

UNCLASSIFIED



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

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ISP-I-20-28

Office of Inspections

September 2020

**Inspection of Embassy Prague,  
Czech Republic**

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

UNCLASSIFIED



# HIGHLIGHTS

Office of Inspector General  
United States Department of State

ISP-I-20-28

## What OIG Inspected

OIG inspected the executive direction, consular operations, resource management, and information management operations of Embassy Prague.

## What OIG Recommends

OIG made 8 recommendations to Embassy Prague.

In its comments on the draft report, Embassy Prague concurred with all 8 recommendations. OIG considers all 8 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.

September 2020

OFFICE OF INSPECTIONS

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

## Inspection of Embassy Prague, Czech Republic

### What OIG Found

- The Ambassador and Deputy Chief of Mission led Embassy Prague in a professional and collaborative manner. The Ambassador worked effectively with the Deputy Chief of Mission to manage their respective external and internal embassy duties.
- The Ambassador reinvigorated senior-level engagement with the Czech president.
- The embassy secured the sale of \$646 million in U.S. military equipment to enable the Czech Republic to meet its force modernization efforts and North Atlantic Treaty Organization commitments.
- A lack of an embassy-wide locally employed staff salary increase since 2003 affected staff morale and recruitment efforts.
- The entire embassy was involved in preparing the Annual Chief of Mission Management Control Statement of Assurance, and embassy personnel reported that the Ambassador and Deputy Chief of Mission created an environment that empowered staff to discuss internal control issues openly.
- The embassy did not adhere to all Department of State safety, health, and environmental management requirements, including those for residential housing.
- The embassy did not conduct required information technology contingency planning and training.
- Spotlight on Success: The Ambassador initiated an innovative annual goal-setting process that included quarterly reviews with all embassy sections. The process fostered interagency collaboration and helped assess implementation of the embassy's Integrated Country Strategy objectives.

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## CONTEXT

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The Czech Republic is located in Central Europe and has a population of 10.6 million. The country is a member of the European Union and the North Atlantic Treaty Organization (NATO), and it emerged from communist rule during the Velvet Revolution of 1989 as part of Czechoslovakia. In 1993, Czechoslovakia split into two separate countries, the Czech Republic and Slovakia. The United States and the Czech Republic marked 100 years of diplomatic relations in 2018.

In addition to NATO, the Czech Republic participates in U.S. and international military operations, including active deployments in Afghanistan, Iraq, Mali, and the Baltic states. In 2019, as part of a force modernization effort, the Czech Government made its largest single purchase of U.S. military equipment, buying \$646 million in helicopters and related material to replace Soviet-era and Russian-made equipment. The military equipment sale expanded a growing trade relationship with the United States, which increased 25 percent from 2016 to 2018.

The Czech Republic's economic growth contributed to the lowest unemployment rate in the European Union in 2019 and a gross domestic product of \$245 billion in 2018. The Government of the Czech Republic took the lead in establishing security standards for 5th generation wireless (5G) technologies, including hosting international conferences and establishing the Prague Protocols on 5G for countries to adopt going forward.<sup>1</sup> Additional government priorities include a more diverse energy supply network and managing efforts by China and Russia to expand links with the Czech Republic.

The three embassy goals for U.S. engagement with the Czech Republic, as identified in Embassy Prague's 2018 to 2022 Integrated Country Strategy (ICS), are:

- Active and constructive engagement on political and security challenges in alignment with U.S. interests.
- Stronger economic, commercial, and scientific ties between the Czech Republic and the United States to promote mutual prosperity and security.
- A deeper bilateral relationship based on shared democratic values.

At the time of the inspection, Embassy Prague's authorized staffing levels were 70 U.S. direct hire personnel, 16 eligible family members, and 159 locally employed (LE) staff. These staffing levels included 16 U.S. direct hires and 15 LE staff representing the Departments of Agriculture, Commerce, Defense, Energy, and Justice and the U.S. Agency for Global Media.

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<sup>1</sup> The Prague Proposals, announced at a May 2019 security conference, focus on four distinct categories in preparation for the roll out of 5G networks and future communication technologies: (1) policy, (2) technology, (3) economy, and (4) security, privacy, and resilience.

In FY 2018, the embassy managed \$1.4 million in bilateral International Military Education and Training funding focused on educational programs at U.S. military educational institutions. Additionally, in FY 2019, the embassy received approval for requested resources from the Countering Russian Influence Fund<sup>2</sup> project and managed \$314,700 in grants from the Global Engagement Center.<sup>3</sup>

OIG conducted this inspection of Embassy Prague consistent with Section 209 of the Foreign Service Act of 1980.<sup>4</sup> Using its risk-based approach to inspections, OIG identified the embassy as a relatively lower risk mission and therefore limited the scope of this inspection to executive direction, consular, resource management, and information management operations. The related classified inspection report discusses the embassy's security program, issues affecting the safety of mission personnel and facilities, as well as one Sensitive But Unclassified finding related to the embassy's information management (IM) operations.

## **EXECUTIVE DIRECTION**

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For this targeted inspection, OIG assessed Embassy Prague's leadership based on interviews, staff questionnaires, and OIG's review of documents and observations of embassy meetings and activities during the on-site portion of inspection.

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

The Ambassador, a first-time non-career Ambassador, arrived in Prague in November 2017. A businessman, the Ambassador also formerly served with the Federal Bureau of Investigation and the U.S. Senate's Permanent Subcommittee on Investigations. The Deputy Chief of Mission (DCM), a career member of the Foreign Service, arrived in July 2019. She previously served as the Office Director for Central Europe in the Bureau of European and Eurasian Affairs, and, prior to that, as DCM at Embassy Pristina, Kosovo.

The Front Office formed a strong leadership team consistent with the Department of State (Department) leadership principles outlined in 3 Foreign Affairs Manual (FAM) 1214. Both the Ambassador and the DCM were viewed as a good team that worked well together; they received praise from Department officials and embassy employees. They were both described as approachable, collaborative, and professional. Embassy personnel stated that the Ambassador conducted walk throughs of each embassy section every month, held "fireside chats" for U.S. and LE staff at his residence, and hosted monthly celebrations in his office for all embassy personnel who had a birthday that month.

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<sup>2</sup> As described in 22 U.S.C. § 9543(b), the Countering Russian Influence Fund is intended to assist certain eligible countries in protecting their critical infrastructure and electoral mechanisms from cyberattacks.

<sup>3</sup> The Global Engagement Center is an office in the Department that directs, integrates, and coordinates efforts of the U.S. Government to recognize and counter foreign state and non-state disinformation and propaganda.

<sup>4</sup> See Appendix A.

The DCM's style was described as personable and supportive. Embassy personnel stated that she was open to discussions, and they appreciated her experience and expertise. The DCM focused on the internal operations of the embassy and alleviating the workflow disruption and negative impact of an ongoing 3-year compound security upgrade project. The Ambassador and the DCM both promoted effective communication through monthly town hall meetings and by making themselves accessible to all staff.

The Ambassador and the DCM demonstrated their commitment to Department ethics rules. For example, they discussed Department standards of conduct at town hall and Country Team meetings as well as with incoming personnel. Additionally, the Ambassador was aware of the Department's gift policy and required embassy sections to return gifts that did not meet the standards established in 2 FAM 962.3. Also, shortly after her arrival in Prague, the DCM oversaw updates to the embassy's ethics policies.

### ***Lack of Salary Increase Contributed to Low Locally Employed Staff Morale***

OIG found that the lack of an across-the-board<sup>5</sup> salary increase for Embassy Prague LE staff, since 2003, created a significant morale issue. The Ambassador and DCM reported frustration at their inability to change this situation and its effect on the embassy's ability to attract high-quality candidates for local positions. According to the Bureau of Global Talent Management's Office of Overseas Employment (GTM/OE), however, its 2019 compensation review concluded that no increase to the embassy LE staff's total compensation was warranted. The last Department salary survey in 2019 rated Embassy Prague wages as high as 95 percent of the companies surveyed in Prague. GTM/OE staff visited Embassy Prague in October 2019 following the salary survey, but despite the Department's conclusion that no change in salary was warranted, LE staff concerns persisted.

Additionally, the embassy was unable to fill approximately 30 percent of its local guard force positions despite constant advertising. Vacancies in other embassy sections also persisted for months without attracting qualified candidates. LE staff retention also became a growing problem, especially at the lower grades. OIG found that LE staff's dissatisfaction with the lack of a salary increase and associated staffing issues represented unresolved challenges for the Front Office.

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

Embassy Prague's 2018 to 2022 ICS was released on August 23, 2018, and updated in 2019. To prepare the ICS, the DCM assembled a team led by the Political-Economic and Management Sections, which in turn, established working groups representing all sections and agencies. The Bureau of European and Eurasian Affairs Deputy Assistant Secretary recognized Embassy Prague for the excellence of its ICS.

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<sup>5</sup> With the exception of the local guard force, locally employed staff had not received a salary increase since 2003. In 2017, the local guard force received a 25 percent pay raise.

OIG found that the embassy achieved several foreign policy successes in 2019. Most notably, the Czech Government purchased \$646 million of U.S. helicopters and related material to replace aging Soviet-era and Russian-made equipment. The purchase, which was the largest military equipment purchase in Czech history, was a result of a 5-year embassy-wide effort. The embassy also took advantage of unexpected opportunities to build a deeper bilateral relationship with the Czech Republic, which is an ICS goal. For example, when China canceled a 14-city Czech Philharmonic Orchestra tour, the Ambassador quickly responded by arranging to have the Czech Philharmonic hold a concert for Czech officials and citizens, as well as the diplomatic community, at his residence. The concert was also streamed live on Czech media to reach a broader audience.

To promote commercial diplomacy, Embassy Prague worked with the Czech Government and businesses on several initiatives. For example, the Czechs hosted a 5G security conference in May 2019 that led to more than 30 countries signing the “Prague Proposals” cybersecurity framework. The embassy successfully encouraged the Czech Government to host a follow-on conference in 2020 to solidify its standing as a global leader for this issue. The embassy also engaged Czech officials to increase opportunities for U.S. companies to compete in the planned Czech Government purchase of a nuclear power reactor. Finally, at the time of the inspection, the embassy was in the process of organizing a U.S.-Czech business forum, although this event was later postponed due to COVID-19 precautionary measures against mass gatherings.

Embassy personnel said that the Ambassador enjoyed a strong working relationship with the host government, especially the Prime Minister, who firmly supported Czech membership in NATO and the European Union. In March 2019, the embassy facilitated the Prime Minister’s trip to Washington, DC, where he met with President Trump and committed to closer defense, economic, and “people-to-people” ties. It was the first Oval Office meeting for the Czech Prime Minister in nearly a decade. The Ambassador successfully reengaged with the host country to establish high-level contacts after a period in which the embassy lacked such access. The Ambassador cultivated a close relationship with the Czech President, which included regular lunches and, for the first time in years, the President’s attendance at the embassy’s Fourth of July celebration.

Embassy personnel stated that the Front Office’s engagement with Washington officials was positive and that the embassy received the necessary support. Both the Ambassador and the DCM had regular contact with their Czech counterparts in Washington. Embassy personnel also noted that when the Ambassador traveled to Washington, he offered to meet with other U.S. Federal agencies that were represented at the embassy to advocate for their needs, such as additional staff or resources.

### **Spotlight on Success: Annual Section Goals Used to Assess ICS Implementation**

The Ambassador established an innovative approach to bring the ICS to the forefront for embassy employees and to measure progress in implementing its objectives. At the beginning of each calendar year, all sections set at least three goals, directly tied to Embassy Prague’s overall ICS objectives, that they wanted to achieve during the year. The embassy then reviewed each section’s accomplishments to assess ICS implementation results. The process also

encouraged collaboration between agencies and sections and helped identify potential duplication of efforts. The Ambassador held quarterly goal review sessions with all the sections and monthly meetings with the section heads. Additionally, he held end-of-year meetings with all sections to evaluate their success in meeting their goals and discuss lessons learned. The Ambassador also hosted a lunch for all sections that met their goals for the year.

## **Adherence to Internal Controls**

The Management Section, with the guidance of the Ambassador and the DCM, led the preparation of the FY 2019 Annual Chief of Mission Management Control Statement of Assurance (SOA), in accordance with 2 FAM 022.7, which requires chiefs of mission to develop and maintain appropriate systems of management control for their organizations. The entire embassy was involved in the process, which began shortly after the Ambassador's arrival. The Ambassador met with the Management Officer several times to ensure that the process had been properly followed before he signed and submitted the SOA on August 14, 2019. The embassy reported no material or significant internal control deficiencies in the 2018 or the 2019 SOAs.

Embassy personnel reported that the Ambassador and DCM supported a system of internal control and created an environment that empowered staff to discuss internal control issues openly. For example, in addition to significant involvement in the annual SOA process, the Ambassador and the DCM reviewed representational budgets and funding priorities throughout the year. OIG noted that the DCM regularly reviewed the required number of nonimmigrant visa adjudications and agreed to meet the timeliness requirements for reviews in accordance with 9 FAM 403.12-1 and 2.

## **Security and Emergency Planning**

The Ambassador's leadership of the embassy's security program was consistent with the President's Letter of Instruction to Bilateral Chiefs of Mission. Although Embassy Prague's security program generally operated in accordance with Department standards, OIG identified issues that are addressed in the companion classified report.

Embassy staff told OIG that the Ambassador and the DCM fully supported the security program. In accordance with 12 Foreign Affairs Handbook (FAH)-1 H-271a, the Ambassador and the DCM participated in drills and radio checks and met regularly with embassy and host country security personnel. The embassy completed a crisis management exercise in July 2019 and routinely tested operational readiness through duck and cover, bomb, fire, safe haven, accountability, and other drills to prepare for an emergency.

The embassy submitted to the Department the 2018 review of the security memorandum of agreement between the Chief of Mission and the United States European Command Commander, as required by 2 FAH-2 H-116.4b.<sup>6</sup>

## **Equal Employment Opportunity**

OIG found that the embassy's Equal Employment Opportunity (EEO) program met Department requirements in 3 FAM 1514. Embassy staff told OIG that the Ambassador and the DCM promoted adherence to EEO principles and noted the DCM's leading role in ensuring that the EEO program was operational at Embassy Prague. Embassy employees also stated that the Front Office discussed EEO requirements in Country Team meetings. The embassy issued EEO-related Management Notices, and OIG noted that the embassy posted current EEO material throughout the chancery. The embassy had one trained EEO counselor and two trained LE staff liaisons. At the time of the inspection, the embassy was preparing for embassy-wide EEO training—scheduled to take place in spring 2020—from the Department's Office of Civil Rights. The embassy also had a separate Federal Women's Program Coordinator as required by 3 FAM 1514.2.

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

At the time of the inspection, the DCM had a mentoring program in place for the embassy's four First- and Second-Tour (FAST) employees in accordance with 3 FAM 2242.4. The DCM had twice met with the FAST employees as a group since her arrival to discuss their career development needs. The first meeting included a discussion on plans for the FAST program, and the second event was a DCM-hosted dinner at her residence. The FAST employees alternated as notetakers at meetings and assisted with official visits. The FAST employees told OIG they appreciated the DCM's emails containing suggestions for preparing employee evaluation reports, writing cables, and career development. They also commented more generally to OIG that the program helped them stay on track with their career development needs.

The embassy also had a mid-level mentoring program that included FAST employees in the program's activities. The mid-level group sponsored guest speakers from the Department, such as the Acting Assistant Secretary for the Bureau of European and Eurasian Affairs.

## **CONSULAR AFFAIRS**

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OIG reviewed consular operations, including American citizens services, immigrant and nonimmigrant visas, consular fees, and the consular anti-fraud program. The Consular Chief, who arrived in August 2018, focused on developing an effective network of citizen liaison

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<sup>6</sup> In December 1997, the Secretaries of Defense and State signed an agreement to address the security of Department of Defense personnel located overseas, in which the Secretary of State agreed, per 22 U.S.C. 4805(a), to delegate operational control of security functions for certain Department of Defense personnel to the Secretary of Defense. This agreement is implemented through country-level memoranda of agreement between the chief of mission and relevant geographic combatant commander. See 2 FAH-2 H-116.4a, "COM Security Responsibility and the Department of Defense."

volunteers to assist in maintaining contact with the U.S. citizen community and in balancing workload and staffing levels for nonimmigrant visa operations.

OIG found the Consular Section programs generally complied with guidance in 7 FAM, 9 FAM, 7 FAH, applicable statutes, and other Department policies, with the exception noted below. In addition, the section corrected six internal control issues OIG identified during the inspection. Specifically, the Consular Section:

- Developed a draft 2020 voting plan (7 FAM 1513a(2)).
- Updated and reposted the embassy's Special Immigrant Visa policy (9 FAM 502.5-3 and 7 FAH-1 H-264.d-g).
- Posted outside signage with hours of service and emergency contact information (7 FAH-1 H-263.8).
- Ensured compliance with standards of timeliness in adjudication reviews (9 FAM 403.12-1b and d and 9 FAM 403.12-2b).
- Completed the annual panel physician's contract (9 FAM 302.2-3(E)(3)f(4)(a)).
- Trained the back-up Accountable Consular Officer to perform the weekly reconciliation of machine-readable visa fees to services delivered (7 FAH-1 H-745.2).

Two remaining issues—wheelchair access to the Consular Section and the lack of a privacy booth—will be resolved during the ongoing compound security upgrade project. As a result, OIG did not make a recommendation on these issues.

### ***Consular Fee Collections Practices Did Not Comply With Department Standards***

OIG found that the Consular Section's cashiers did not routinely deposit consular fees with the embassy's Class B cashier on the day they were collected. This is inconsistent with guidance in 7 FAH-1 H-726.2-5, which states consular cashiers must deliver daily collections and receipts for services to the Class B cashier with enough time for the Class B cashier to reconcile and document fees collected by the close of the business day. This problem occurred because the Class B cashier's service hours did not coincide with the Consular Section's hours of service to American citizens. As a result, consular cashiers had to keep daily fees and receipts overnight in the Consular Section's safe. Because the embassy did not ensure the required daily reconciliation between collected fees and delivered services was completed, it risked creating opportunities for misuse or misappropriation of U.S. Government resources.

**Recommendation 1:** Embassy Prague should bring consular fee collection practices into compliance with Department standards. (Action: Embassy Prague)

## **RESOURCE MANAGEMENT**

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OIG reviewed internal control systems in the facilities management, general services, financial management, and human resources operations at Embassy Prague. OIG found the embassy's Management Section generally implemented processes and procedures in accordance with applicable laws and Department guidance, with the exceptions noted below.

In addition, during the inspection, the embassy corrected five management control problems identified by OIG. As a result, OIG did not make recommendations to address these deficiencies. Specifically:

- The General Services Officer reviewed and reissued the mission's motor vehicle policy (14 FAM 435.1a).
- The Contracting Officer conducted a review of the embassy's blanket purchase agreements,<sup>7</sup> in accordance with Department of State Acquisition Regulation, Section 613.303-6.
- The Post Occupational Safety and Health Officer (POSHO) reviewed the embassy's list of confined spaces and established entry permit requirements, as mandated by the Department's Confined Space Program Procedures.<sup>8</sup>
- The Ambassador formally authorized the provision of accommodation exchange services<sup>9</sup> by the embassy cashier (4 FAH-3 H-361.2a).
- The Financial Management Officer liquidated invalid obligations (4 FAM 225d).

## **Facilities Management**

### ***Safety, Health, and Environmental Management Program Did Not Comply With Department Standards***

OIG found Embassy Prague's safety, health, and environmental management program did not fully comply with Department standards. Specifically, the embassy did not:

- Perform safety inspections mandated in 15 FAM 962c, which requires the POSHO to inspect all office work areas annually and increased-risk<sup>10</sup> work areas twice a year.
- Conduct required safety training of Management Section leaders and all new employees. According to guidance in 15 FAM 965a, the POSHO should ensure that the section's leaders receive an orientation and other learning experiences that enable them to meet their safety and occupational health responsibilities. In addition, 15 FAM 965d states that the POSHO will ensure that a safety and occupational health orientation is provided for all new employees and that specialized safety, health, and environmental management training is provided to employees who work in those areas.

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<sup>7</sup> A blanket purchase agreement is a simplified method of filing anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply. See Federal Acquisition Regulation 13.303-1 – Blanket Purchase Agreements, General.

<sup>8</sup> Department of State, Bureau of Overseas Building Operations, Office of Safety, Health, and Environmental Management's *Confined Space Program Procedures*, 2002.

<sup>9</sup> Accommodation exchange is the authorized exchange of equivalent monetary values in different forms to authorized persons, for example, foreign currency in exchange for a U.S. dollar check.

<sup>10</sup> According to 15 FAM 962e, an "increased risk" work area is a workplace or environment with a high potential for mishaps or occupational illnesses, including activities involving machines, electrical or electronic functions, construction, maintenance, and repair.

Additionally, the embassy did not comply with 10 of the 33 recommendations made during a September 2016 Bureau of Overseas Buildings Operations (OBO) inspection. Embassy staff told OIG this occurred because of staffing vacancies and competing priorities. These issues should be addressed, as failure to comply with the Department's Safety, Health, and Environmental Management program increases the risk of injury and loss of life.

**Recommendation 2:** Embassy Prague, in coordination with the Bureau of Overseas Buildings Operations, should bring its safety, health, and environmental management program into compliance with Department standards. (Action: Embassy Prague, in coordination with OBO)

***Fire Protection Program Did Not Fully Comply With Department Standards***

Embassy Prague did not comply with all elements of the Department's fire protection program. Specifically, the embassy did not:

- Inspect its fire extinguishers on a monthly basis (15 FAM 843c).
- Ensure adequate storage of flammable liquids in its maintenance shops (Department's Fire Protection Guide, Section F-7).

Additionally, the embassy did not comply with 10 of the 56 recommendations issued in May 2018 by OBO's Office of Fire Protection. Embassy personnel explained to OIG that these fire protection deficiencies occurred because of staffing vacancies and competing priorities. The lack of inspections and failure to correct all reported fire protection deficiencies increases the risk of injury and loss of life.

**Recommendation 3:** Embassy Prague, in coordination with the Bureau of Overseas Buildings Operations, should bring its fire protection program into compliance with Department standards. (Action: Embassy Prague, in coordination with OBO)

***Housing Program Did Not Fully Comply With Department Safety and Security Standards***

Embassy Prague's housing program did not fully meet Department safety and security standards. OIG reviewed housing files for 12 residences and found that 10 of the 12 files lacked POSHO certifications and that 4 lacked security certifications. Additionally, the POSHO had only entered safety certifications for 11 of the embassy's 67 residences in the POSHO Certification Application.<sup>11</sup> This is inconsistent with guidance in 15 FAM 252.5c, which states that overseas posts should complete and document certifications in the POSHO Certification Application and maintain a copy of the certification as part of the property record. Additionally, guidance in 12 FAM 333.2b requires that a security survey be conducted prior to leasing or purchasing a property. Embassy staff told OIG these lapses occurred because of competing priorities, a lack

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<sup>11</sup> The POSHO Certification Application generates and documents the form used by the POSHO to certify that a residence meets 15 FAM 252.5 requirements for POSHO certification and includes the safety requirements that must be certified prior to occupancy. The POSHO can attach relevant documentation for a given property to the form within the Certification Application.

of coordination within the Management Section, and a lack of coordination between the Management Section and the Regional Security Office. Failure to document required safety and security reviews prior to occupancy creates potential life and safety vulnerabilities.

**Recommendation 4:** Embassy Prague should comply with Department standards for residential safety and security certifications. (Action: Embassy Prague)

## General Services Operations

### *Embassy Did Not Monitor Operating Costs of Its Official Vehicles*

Embassy Prague did not monitor the operating costs of its official vehicles. Specifically, the Motor Vehicle Accountable Officer did not review fleet reports, as required by Section 1 of the Department's Motor Pool Procedures Overseas guide. Fleet reports include useful information about vehicle costs, including fuel consumption, vehicle repairs, and kilometers driven. This lapse occurred because of a lack of management oversight. Failure to review such data for significant changes in fuel or oil consumption increases the risk of unresolved mechanical issues or theft.

**Recommendation 5:** Embassy Prague should monitor its motor vehicle operating costs in accordance with Department standards. (Action: Embassy Prague)

## INFORMATION MANAGEMENT

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OIG reviewed Embassy Prague's classified, unclassified, and dedicated internet network operations; physical protection of IT assets; emergency communication preparedness; radio and telephone programs; and mail and pouch services. The ongoing compound security upgrade project delayed implementation of planned section activities, such as replacing legacy cabling. OIG determined that the IM programs and services generally met the day-to-day computing needs of the embassy, with the exceptions noted below. One Sensitive But Unclassified IM finding is discussed in the companion classified inspection report.

OIG identified seven internal control deficiencies that the embassy corrected during the inspection. As a result, OIG did not make recommendations to address these problems. The embassy took the following corrective actions:

- Initiated service level agreements for the Public Diplomacy Section's dedicated internet network (5 FAM 151).
- Registered the dedicated internet network in the Public Diplomacy Section (5 FAM 872.1).
- Disposed of non-functioning computer workstation equipment (5 FAH-2 H-852).
- Created appointment letters for pouch and mail control officers (14 FAM 714.3(2-3)).
- Updated Information Systems Security Officer designations (5 FAM 121(b)).
- Developed a systems operation log to document systems activities (5 FAM 867(6)).

- Removed system administrator access to personally identifiable information on the Regional Security Office's shared folder (5 FAM 469.4).

***Records Management Program Did Not Comply With Department Standards***

The embassy's records management program did not comply with Department standards. During the inspection, OIG found paper files from embassy sections dating back to 2015 that had not been reviewed for appropriate disposition. Guidance in 5 FAM 414.5 requires the embassy to implement and administer Department records policies, standards, systems, and procedures. In addition, guidance in 5 FAM 414.8(1)-(2) requires the embassy to preserve or dispose of documentary materials in accordance with the Federal Records Act. The identified weaknesses occurred because of a lack of management oversight. Without an effective records management program, the embassy may not appropriately archive important data for research and historical insights into policy analysis and decision-making.

**Recommendation 6:** Embassy Prague should comply with Department standards for records management. (Action: Embassy Prague)

***Information Technology Contingency Planning Did Not Meet Department Standards***

The embassy did not complete or annually test its unclassified and classified IT contingency plans. Department standards outlined in 12 FAH-10 H-232.3-1b(1-3) require management to develop and test IT contingency plans annually for effectiveness and to determine the embassy's readiness to execute such plans during unplanned system outages or disruptions. Section managers told OIG that they did not complete or test the plans due to competing priorities. Inadequate IT contingency planning and testing, however, prevents the IM staff from mitigating the risk of system and service disruptions.

**Recommendation 7:** Embassy Prague should complete annual tests of the information technology contingency plans for the unclassified and classified networks in accordance with Department standards. (Action: Embassy Prague)

***Embassy Did Not Conduct Information Technology Contingency Plan Training***

The embassy did not conduct initial and annual refresher IT contingency training for employees responsible for IT contingency planning. According to 12 FAH-10 H-232.2-1, management must ensure that employees receive such contingency training based on their roles and responsibilities. Section managers told OIG they were unable to complete this task due to a lack of prioritization. This issue should be addressed, as failure to conduct initial and annual refresher IT contingency plan training impedes the embassy's ability to respond effectively to unplanned systems outages or disruptions.

**Recommendation 8:** Embassy Prague should conduct refresher information technology contingency training for employees with information technology contingency planning responsibilities in accordance with Department standards. (Action: Embassy Prague)

## 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 Prague. 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 Prague should bring consular fee collection practices into compliance with Department standards. (Action: Embassy Prague)

**Management Response:** In its September 2, 2020, response, Embassy Prague concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Prague brought its consular fee collection practices into compliance with Department standards.

**Recommendation 2:** Embassy Prague, in coordination with the Bureau of Overseas Buildings Operations, should bring its safety, health, and environmental management program into compliance with Department standards. (Action: Embassy Prague, in coordination with OBO)

**Management Response:** In its September 2, 2020, response, Embassy Prague concurred with this recommendation. The embassy noted an estimated completion date of December 31, 2020.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Prague's safety, health, and environmental management program complies with Department standards.

**Recommendation 3:** Embassy Prague, in coordination with the Bureau of Overseas Buildings Operations, should bring its fire protection program into compliance with Department standards. (Action: Embassy Prague, in coordination with OBO)

**Management Response:** In its September 2, 2020, response, Embassy Prague concurred with this recommendation. The embassy noted an estimated completion date of December 31, 2020.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Prague's fire protection program complies with Department standards.

**Recommendation 4:** Embassy Prague should comply with Department standards for residential safety and security certifications. (Action: Embassy Prague)

**Management Response:** In its September 2, 2020, response, Embassy Prague concurred with this recommendation. The embassy noted an estimated completion date of December 31, 2020.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Prague complied with Department standards for residential safety and security certifications.

**Recommendation 5:** Embassy Prague should monitor its motor vehicle operating costs in accordance with Department standards. (Action: Embassy Prague)

**Management Response:** In its September 2, 2020, response, Embassy Prague concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Prague monitored its motor vehicle operating costs in accordance with Department standards.

**Recommendation 6:** Embassy Prague should comply with Department standards for records management. (Action: Embassy Prague)

**Management Response:** In its September 2, 2020, response, Embassy Prague concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Prague complied with Department standards for records management.

**Recommendation 7:** Embassy Prague should complete annual tests of the information technology contingency plans for the unclassified and classified networks in accordance with Department standards. (Action: Embassy Prague)

**Management Response:** In its September 2, 2020, response, Embassy Prague concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Prague completed annual tests of the information technology contingency plans for the unclassified and classified networks in accordance with Department standards.

**Recommendation 8:** Embassy Prague should conduct refresher information technology contingency training for employees with information technology contingency planning responsibilities in accordance with Department standards. (Action: Embassy Prague)

**Management Response:** In its September 2, 2020, response, Embassy Prague concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Prague conducted refresher information technology training for appropriate employees in accordance with Department standards.

## PRINCIPAL OFFICIALS

Title	Name	Arrival Date
<b>Chiefs of Mission:</b>		
Ambassador	Stephen King	11/2017
Deputy Chief of Mission	Jennifer Bachus	07/2019
<b>Chiefs of Sections:</b>		
Management	Alexander Hardin	07/2018
Consular	Kimberly Atkinson	08/2018
Political-Economic	John Nylin	08/2017
Public Diplomacy	Joann Lockard	07/2017
Regional Security	Hunter Martin	06/2017
<b>Other Agencies:</b>		
Agency for Global Media	Adam Gartner (in Frankfurt)	N/A
Department of Defense	Sean Cantrell	07/2018
Department of Energy	Daniel Milstein	07/2018
Department of Justice (LEGAT)	Lisa Gentilcore	07/2019
Foreign Agricultural Service	Kim Sawatzki (in Berlin)	N/A
Foreign Commercial Service	Christina Sharkey	08/2018
Office of Defense Cooperation	Joshua Passer	07/2019
Office of Naval Research	Stephen O'Regan	08/2016

Source: Generated by OIG from data provided by Embassy Prague.

## APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

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This inspection was conducted from January 2 to March 25, 2020, 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 Inspections 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.

### Methodology

In conducting inspections, OIG uses a risk-based approach to prepare for each inspection; 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 RESPONSE

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*Embassy of the United States of America*

September 2, 2020

UNCLASSIFIED

THRU: EUR – Philip T. Reeker, Assistant Secretary of European and Eurasian Affairs

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

FROM: Embassy Prague – Ambassadors Stephen B. King *SBL*

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

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

**OIG Recommendation 1:** Embassy Prague should bring consular fee collection practices into compliance with Department standards. (Action: Embassy Prague)

**Consular/Management Response:** Embassy Prague concurs with the recommendation. The embassy implemented the recommendation by shifting the Consular cashier hours earlier in the day and moving the Class B cashier hours later in the afternoon, allowing time for the Consular cashier to deliver collections and receipts to the Class B cashier each day and for the Class B cashier to reconcile and document them before the close of business. The new process has been in place since February 27, 2020. Post requests that OIG consider the recommendation resolved and closed.

**OIG Recommendation 2:** Embassy Prague, in coordination with the Bureau of Overseas Buildings Operations, should bring its safety, health, and environmental management program into compliance with Department standards. (Action: Embassy Prague, in coordination with OBO)

**Management Response:** Embassy Prague concurs with the recommendation and will bring its safety, health, and environmental management program into compliance with Department standards by December 31, 2020. Embassy Prague has hired additional locally employed staff in Facilities to assist in the long-term management of this process under the direction of the Facilities Manager.

**OIG Recommendation 3:** Embassy Prague, in coordination with the Bureau of Overseas Buildings Operations, should bring its fire protection program into compliance with Department standards. (Action: Embassy Prague, in coordination with OBO)

**Management Response:** Embassy Prague concurs with the recommendation and will bring its fire protection program into compliance with Department standards by December 31, 2020. Embassy Prague has hired additional locally employed staff in Facilities to assist in the long-term management of this process under the direction of the Facilities Manager.

**OIG Recommendation 4:** Embassy Prague should comply with Department standards for residential safety and security certifications. (Action: Embassy Prague)

**Management Response:** Embassy Prague concurs with the recommendation and will ensure compliance with all Department standards for residential safety and security certifications by the December 31, 2020. Embassy Prague has hired additional locally employed staff in Facilities to assist in the long-term management of this process under the direction of the Facilities Manager.

**OIG Recommendation 5:** Embassy Prague should monitor its motor vehicle operating costs in accordance with Department standards. (Action: Embassy Prague)

**Management Response:** Embassy Prague concurs with the recommendation and has already implemented a monthly review process by the GSO.

**OIG Recommendation 6:** Embassy Prague should comply with Department standards for records management. (Action: Embassy Prague)

**Management Response:** Embassy Prague concurs with the recommendation and is implementing the recommendation by:

- Distributing a Management Notice to all post personnel regarding records management compliance responsibilities. The expected completion date is September, 2020.
- Having revised Information System Security Officer OpenNet user account briefings to highlight the responsibilities of Department employees as defined in 5 FAM 414.8.
- Tasking the OpenNet Information Systems Security Officer (ISSO) with monitoring the Department's OpenNet Mandatory Training Console for user completion of mandatory annual PK217 Records Management for Everyone training, notification of users out of compliance with training requirements, and disabling the OpenNet accounts of users out of compliance per 19 STATE 129976. ISSO is currently performing this task.
- Distributing semi-annual reminders to post personnel regarding records maintenance and disposition schedules. Reminders will be sent semi-annually, beginning October 2020.
- Modifying post's intranet site to include a page dedicated to records management which identifies responsibilities, disposition schedules and department resources. The expected completion date is December 2020.

**OIG Recommendation 7:** Embassy Prague should complete annual tests of the information technology contingency plans for the unclassified and classified networks in accordance with Department standards. (Action: Embassy Prague)

**Management Response:** Embassy Prague concurs with the recommendation. IRM conducted and completed an IT Contingency Plan test June 23, 2020. Annual testing will be completed under the direction of Post's Information Management Officer, with a record of all tests maintained in the Information Program Center (IPC).

**OIG Recommendation 8:** Embassy Prague should conduct refresher information technology contingency training for employees with information technology contingency planning responsibilities in accordance with Department standards. (Action: Embassy Prague)

**Management Response:** Embassy Prague concurs with the recommendation. Post Information Management Officer and Information Program Officer will complete IA310 Information Security Contingency Planning for Systems Owners in 2020 as soon as the course is available. (Note: IA310 is currently unavailable from FSI/SAIT due to FSI/SAIT COVID-19 staffing adjustments, and enrollment is currently suspended. End Note.) All U.S. Direct Hires within IRM have reviewed and discussed 12 FAH-10 H-230 Contingency Planning.

## ABBREVIATIONS

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DCM	Deputy Chief of Mission
EEO	Equal Employment Opportunity
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
FAST	First-and Second-Tour
GTM/OE	Bureau of Global Talent Management/Office of Overseas Employment
ICS	Integrated Country Strategy
IM	Information Management
LE	Locally Employed
NATO	North Atlantic Treaty Organization
OBO	Bureau of Overseas Buildings Operations
POSHO	Post Occupational Safety and Health Officer
SOA	Chief of Mission Management Control Statement of Assurance

## OIG INSPECTION TEAM MEMBERS

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Jeannine Juhnke, Team Leader  
Gregory Winstead, Team Manager  
Darren Felsburg  
Gina Horn  
Dolores Hylander  
Sergio Lagares  
Derwood Staeben

### **Other Contributors**

Barbara Keller  
Diana McCormick  
Kathryn McMahon



## **HELP FIGHT**

### FRAUD, WASTE, AND ABUSE

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