Affairs, in coordination with Embassy Nairobi, should determine if the defective renovations identified in the building intended for the Kenyan police unit can be classified as latent defects, fraud, or gross mistakes amounting to fraud, as outlined in the contract terms and conditions, and if so, require the contractor to correct the deficiencies at no cost to the U.S. Government, in accordance with the Federal Acquisition Regulation. (Action: INL, in coordination with Embassy Nairobi)

**Management Response:** Post and INL accept this recommendation. INL is currently withholding the final invoice and working with the prime contractor to come up with a viable solution to rectify the deficiencies outlined in the Construction Management Report. INL will ensure proper steps are taken to hold the vendor accountable for all deficiencies prior to approval of the final invoice.

**OIG Recommendation 5:** Public Diplomacy Grants Lacked Timely Closeouts -- Embassy Nairobi should close out its outstanding grants awards in compliance with Department standards. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and is implementing it. Embassy Nairobi Public Affairs has worked diligently to close out grants from FY 2016 and FY 2017. Of 71 grants issued in FY 2016, 2 remain active, 62 were closed and 7 are in the closeout process. For FY 2017, 120 grants were issued. 11 remain active, 68 were closed and 41 are in the closeout process.

**OIG Recommendation 6:** Some LE Staff Performance Evaluations Were Overdue -- Embassy Nairobi should require Public Affairs Section supervisors to complete all locally employed staff performance evaluations in accordance with Department guidance. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and has implemented it. All performance evaluations for PAS local staff are now up to date.

**OIG Recommendation 7:** Information Management Position Not Programmed to ICASS -- Embassy Nairobi, in coordination with the Bureau of African Affairs and the Bureau of the Comptroller and Global Financial Services, should reprogram one program-funded information management position to an International Cooperative Administrative Support Services-funded position in accordance with Department guidelines and put \$81,331 to better use. (Action: Embassy Nairobi, in coordination with AF and CGFS)

**Management Response:** Post accepts this recommendation and is working to implement it. FMC will coordinate with AF, CGFS and the ICASS council to move one PROG position to ICASS. Expected completion date is December 31, 2018.

**OIG Recommendation 8:** Embassy Lacked an Annual Acquisition Plan -- Embassy Nairobi should prepare an annual acquisition plan and obtain input from the U.S. Mission to Somalia on its plan. (Action: Embassy Nairobi)

**Management Response:** Embassy accepts this recommendation and has implemented it. A priority list of acquisitions for fiscal year 2018, including input from Mission Somalia, was submitted to FMC based on Management's priorities. Procedures are in place to develop future annual acquisition plans.

**OIG Recommendation 9:** Contracting Officer Representatives Did Not Administer Contracts in Accordance With Department Standards -- Embassy Nairobi should require all contracting officer representatives to administer their contracts in accordance with Department standards. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and has implemented it. Representatives from A/OPE/PD visited post August 13-17, 2018 to meet with CORs to review files, provide training, and to tighten up current procedures. There will be a follow-up visit by this same team in February 2019. Additionally, there will be follow-up sessions with A/OPE/PD and CORs via video conference. Lastly, GSO is conducting monthly progress checks with the CORs to ensure compliance with applicable regulations.

**OIG Recommendation 10:** Progress in Electronic Filing of Acquisitions but Backlog Remained -- Embassy Nairobi should clear its electronic filing backlog in accordance with Department guidelines. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and is implementing it. GSO Procurement continues to work to reduce the number of non-closed-out E-files. Additionally, FMC and Procurement have discussed a way forward regarding uploading invoices to the system. Expected completion date is by 31 March 2019.

**OIG Recommendation 11:** Embassy Risked Paying Contractors for Make-Ready Services Not Rendered -- Embassy Nairobi should renegotiate the terms of the five make-ready contracts and lower the minimum number of residences guaranteed to each of the contractors. (Embassy Nairobi)

**Management Response:** Post accepts this recommendation and has implemented it. GSO Procurement reduced the number of make-ready vendors from five to four. This allows for 80 houses to be completed during the next fiscal year, down from 100 this year.

**OIG Recommendation 12:** Drivers Lacked Training and Medical Certifications -- Embassy Nairobi should bring all professional drivers and incidental operators into compliance with the Department's standards for motor vehicle safety management. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and has implemented it. GSO Motor Pool has established a process whereby all newly arrived Americans (who will drive GOVs) will be scheduled for a Health Unit visit to review their medical physical data to ensure compliance. For current American personnel in Nairobi, Motor Pool and the Health Unit are coordinating visits to review current medical physicals. All incidental local drivers and Motor Pool drivers are in compliance with current medical physicals and this information is suspended to ensure future medical physical updates.

**OIG Recommendation 13:** Residences Not Certified for Occupancy -- Embassy Nairobi should establish a comprehensive corrective action plan to certify all residences for occupancy in accordance with Department standards. (Embassy Nairobi)

**Management Response:** Post accepts this recommendation and is implementing it. GSO Leasing is coordinating with FM and RSO on previous residences where POSHO and RSO certifications in RPA are not in the files. Moving forward, post has established a work flow whereby FM and RSO provide copies to Leasing for uploading into RPA. FM input: Currently, we have certifications for 44 units, with another 153 to be certified. Timeline to completion is September 2019. RSO input: In June 2018, there were 242 residences needing certification memos. As of this date, 163 residences have been certified, and there are 105 residences remaining. In addition to regular residence turnover and lease renewal certifications, RSO is performing monthly inspections of these legacy leases, with an expected timeline to completion of 30 September 2019.

**OIG Recommendation 14:** Residential Leases Did Not Meet Department Standards -- Embassy Nairobi should renegotiate all residential leases that do not comply with Department guidance and use the model lease as required by Department standards. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and is implementing it. GSO Leasing had 90 leases not meeting the Model Lease required standard. Currently, 14 leases have been renegotiated, with another 76 units to be completed. Anticipated completion date is 31 December 2020.

**OIG Recommendation 15:** Property Leases Signed Without Proper Authority -- Embassy Nairobi should execute a new lease for the tactical holding facility in accordance with Department leasing procedures. (Action: Embassy Nairobi)

**Management Response:** Post does not accept this recommendation. Leasing is working with RSO and the DS contractor Lumbee (DS ATA contract) to have Lumbee rationalize this lease. Currently Lumbee, a third-party contractor, has assumed payment of this lease from Washington, D.C. directly to the landlord, thereby removing Embassy Nairobi as the payment mechanism. Additionally, RSO has requested Lumbee formally to amend this lease to remove Embassy Nairobi from the landlord/lessor relationship. Lastly, no COM personnel reside in this

residence, and it is used solely for the Kenyan police force, a 100% local Kenyan force that provides security services to Embassy Nairobi and off-compound residential responses. There is therefore no requirement to bring this lease under standard Department leasing procedures.

**OIG Recommendation 16:** Excessive Inventory in Warehouse and Office Buildings -- Embassy Nairobi should conduct a utilization survey and sell or dispose of excess inventory in accordance with Department standards, and put up to \$14 million to better use. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and is implementing it. GSO Property has reduced its inventory and moved to a new warehouse. In conjunction with this move, post held auctions on June 28<sup>th</sup> and September 20<sup>th</sup>, with another auction scheduled for October 25<sup>th</sup> 2018 to reduce the property holdings and to dispose of excess equipment and supplies. In addition, a follow-on scrap-sale auction was held on 4 October 2018, further reducing our inventory.

**OIG Recommendation 17:** Embassy Did Not conduct Spot Checks at Warehouse, Resulting in Multiple Deficiencies -- Embassy Nairobi should conduct spot checks of all of its expendable and non-expendable property in accordance with Department standards prior to moving to its new warehouse. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and has implemented it. This procedure is currently in place whereby the AGSO for Property performs spot checks and annotates/documents these spot checks. Post also notes that ILMS will have a future feature to allow for spot checks.

**OIG Recommendation 18:** Residential Inventories Not Certified -- Embassy Nairobi should ensure that all residential inventories are accounted for and documented in its files in accordance with Department guidelines. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and is implementing it. GSO Property currently reviews all check-in and check-out inventories, and the old files will be reviewed once transfer season is finished. Current percentage completed is 40%, with the remainder to be finished by 31 December 2018.

**OIG Recommendation 19:** Payments Made to Domestic Employees of Another Agency Without Proper Documentation -- Embassy Nairobi should terminate official payments for private domestic staff without legally obligating documentation. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and has implemented it. Effective September 30, 2018, post terminated all official payments for private domestic staff without legally obligating documentation.

**OIG Recommendation 20:** Embassy Lacked Procedures to Track and Collect Employee Receivables -- Embassy Nairobi should develop and implement standard procedures to accurately track and record employee receivables in accordance with Department requirements. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and has implemented it. FMC contacted multiple missions to locate a generally-accepted control system. Based on the response, Embassy Nairobi implemented the use of a control spreadsheet being used by a

mission of similar size. FMC staff developed and reviewed Standard Operating Procedures (SOPs). A Mission Notice will be issued before October 31, 2018 to complete the implementation.

**OIG Recommendation 21:** Subcashing Program Did Not Comply with Department Guidelines --

Embassy Nairobi should bring the subcashing program into compliance with Department requirements. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and has implemented it. Embassy Nairobi has brought the subcashing program into compliance\*.

- a. Each subcashier has received training from a Class B Cashier, including those in remote locations.
- b. Where possible, subcashiers with advances over \$1,000 are utilizing the automated subcashier module. \*Note: There are technical issues with a single subcashier, based in Kisumu, where the automated system does not function. These issues are being addressed by FMC and IRM staff – date/time of resolution is undetermined at this time.
- c. The Class B Cashier has monthly cash counts from subcashiers with accountability of over \$1,000 or quarterly cash counts if under \$1,000.
- d. New subcashier supervisors have mandatory training before the subcashier receives their funds and all current subcashier supervisors will receive mandatory training before November 30, 2018. This recommendation is resolved.

**OIG Recommendation 22:** Lack of Effective Procedures to Review Unliquidated Obligations -- Embassy Nairobi should implement written procedures to review unliquidated obligations, including deobligating all funds when offices do not provide documentation that the obligations are valid. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and has implemented it. Embassy Nairobi FMC has reviewed, redesigned, and documented ULO SOPs. Furthermore, instructions to Serviced Offices now state that FMC requires confirmation of the ULO if less than 2 fiscal years old and if over 2 fiscal years old, a written justification is required.

**OIG Recommendation 23:** Review of Inactive Unliquidated Obligations Was Overdue -- Embassy Nairobi should review all unliquidated obligations with no activity for over one year, deobligate those that are no longer valid in accordance with Department standards, and put up to \$1.7 million to better use. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and is implementing it, noting that a significant portion of the issue was resolved in the process of resolving Recommendation 22 above. Since the OIG inspection, FMC has deobligated or liquidated over \$7.2 million of FY 2017 and earlier ULOs. This consists of \$6.7 million (1,380 obligations) of State agency ULOs and \$0.5 million (555 obligations) of Serviced Agency ULOs.

**OIG Recommendation 24:** American Employee Association Payroll Service Did Not Meet Department Standards -- Embassy Nairobi should cease using the American Employee Association to provide payroll services for official residence staff until it has complied with the requirements of 6 Foreign Affairs Manual 500. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and is implementing it. The American Employee Association began providing payroll services on a trial basis and did

institute a fee for the service. The AEA board recently decided that it did not have the resources to provide this service to the entire community and voted to phase it out.

**OIG Recommendation 25:** Per Diem Rates for Kenya Localities Were Out of Date -- Embassy Nairobi should submit the hotel and restaurant report for all listed localities in Kenya to the Office of Allowances. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and is implementing it. Currently, the GSO Travel Office is understaffed (only one of three LE Staff positions filled) and does not have the capability to do the survey. Accordingly, GSO Travel will work with GSO Procurement to do a Cost of Living survey (Hotels and Restaurants), using a commercial items model lease as outlined on the A/OPE Overseas Contract Models website. Embassy expects completion NLT April 30, 2019.

**OIG Recommendation 26:** Information Systems Security Reviews Were Not Performed -- Embassy Nairobi should perform all Information Systems Security Officer duties, including consistent reviews, in accordance with Department standards. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and has implemented it. New ISSO's have been appointed for unclassified and classified enclaves. The new primary ISSO has completed training and set-up a stand-alone administrative workstation in IPC and is now working with the post Information Assurance officer on monitoring and response. Additionally, ISSO duties have been incorporated in their respective Work Requirements Statement.

**OIG Recommendation 27:** Information Systems Were Vulnerable to Compromise -- Embassy Nairobi, in coordination with the Bureau of Diplomatic Security and the Bureau of Information Resource Management, should remediate all physical cybersecurity recommendations from Department reviews. (Action: Embassy Nairobi, in coordination with DS and IRM)

**Management Response:** Post accepts this recommendation and is implementing it. IRM and ESO are working together to identify and survey all locations that do not currently meet the standards. Once the survey is completed, the ESO will work to secure the physical spaces. Embassy expects completion of the survey and installation NLT November 9, 2018. To assist with two new requirements concerning Bluetooth presence within the Mission compound and government computer monitors, ISC will provide Management Notices to the Mission to educate users on potential cyber threats. Embassy expects notification of all users NLT October 24, 2018. Recommendation to color code all switch closet cables will be addressed when the Embassy completes the ITIR re-cabling upgrade throughout the mission. Embassy expects completion NLT August 2019.

**OIG Recommendation 28:** Records Management Program Did Not Comply With Department Standards -- Embassy Nairobi should implement a records management program that complies with Department standards. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and is implementing it. The current Mission Policy is being updated to include the requirement that all sections must designate a records manager in writing. IPC will track, provide training and informational sessions for the newly appointed managers. Embassy expects completion NLT December 1, 2018.

**OIG Recommendation 29:** Inactive Records Storage Area Did Not Meet Environmental Protection Standards -- Embassy Nairobi should upgrade the residential compound basement storage area to meet environmental standards or identify a suitable location for inactive records storage. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and is implementing it. IRM and FAC are surveying the current facility to identify requirements at which point the procurement and installation plan will be submitted. Embassy expects completion NLT June 1, 2019.

**OIG Recommendation 30:** Monthly Emergency Action Committee Radio Network Testing Not Completed -- Embassy Nairobi should implement monthly testing of the emergency action committee radio network, in accordance with Department standards. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and is implementing it. IRM has developed a Standard Operating Procedure for distribution to all EAC members on the use of an encrypted radio. IRM is now coordinating the distribution of EAC radios to all members. Once completed, the first test is expected to take place NLT November 15, 2018.

**OIG Recommendation 31:** Emergency Action Plan Communications Appendix Not Accurate -- Embassy Nairobi, in coordination with the Bureau of Information Resource Management, should update the communications appendix in the emergency action plan. (Action: Embassy Nairobi, in coordination with IRM)

**Management Response:** Post accepts this recommendation and has implemented it by completing the update of the appendix in question.

**OIG Recommendation 32:** Embassy Mobile Devices Inventory Was Incomplete -- Embassy Nairobi should implement its standard operating procedures for managing and tracking mobile devices and encrypted flash drives, as required by Department standards. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and is implementing it. Post has developed a Standard Operating Procedure for future use. Mobile Computing is working with the GSO to ensure that all documented procedures are being followed. ISC personnel are working separately on inventory control for encrypted flash drives. Expected Completion date is April 2019.

**OIG Recommendation 33:** Obsolete Classified Equipment Not Disposed of In Accordance with Department Standards -- Embassy Nairobi should dispose of obsolete sensitive information processing equipment, in accordance with Department guidance. (Action: Embassy Nairobi)

**Management Response:** Post accepts this recommendation and is implementing it. The project has been assigned to the RIMC Technician, and the Embassy is also sending two more IMS personnel for training on destruction procedures, who can then work on disposals as time permits. Expected completion date would be January 2020.

**UNCLASSIFIED**



United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

October 16, 2018

**MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL SANDRA J. LEWIS**

**FROM:** INL – Erin M. Barclay, Executive Director

**SUBJECT:** INL Compliance Response on the OIG Draft Report Inspection of Embassy Nairobi, Kenya (ISP-I-18-39, September 2018)

The Bureau of International Narcotics and Law Enforcement Affairs (INL) appreciates the opportunity to comment on the draft OIG inspection report and offers the following response to the INL related recommendations.

**Recommendation 3:** The Bureau of International Narcotics and Law Enforcement Affairs, in coordination with Embassy Nairobi, should designate a contracting officer representative with the appropriate technical experience required to review and certify construction work in Kenya in accordance with Department standards.

**INL Response (October 2018):** INL concurs with the recommendation. INL Construction Management Specialist (CMS), an experienced FAC-COR Level III, has reviewed and assessed the work previously completed and has provided recommendations for corrective actions in accordance with Department standards. INL has established required technical review and approval processes and procedures for all INL-funded construction projects. In March 2017, Action Memo 2017-01 (17 STATE 27338) was implemented requiring all INL Posts and Program Offices to obtain CMS review and approval on any construction-related activities prior to obligating funds or, where required, submitting proposed projects for funding actions (Tab 1). Additionally, INL Standard Operating Policy Procedure (SOPP) 4080 establishes minimum qualification requirements for nominating Contracting Officer Representatives (CORs) and Government Technical Monitors (GTMs) on INL-funded construction contracts (Tab 2).

**Recommendation 4:** The Bureau of International Narcotics and Law Enforcement Affairs, in coordination with Embassy Nairobi, should determine if the defective renovations identified in the building intended for the Kenyan police unit can be classified as latent defects, fraud, or gross mistakes amounting to fraud, as outlined in the contract terms and conditions, and if so, require the contractor to correct the deficiencies at no cost to the U.S. Government, in accordance with the Federal Acquisition Regulation.

**INL Response (October 2018):** INL concurs with the recommendation. INL is currently withholding the final invoice and working with the prime contractor to find a viable solution to rectify the deficiencies outlined in the Construction Management Report. INL will ensure proper

---

UNCLASSIFIED

- 2 -

steps are taken to hold the vendor accountable for all deficiencies prior to approval of the final invoice.

Attachments:

Tab 1 – Action Memo 17 STATE 27338

Tab 2 – SOPP 4080

UNCLASSIFIED

---

## ABBREVIATIONS

---

COR	Contracting Officer Representative
DCM	Deputy Chief of Mission
DoD	Department of Defense
EEO	Equal Employment Opportunity
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
ICASS	International Cooperative Administrative Support Services
ICS	Integrated Country Strategy
INL	International Narcotics and Law Enforcement Affairs
IRM	Information Resource Management
ISSO	Information Systems Security Officer
LE	Locally Employed
OBO	Bureau of Overseas Buildings Operations
POSHO	Post Occupational Health and Safety Officer
RSO	Regional Security Officer

## OIG INSPECTION TEAM MEMBERS

---

Pamela J. Slutz, Team Leader  
Jonathan Farrar, Deputy Team Leader  
Brent Byers  
Paul Cantrell  
Pasquale Capriglione  
Robert David  
Stephen Dodson  
Hanane Grini  
Barbara Keller  
James Norton  
Shawn O'Reilly  
Charles Rowcliffe  
Ami Schaefer  
Karen Stanton  
James Steele

UNCLASSIFIED



# HELP FIGHT FRAUD. WASTE. ABUSE.

1-800-409-9926

[www.stateoig.gov/HOTLINE](http://www.stateoig.gov/HOTLINE)

If you fear reprisal, contact the  
OIG Whistleblower Ombudsman to learn more about your rights:

[WPEAOmbuds@stateoig.gov](mailto:WPEAOmbuds@stateoig.gov)

[www.stateoig.gov](http://www.stateoig.gov)

Office of Inspector General • U.S. Department of State • P.O. Box 9778 • Arlington, VA 22219

UNCLASSIFIED