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**Office of Inspector General**  
**United States Department of State**

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ISP-I-19-25

Office of Inspections

July 2019

# **Inspection of Embassy Ljubljana, Slovenia**

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

UNCLASSIFIED



# HIGHLIGHTS

Office of Inspector General  
United States Department of State

ISP-I-19-25

## What OIG Inspected

OIG conducted a targeted inspection of the executive direction, resource management, and information management operations of Embassy Ljubljana.

## What OIG Recommends

OIG made 6 recommendations to Embassy Ljubljana.

In its comments on the draft report, Embassy Ljubljana concurred with all 6 recommendations. OIG considers all 6 recommendations resolved. The embassy's response to each recommendation, and OIG's reply, can be found in the Recommendations section of this report. The embassy's formal written response is reprinted in its entirety in Appendix B.

July 2019

OFFICE OF INSPECTIONS

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

## Inspection of Embassy Ljubljana, Slovenia

### What OIG Found

- The Deputy Chief of Mission, who had been acting as Chargé d'Affaires for 8 months, led a collaborative and motivated embassy team.
- Embassy Ljubljana generally implemented processes and procedures in accordance with applicable laws and Department of State guidance. However, some internal control deficiencies existed in the embassy's general services, financial management, human resources, and information management operations. The embassy corrected several minor deficiencies during the on-site portion of the inspection.
- The embassy's Marine Security Guard residence did not have a central fire alarm system.

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## CONTEXT

Independent since 1991, Slovenia is a small country with a largely homogenous population of slightly more than 2 million. Situated between the Alps and the Adriatic Sea, Slovenia emerged from the former Yugoslavia with the most advanced economy in the region. A full member of the European Union (EU) and North Atlantic Treaty Organization (NATO) since 2004, Slovenia also joined the Euro Zone and Schengen Zone in 2007.

Slovenia's governing coalition, in power since September 2018, continued Slovenia's commitment to NATO and regional stability. Slovenia has a strong record of participation in NATO, EU, and United Nations operations, albeit at modest levels. The government expressed a commitment to incremental increases in defense spending, but still lacked the domestic political consensus necessary to meet its NATO commitment of spending two percent of gross domestic product on defense by 2024. Slovenia is a strong proponent of EU cohesion and has

pressed for a coherent EU-wide policy to address the refugee/migration crisis and to bolster the fragile stability in the Balkans.



Figure 1: Map of Slovenia. (CIA World Factbook)

Slovenia capitalized on its proximity to the markets of neighboring countries to achieve solid, export-driven economic growth. But the country's process of transitioning from its state-centered economic past is still incomplete, with at least 50 percent of the economy owned or controlled by the state. The United States and Slovenia have cooperative relations on a range of bilateral, regional, and global issues. Slovenia's engagement in NATO and its export-oriented economy serve as positive examples to other former Yugoslav republics.

The embassy's principal goals in its Integrated Country Strategy (ICS), updated in July 2018, are to:

- Strengthen Slovenia's commitment to NATO and promote Slovenia's active role in responding to security challenges to the fullest extent of its resources, both in the immediate Western Balkans neighborhood and on a global level.
- Support Slovenia's efforts to modernize and open its economy and strengthen bilateral trade and investment with the United States.

- Promote good governance and anti-corruption and encourage better understanding among the Slovenian public of U.S. culture and values in order to more positively shape public views of U.S. policies and priorities.

At the time of the inspection, Embassy Ljubljana had 39 American employees; 33 worked for the Department of State (Department) (including 4 eligible family members) and 6 worked for the Department of Defense. The embassy staff also included 57 locally employed (LE) staff members.

OIG conducted this inspection of Embassy Ljubljana consistent with Section 209 of the Foreign Service Act of 1980.<sup>1</sup> Using its risk-based approach to inspections, OIG identified the embassy as a relatively lower risk mission and therefore limited the scope of the inspection to executive direction, resource management, and information management. A companion classified inspection report discusses the embassy's security program and issues affecting the safety of embassy personnel and facilities.

## **EXECUTIVE DIRECTION**

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OIG assessed Embassy Ljubljana's leadership on the basis of interviews, staff questionnaires, and OIG's review of documents and observations of embassy meetings and activities during the course of the on-site portion of the inspection.

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

The Deputy Chief of Mission (DCM) assumed the duties of Chargé d'Affaires (Chargé) in July 2018 when the former Ambassador departed.<sup>2</sup> The Chargé is a career Foreign Service officer who arrived as DCM in August 2016, following a detail to the National Security Staff and a year at the National Defense University. The Chargé chose not to designate an acting DCM, recognizing that pulling a section chief away from his or her normal responsibilities would be impractical given the embassy's small size.

Both American and LE staff members described the Chargé as well-informed, energetic, engaged, and approachable, consistent with Department leadership principles outlined in 3 Foreign Affairs Manual (FAM) 1214. The Chargé received consistently high marks from all section and agency heads for developing a collaborative and motivated team that advanced embassy objectives. Based on OIG observations and interviews, the Chargé was accessible to all embassy employees, regularly meeting American and LE staff members in their offices while also maintaining an open-door policy.

All section and agency heads reported excellent collaboration between and among embassy offices. For example, in preparation for an impending military exercise, the Office of Defense

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<sup>1</sup> See Appendix A.

<sup>2</sup> The Ambassador-designate was awaiting Congressional confirmation at the time of the inspection.

Cooperation worked with the Public Diplomacy Section to adapt a draft U.S. Army publicity plan to more effectively respond to local conditions. Agency heads agreed that the Chargé was supportive of their goals and needs. For example, the Defense Attaché told OIG the Chargé always attended his office's events and ensured the Attaché was invited to attend any meeting that involved defense-related issues.

The Chargé attributed the embassy's positive working atmosphere to the high quality of officers and LE staff. He told OIG that Ljubljana's reputation as a good place to live allowed the embassy to choose from a large number of bidders for embassy positions. Additionally, American employees praised the quality of the LE staff, which was highly experienced. For example, of the 35 LE staff members who responded to the OIG questionnaire, 44 percent had worked at the embassy for more than 20 years, while another 36 percent had worked there between 11 and 20 years.

However, the lack of a pay increase since 2010 and a steadily rising cost of living negatively affected LE staff morale. LE staff told OIG they realized that past ambassadors had made efforts, albeit unsuccessful, to achieve a pay increase. However, they said they were frustrated by the Department's opaque process and methodology in determining wage increases. OIG advised the Chargé to work with the Department to seek a means of conveying this information more effectively to the LE staff, which he agreed to do.

## **Equal Employment Opportunity Program**

The embassy's Equal Employment Opportunity program met the requirements of 3 FAM 1514.2. Both the program's counselor and LE staff liaison received the required training. The Chargé addressed the importance of these principles at town halls and in country team and other meetings. American and LE staff members as well as the LE staff committee told OIG the embassy's Equal Employment Opportunity environment was excellent. There have been no related cases in recent years.

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

### ***Embassy Focused on Policy Priorities, But Lacked Specific Objectives for One Goal***

The Chargé led a collaborative effort that integrated input from all concerned elements of the embassy to update the ICS goals that articulated U.S. Government priorities in Slovenia, in accordance with 18 FAM 301.2-1(b). The embassy then developed a 6-month calendar of events, activities, and programs keyed to its three ICS goals to track and coordinate embassy-wide engagement on each. These included meetings with Slovenian ministers and parliamentarians, visits to municipalities and schools, a U.S. Navy ship visit and visits by U.S. National Guard officials, events for U.S. companies interested in doing business in Slovenia, and meetings with academics and think tanks. In addition, the Chargé was appropriately engaged with Slovenian Government officials. During his first eight months as Chargé, he met with the president, foreign minister, and other senior officials 24 times in individual and group meetings, including an entire day with the foreign minister during a visit by a U.S. aircraft carrier. He also

made 10 domestic trips within Slovenia to meet local officials and hosted 28 representational events.<sup>3</sup>

The embassy had a clear focus for its first two ICS goals on regional security and economic issues. For example, the Chargé led high-level engagement of the new Slovenian Government that took office in September 2018 to promote its ICS objectives on regional security and defense, including pressing for increased defense spending in keeping with NATO's two percent target. Washington officials praised embassy efforts to improve Slovenian burden sharing within NATO despite domestic political resistance. In support of the ICS goal to promote foreign investment in the United States, the then-DCM escorted a Slovenian delegation to the June 2018 Select USA Investment Summit in Washington, D.C. In addition, the embassy recruited four individuals to attend the 2019 summit and, in coordination with the regional Senior Commercial Officer, hosted an event for prospective trade partners at the Ambassador's residence. The embassy also escorted a separate Slovenian delegation to the Natural Products Expo West 2019 in California in March 2019.

However, the embassy did not have objectives and actions for its ICS goal to promote good governance and anti-corruption, as required by the Department's 2018 ICS guidance and instructions.<sup>4</sup> The embassy added these topics in response to general guidance from the Bureau of European and Eurasian Affairs but did not include corresponding objectives. OIG advised the Chargé, and he agreed, to add the missing elements to the ICS.

### ***Embassy Met Washington Reporting Needs***

As the second smallest U.S. embassy operating in a NATO and European Union member state,<sup>5</sup> responding to Washington instructions on broader foreign policy objectives represented a notably large proportion of the embassy's reporting. OIG's review of 6 months of cables beginning in September 2018 found that 91 of the 126 Political-Economic Section reporting cables were in response to Washington demarche instructions. Despite this, the embassy was able to manage the workload challenge of the Washington mandates, which were mostly on regional security or multilateral issues, while also meeting its own ICS reporting priorities on bilateral topics. Washington consumers praised the quality of the embassy's reporting. In addition, the Chargé maintained contact with the Department through monthly telephone calls with the bureau's Deputy Assistant Secretary responsible for Central Europe.

### ***Embassy Leveraged Additional Washington Resources Through Grants to Advance Goals***

The Public Diplomacy Section supplemented its base grants budget by leveraging additional Department funds to advance embassy policy goals. Using its base public diplomacy funds, the section managed a competitive Small Grants Program for Civil Society that in FY 2018

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<sup>3</sup> The six-week partial U.S. Government shutdown from 11:59 p.m. on December 21, 2018, through January 25, 2019, limited both travel and representational events during that period.

<sup>4</sup> Department of State, Integrated Country Strategy Guidance and Instructions, March 2018.

<sup>5</sup> Among nation states that are members of both the EU and NATO, only the U.S. embassy in Luxembourg has fewer direct-hire employees than Embassy Ljubljana.

distributed 29 grants totaling just over \$136,000. The grants, ranging between \$1,000 and \$10,000, were aimed at ICS-priority themes and selected by an embassy-wide committee. In addition, in FY 2019 the section began to administer a \$500,000 grant funded by the Department's Global Engagement Center for a digital diplomacy initiative aimed at boosting the capacity of regional governments to defend against disinformation. Furthermore, the Public Diplomacy Section gained Washington approval to administer a \$25,000 grant funded by the Bureau of Population, Refugees and Migration, which is normally prohibited by Department restrictions on administration of non-public diplomacy grants.<sup>6</sup> The embassy concurred with OIG's suggestion that a Political-Economic officer should be certified as a grants officer, and at least one Political-Economic LE staff member be certified as a grants officer representative, to ensure future embassy flexibility to accept Washington funding for priority programs in non-public diplomacy areas.

### **Adherence to Internal Controls**

The Chargé oversaw the embassy's on-time preparation of the 2018 Annual Chief of Mission Management Control Statement of Assurance, submitted on September 27, 2018, in accordance with 2 FAM 024. The Management Officer coordinated the embassy's internal control review process and consulted with section heads for their input. The Chargé discussed the Statement with the Management Section prior to approving it, in accordance with 2 FAM 022.7. In addition, the Chargé demonstrated his commitment to ethical principles by highlighting fraud and integrity principles at town halls and in regular staff meetings. The Statement of Assurance identified one significant security-related deficiency, which is described in the companion classified report. During the inspection, OIG found deficiencies in the Management and Information Management Sections, as described in the Resource Management and Information Management portions of this report. OIG's review of the embassy's gift registry for FY 2018 and FY 2019 through the time of the inspection found no anomalies or prohibited practices. OIG confirmed that the Chargé reviewed nonimmigrant visa adjudications as required by 9 FAM 403.12-2(b).

### **Security and Emergency Planning**

OIG determined the Chargé conducted his security responsibilities in accordance with 12 Foreign Affairs Handbook (FAH)-1 H-721. He underscored the importance of embassy security in town halls, country team and other staff meetings, and embassy notices. The Chargé met weekly with the Regional Security Officer and, since becoming Chargé in July 2018, regularly chaired Emergency Action Committee meetings as needed to address Washington or embassy-specific coordination requirements. The Chargé also led country team members in a desktop exercise to improve crisis preparedness that simulated terrorist bombings in the city. He participated in all security drills and strongly encouraged staff radio checks, which had 100 percent participation during the inspection. The embassy implemented the Department's new worldwide standardized emergency notification system used to contact American staff, family

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<sup>6</sup> Department of State Federal Assistance Directive Chapter 1, Section D.2(d), page 12 (October 2018).

members, and local employees in an emergency. The embassy's security and emergency preparedness programs are discussed further in the related classified report.

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

Embassy Ljubljana had only one first-tour and no second-tour officers at the time of the inspection. Nevertheless, the Chargé oversaw the embassy's First- and Second-Tour employee development program, as directed by 3 FAM 2242.4. The Chargé implemented a one-on-one mentoring program for the first-tour officer, meeting with him monthly to discuss issues such as bidding, performance evaluations, and diplomatic protocol. The embassy also conducted a separate mid-level officer mentoring program and included the first-tour officer in those meetings.

## **RESOURCE MANAGEMENT**

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OIG's review of internal control systems in the financial management, general services, facilities management, and human resources operations found that the Management Section generally implemented required processes and procedures in accordance with applicable laws and Department guidance, except as described below. In addition, the embassy corrected a number of deficiencies during the inspection, which also are detailed below.

### **Financial Management**

#### ***Reviews of Locally Employed Certifying Officer Activity Not Documented***

Embassy Ljubljana did not document reviews of the LE staff certifying activity as required. According to 4 FAH-3 H-065.2-2(d), the embassy should conduct periodic, unannounced reviews of the LE staff certifying officer payments and document them in writing. The Management Officer told OIG she conducted informal reviews but was unaware that the reviews should be documented. Because certifying officers must personally reimburse the U.S. Government for any improper payment made by a disbursing officer due to incorrect certifications, the lack of monitoring of the certification activity increases the risk of improper payments and liability for the designated LE staff members.

**Recommendation 1:** Embassy Ljubljana should comply with Department standards for reviewing locally employed staff certifying activity. (Action: Embassy Ljubljana)

#### ***Embassy Paid Official Residence Expenses Staff Directly***

OIG found the embassy paid official residence expenses staff, including their social security and insurance contributions, through electronic funds transfers. According to 3 FAM 3257(a), the principal representative or the household manager must pay the official residence staff directly. In August 2017, OIG issued a report that included two recommendations to the Department to

address official residence staff payments.<sup>7</sup> In response to OIG's recommendations, the Department reported that direct payments to official residence expenses staff—via post cashier, electronic funds transfers, or in cash from a post cashier—will be discontinued and the Department will update its policy guidance accordingly. Given that the Department's new guidance is pending, OIG did not make a recommendation in this report.

### ***Embassy Addressed Other Deficiencies During Course of Inspection***

OIG identified two additional internal control deficiencies in the Financial Management Office, which the embassy corrected during the inspection. Specifically, the embassy:

- Scheduled the alternate cashier to work as principal cashier two to three times per month, in accordance with the Department's June 2017 Cashier User Guide, Section 3.65. Previously, the alternate cashier only infrequently served in that capacity.
- Documented the Chargé's authorization for the provision of embassy cashier accommodation exchange services, in accordance with 4 FAH-3 H-361.2(a).

## **General Services**

### ***Embassy Did Not Properly Account for Its Vehicle Fleet Usage***

The embassy did not record daily vehicle usage data for all U.S. Government vehicles as required by Department standards. Guidance in 14 FAM 431.6-2(7) requires use of the Fleet Management Information System to capture information essential to identify, collect, and analyze all costs involved in the operation of motor vehicles. In addition, 14 FAH-1 H-814.1-1(b) requires the embassy to maintain a complete record of the use of each vehicle and account for the total kilometers driven, regardless of whether a passenger is involved. Embassy staff believed that only passenger trips should be recorded in the system. Incomplete recording of vehicle information prevents the embassy from having accurate cost and usage data essential for an effective fleet management system.

**Recommendation 2:** Embassy Ljubljana should record all embassy vehicle usage in the Fleet Management Information System, as required by Department standards. (Action: Embassy Ljubljana)

### ***Embassy Took Steps to Improve Its Contract Administration Procedures***

OIG found several deficiencies in the embassy's contract administration program. First, three of the seven Contracting Officer's Representatives were not certified as required in the Office of the Procurement Executive's Procurement Information Bulletin No. 2012-15. In addition, the embassy's Contracting Officer did not review the LE Contracting Officer's transactions monthly, as required by 14 FAH-3 H-342.1. Finally, OIG's initial file review revealed that some documentation required by Procurement Information Bulletin No. 2014-10 was missing. During

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<sup>7</sup> OIG, *Compliance Follow-Up Review: Department of State has not Implemented Recommendations Pertaining to Official Residence Expense Staff Salaries* (ISP-C-17-32, August 2017).

the inspection, the embassy took the necessary steps to resolve these deficiencies, including locating and adding the missing file documentation. As a result, OIG did not make recommendations to address these issues.

### ***Embassy Addressed Other Deficiencies During Course of Inspection***

OIG identified three other internal control deficiencies in the General Services Office, which the embassy corrected during the inspection. Specifically, the embassy:

- Updated residential housing files to add missing Post Occupational Safety and Health Officer surveys, security surveys, and seismic assessments, in accordance with 15 FAM 252.5.
- Mitigated access control issues at the embassy's warehouse, as required by 14 FAM 413.7(8).
- Began to update its driver safety training records for both chauffeurs and incidental (self-drive) drivers per 14 FAM 433.5, and medically certify all American incidental drivers as required by 14 FAM 433.4 and the embassy's motor vehicle policy.

## **Facility Management**

### ***Marine Security Guard Residence Was Not Protected By a Fire Alarm System***

The embassy's Marine Security Guard residence did not have a central fire alarm system. Both the November 2016 and November 2018 Bureau of Overseas Buildings Operations fire inspection reports recommended the installation of a central system to protect human life and adhere to National Fire Code standards. Embassy staff told OIG that the landlord refused to install an alarm because the requirement was not brought up during the initial lease signing in 2013. According to the National Fire Code (NFC 101 26.3.4.1.1), a properly designed, installed, and maintained fire detection and alarm system can provide early warning for occupants and help limit fire loss. Failure to meet Department fire safety standards puts the Marine Security Guards, embassy staff, and guests at a greater risk of death or injury, and the property at greater risk of damage.

**Recommendation 3:** Embassy Ljubljana, in coordination with the Bureau of Overseas Buildings Operations, should install a central fire alarm system at its Marine Security Guard residence to meet Department fire safety standards. (Action: Embassy Ljubljana, in coordination with OBO)

### ***Facility Management Lacked Internal Controls for Expendable Supplies***

The embassy lacked adequate internal controls over the Facility Management Office's expendable supplies, such as maintenance materials and spare parts. OIG found that all Facility Management and Property Management employees had access to the stock room where the property was stored. Guidance in 14 FAM 424 requires the embassy to limit this access. OIG also found that the staff took spare parts without the pre-approval required in 14 FAM 414.5(2). These deficiencies resulted from insufficient management oversight. While OIG found

no indications of lost or stolen items, failure to adequately control and safeguard expendable supplies left the embassy vulnerable to waste and theft.

**Recommendation 4:** Embassy Ljubljana should establish adequate controls for the administration and disbursement of Facility Management expendable supplies, in accordance with Department standards. (Action: Embassy Ljubljana)

### ***Embassy Addressed Other Deficiencies During Course of Inspection***

OIG identified two other deficiencies in the Facility Management Office, which the embassy corrected during the inspection. Specifically, the embassy:

- Added the required safety and accident prevention clauses in the Department of State Acquisition Regulation and Federal Acquisition Regulation to its statement of work template for embassy-managed contracts as well as relevant documents required by 14 STATE 46762,<sup>8</sup> and updated current contracts accordingly.
- Began training the assistant Post Occupational Safety and Health Officer on all specialized safety and health training requirements to verify contractor compliance for construction work, as outlined in 14 STATE 46762.

## **Human Resources**

### ***Embassy Retail Price Schedule Survey Was Outdated***

The embassy did not submit an updated Retail Price Schedule Survey<sup>9</sup> to the Bureau of Administration's Office of Allowances in October 2018 as required. The embassy last submitted its survey in 2016. As of May 2019, Embassy Ljubljana received a post allowance rate of 25 percent. To ensure the embassy's post allowance accurately reflect local costs, the Office of Allowances requires embassies to submit a retail price schedule every 2 years.<sup>10</sup> Management staff attributed the delay in completing the survey to staffing shortages and competing priorities. The lack of an updated Retail Price Schedule Survey increases the risk of inaccurate allowance payments to embassy staff.

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<sup>8</sup> Cable 14 STATE 46762, "Oversight of Post Contractor Safety and Health Activities," April 22, 2014.

<sup>9</sup> The Retail Price Schedule Survey is used to determine the post allowance, also known as the cost-of-living allowance, U.S. direct hire employees receive at certain overseas missions. Authorized under 5 U.S.C. 5924 and Department of State Standardized Regulation 228.2, it is intended to offset the difference between the cost-of-living at the post of assignment and that of Washington, D.C.

<sup>10</sup> An OIG audit (*Audit of Select Cost-of-Living Allowances for American Employees Stationed in Foreign Areas* (AUD-FM-17-51, August 2017)) recommended eliminating the location-specific survey data process for individual posts. Notwithstanding this recommendation, so long as the current process is still in place, the Department should ensure that it is followed correctly. Accordingly, OIG is making a specific recommendation to address the problem at Embassy Ljubljana.

**Recommendation 5:** Embassy Ljubljana should submit the Retail Price Schedule Survey to the Bureau of Administration's Office of Allowances in accordance with Department guidelines. (Action: Embassy Ljubljana)

## **INFORMATION MANAGEMENT**

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OIG reviewed the embassy's classified, unclassified, and dedicated internet network operations; physical protection of information technology (IT) assets; emergency communication preparedness; radio and telephone programs; and mail and pouch services. OIG determined that the Information Management Section's programs and services met the day-to-day computing and communications needs of the embassy, with one exception, as described below. In addition, during the inspection the embassy corrected one deficiency related to records management, which is also detailed below.

### ***Inoperable High-Frequency Radio at the Alternate Command Center***

OIG found that the high-frequency radio at the alternate command center was inoperable. Department standards in 12 FAH-1 H-742(a) and 5 FAH-2 H-742 state that high-frequency radios must be operational to ensure functionality during an emergency. Section staff members, who lacked the expertise to install the radio, contacted the Regional Information Management Center in Frankfurt for assistance in July 2018. However, installation was delayed due to scheduling and logistics issues and lack of follow through. Non-functioning equipment could limit communications in the event of a crisis or emergency.

**Recommendation 6:** Embassy Ljubljana, in coordination with Regional Information Management Center Frankfurt, should install the high-frequency radio at the embassy's alternate command center. (Action: Embassy Ljubljana, in coordination with RIMC Frankfurt)

### ***Former Ambassador's Records and Digital Media Returned to Washington for Preservation***

The embassy did not follow Department guidance in retiring the former Ambassador's records and digital media. OIG found the records stored in the Front Office, 8 months after his departure. Guidance in 5 FAM 414.5 and 414.8 requires the embassy to preserve documentary materials and dispose of unnecessary materials according to Department schedules and procedures. During the inspection, the embassy worked with the Washington Records Center to retire the records in accordance with Department requirements. Therefore, OIG did not make a recommendation.

## RECOMMENDATIONS

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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 Ljubljana. The embassy's complete response can be found in Appendix B. The embassy also provided technical comments that were incorporated into this report, as appropriate.

**Recommendation 1:** Embassy Ljubljana should comply with Department standards for reviewing locally employed staff certifying activity. (Action: Embassy Ljubljana)

**Management Response:** In its July 10, 2019, response, Embassy Ljubljana concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the embassy complies with Department standards for reviewing locally employed staff certifying activity.

**Recommendation 2:** Embassy Ljubljana should record all embassy vehicle usage in the Fleet Management Information System, as required by Department standards. (Action: Embassy Ljubljana)

**Management Response:** In its July 10, 2019, response, Embassy Ljubljana concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that all embassy vehicle usage is recorded in the Fleet Management Information System, as required by Department standards.

**Recommendation 3:** Embassy Ljubljana, in coordination with the Bureau of Overseas Buildings Operations, should install a central fire alarm system at its Marine Security Guard residence to meet Department fire safety standards. (Action: Embassy Ljubljana, in coordination with OBO)

**Management Response:** In its July 10, 2019, response, Embassy Ljubljana concurred with this recommendation. The embassy noted an estimated completion date of September 2020.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that a central fire alarm system was installed at Embassy Ljubljana's Marine Security Guard residence.

**Recommendation 4:** Embassy Ljubljana should establish adequate controls for the administration and disbursement of Facility Management expendable supplies, in accordance with Department standards. (Action: Embassy Ljubljana)

**Management Response:** In its July 10, 2019, response, Embassy Ljubljana concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the embassy established adequate controls for the administration and disbursement of Facility Management expendable supplies, in accordance with Department standards.

**Recommendation 5:** Embassy Ljubljana should submit the Retail Price Schedule Survey to the Bureau of Administration's Office of Allowances in accordance with Department guidelines. (Action: Embassy Ljubljana)

**Management Response:** In its July 10, 2019, response, Embassy Ljubljana concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Retail Price Schedule Survey was submitted to the Bureau of Administration's Office of Allowances.

**Recommendation 6:** Embassy Ljubljana, in coordination with Regional Information Management Center Frankfurt, should install the high-frequency radio at the embassy's alternate command center. (Action: Embassy Ljubljana, in coordination with RIMC Frankfurt)

**Management Response:** In its July 10, 2019, response, Embassy Ljubljana concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the high-frequency radio was installed at the embassy's alternate command center.

## PRINCIPAL OFFICIALS

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Title	Name	Arrival Date
<b>Chiefs of Mission:</b>		
Chargé d'Affaires	Gautam Rana	9/2016
<b>Chiefs of Sections:</b>		
Management	Valerie Martin	7/2017
Consular	Amy Lorenzen	8/2016
Political-Economic	Laura Anderson	6/2017
Public Affairs	Jean B. Leedy	7/2018
Regional Security	David Gallagher	8/2016
<b>Department of Defense:</b>		
Defense Attaché	Klaudius Robinson	6/2018
Office of Defense Cooperation	Jonathan Zebre	6/2018

Source: Embassy Ljubljana.

## APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

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This inspection was conducted from February 19 to May 7, 2019, in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2012 by the Council of the Inspectors General on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General (OIG) for the Department and the U.S. Agency for Global Media (USAGM).

### Objectives and Scope

The Office of Inspections provides the Secretary of State, the Chief Executive Officer of USAGM, and Congress with systematic and independent evaluations of the operations of the Department and USAGM. 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 and U.S. interests are 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; and whether instances of fraud, waste, or abuse exist and whether adequate steps for detection, correction, and prevention have been taken.

In conducting inspections, OIG uses a risk-based approach to focus its inspection resources on areas of greatest impact. Consequently, OIG identified Embassy Ljubljana as a relatively lower risk mission and therefore limited the scope of this inspection to executive direction, resource management, and information management.

### Methodology

OIG reviews pertinent records; circulates surveys and compiles the results, 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.

## APPENDIX B: MANAGEMENT RESPONSES

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*Embassy of the United States of America*



July 10, 2019

**UNCLASSIFIED**

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

FROM: Embassy Ljubljana – Susan Falatko, Chargé d’Affaires

SUBJECT: Response to Draft OIG Report – Inspection of Embassy Ljubljana

Embassy Ljubljana has reviewed the draft OIG inspection report. We provide the following comments in response to the recommendations provided by OIG:

**OIG Recommendation 1:**

Embassy Ljubljana should comply with Department standards for reviewing locally employed staff certifying activity. (Action: Embassy Ljubljana)

**Management Response:** Embassy Ljubljana concurs with the recommendation. The embassy implemented this recommendation by instituting a formal quarterly audit review for the FSN Alternate Certifying Officer. The completed audit reports are on file in the FMO office.

**OIG Recommendation 2:**

Embassy Ljubljana should record all embassy vehicle usage in the Fleet Management Information System, as required by Department standards. (Action: Embassy Ljubljana)

**Management Response:** Embassy Ljubljana concurs with the recommendation. The embassy has implemented the recommendation by recording the embassy vehicle usage in the Fleet Management Information System (FMIS). Fuel and mileage data is entered into FMIS as OF-108 documents are received.

**OIG Recommendation 3:**

Embassy Ljubljana, in coordination with the Bureau of Overseas Buildings Operations, should install a central fire alarm system at its Marine Security Guard residence to meet Department fire safety standards. (Action: Embassy Ljubljana, in coordination with OBO)

**Management Response:** Embassy Ljubljana concurs with the recommendation. The embassy is working with OBO on the scope of work. The installation of the central fire alarm system is planned for FY2020.

**OIG Recommendation 4:**

Embassy Ljubljana should establish adequate controls for the administration and disbursement of Facility Management expendable supplies, in accordance with Department standards. (Action: Embassy Ljubljana)

**Management Response:** Embassy Ljubljana concurs with the recommendation. The embassy has implemented the recommendation by consolidating Facility Management expendable items with the GSO expendable items. The items are requested and issued through the ILMS expendable module.

**OIG Recommendation 5:**

Embassy Ljubljana should submit the Retail Price Schedule Survey to the Bureau of Administration's Office of Allowances in accordance with Department guidelines. (Action: Embassy Ljubljana)

**Management Response:** Embassy Ljubljana concurs with the recommendation. The embassy implemented this recommendation by submitting a Local Price Questionnaire to the Office of Allowances in June 2019.

**OIG Recommendation 6:**

Embassy Ljubljana, in coordination with Regional Information Management Center Frankfurt, should install the high-frequency radio at the embassy's alternate command center. (Action: Embassy Ljubljana, in coordination with RIMC Frankfurt)

**Management Response:** Embassy Ljubljana concurs with the recommendation. The embassy implemented this recommendation by installing the high-frequency radio and antennae at the embassy's alternate command center with the assistance of RIMC Frankfurt.

The point of contact for this memorandum is Valerie Martin, Management Officer.

## ABBREVIATIONS

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DCM	Deputy Chief of Mission
EU	European Union
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
ICS	Integrated Country Strategy
LE	Locally Employed
NATO	North Atlantic Treaty Organization

## OIG INSPECTION TEAM MEMBERS

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