

UNCLASSIFIED



Office of Inspector General
United States Department of State

ISP-I-22-11

Office of Inspections

April 2022

Inspection of Embassy Montevideo, Uruguay

BUREAU OF WESTERN HEMISPHERE AFFAIRS

UNCLASSIFIED



HIGHLIGHTS

Office of Inspector General
United States Department of State

ISP-I-22-11

What OIG Inspected

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

What OIG Recommends

OIG made 10 recommendations to Embassy Montevideo.

In its comments on the draft report, Embassy Montevideo concurred with all 10 recommendations. OIG considers all 10 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 response is reprinted in its entirety in Appendix B.

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OFFICE OF INSPECTIONS

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Inspection of Embassy Montevideo, Uruguay

What OIG Found

- Embassy Montevideo's Chargé d'Affaires and acting Deputy Chief of Mission modeled the Department of State's leadership principles, demonstrating concern for the staff's well-being.
- Embassy Montevideo implemented measures to maintain the health and safety of personnel during the COVID-19 pandemic.
- The embassy's contracting officer's representative program did not comply with Department standards.
- The embassy's Information Systems Security Officers failed to perform all required information systems security duties.
- Embassy Montevideo did not test the primary or secondary high-frequency radio systems at the chancery or the off-site high-frequency radio at the alternate command center.
- Spotlight on Success: Embassy Montevideo's Public Diplomacy Section launched "Alumni Open Talks," a series of 30-minute live-streamed talks featuring public diplomacy program alumni. The talks initially focused on the challenges of the COVID-19 pandemic, but were expanded to include discussions on renewable energy, entrepreneurship, environmental protection, and science education.

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CONTEXT

The Oriental Republic of Uruguay, a country of 3.3 million people located between Argentina and Brazil, historically has served as a consensus builder and mediator in regional and international institutions. Uruguay is consistently in the top 20 contributors of personnel to United Nations peacekeeping operations and is the largest contributor among Latin American countries. In 2020, the Economist Intelligence Unit's Democracy Index ranked Uruguay as a "full democracy," one of only three countries in Latin America to be so designated.¹ In addition, the 2020 Transparency International Corruption Perceptions Index ranked Uruguay among the world's least corrupt countries.² Uruguay has one of the lowest levels of income inequality in the region due to a strong social safety net. Montevideo's port, located at the mouth of the Rio Plata River basin, links Argentina, Brazil, Paraguay, Bolivia, and Uruguay and is a major regional cargo transshipment hub for one of the world's largest food producing regions.

The relationship between the United States and Uruguay is based on a shared commitment to democracy, human rights, and multilateralism. In 2020, the United States was Uruguay's fourth largest supplier of goods and its third largest export destination. Overall, the United States is Uruguay's fourth largest trading partner, after China, Brazil, and neighboring Argentina. In 2002, Uruguay and the United States created a Joint Commission on Trade and Investment, which was superseded by a Trade and Investment Framework Agreement in 2007.³

Embassy Montevideo's top three strategic objectives, as outlined in the FY 2018-2022 Integrated Country Strategy (ICS), are to:

- Weaken transnational threat networks operating in Uruguay and prepare capable Uruguayan peacekeepers for United Nations peacekeeping operations to improve global security.
- Improve economic prosperity through increased trade, travel, education, investment, and job creation between the United States and Uruguay.
- Encourage a more assertive Uruguayan defense of democracy in the hemisphere, stronger Uruguayan democratic institutions of criminal justice, greater gender equality, and opportunities for underserved youth to improve democracy and social justice.

At the time of the inspection, Embassy Montevideo had 83 authorized U.S. direct-hire positions and 226 locally employed (LE) staff. The Departments of Commerce and Defense also were represented at the embassy.

¹ The Economist Intelligence Unit, the research and analysis division of the Economist Group media company, ranked Uruguay as a full democracy along with Chile and Costa Rica. The annual survey rates the state of democracy across 167 countries based on five measures: electoral process and pluralism, the functioning of government, political participation, democratic political culture, and civil liberties.

² The 2020 Transparency International Corruption Perceptions Index ranked Uruguay at 21 out of 180 countries, in the top 15 percent of least corrupt countries.

³ Trade and Investment Framework Agreements provide strategic frameworks and principles of dialogue on trade and investment between the United States and other parties to the agreement.

The Bureau of Overseas Buildings Operations (OBO) began a \$161 million chancery renovation in April 2018, which had been scheduled for completion in August 2021. However, due to design modifications and the COVID-19 pandemic, completion has been delayed to April 2023.

OIG evaluated the embassy's executive direction, policy implementation, resource management, and information management operations consistent with Section 209 of the Foreign Service Act of 1980. Because of the COVID-19 pandemic, OIG conducted parts of the inspection remotely and therefore could not review some areas.⁴ A companion classified inspection report discusses the embassy's security program and issues affecting the safety of embassy personnel and facilities.

EXECUTIVE DIRECTION

OIG assessed Embassy Montevideo's leadership based on interviews, staff questionnaires, a review of documents, and observations of embassy meetings.

Tone at the Top and Standards of Conduct

At the time of the inspection, the embassy had been without an ambassador since January 2021. The Chargé d'Affaires, a member of the Senior Foreign Service, arrived in August 2019 as the Deputy Chief of Mission (DCM). She initially served as Chargé for 3 months until the arrival of the noncareer Ambassador in October 2019. She resumed her role as Chargé upon the departure of the Ambassador in January 2021. Her previous assignment was DCM at Embassy Harare, Zimbabwe. The acting DCM arrived in October 2020 as Officer-in-Charge of the Bureau of Diplomatic Security Engineering Services Center. He became acting DCM in July 2021.

OIG found that the Chargé and the acting DCM exhibited the leadership principles in 3 Foreign Affairs Manual (FAM) 1214, in particular the principle of valuing and developing people. Employees consistently told OIG the Chargé and the acting DCM demonstrated concern for the staff's well-being. For example, they cited the Chargé's support for professional development, including support for onward assignments, meetings with the embassy's diversity and inclusion group, and personal mentoring of staff members. Embassy staff members also told OIG the Chargé and the acting DCM were approachable. For example, the acting DCM sent an email to the staff when he took over the position to say he had an open-door policy and that staff members were welcome to raise issues with him, which they told OIG they felt comfortable doing. Further, the embassy's relatively small staff complement allowed the Front Office to interact frequently with staff members, including through Country Team meetings.

Staff also reported to OIG that the Chargé took positive steps to mitigate workplace risks associated with the OBO-managed chancery renovation project such as falling debris, tripping hazards, fumes, smoke, and excessive noise. These steps included encouraging situational telework, use of hearing protection equipment, and installation of sound meters and air filters

⁴ See Appendix A.

to reduce the effects of construction-related noise and dust. Staff told OIG the Chargé's efforts improved working conditions and morale for those employees working in the chancery.

Embassy Implemented Measures to Maintain Staff Health and Safety During the COVID-19 Pandemic

OIG found that the Front Office's response to the COVID-19 pandemic was consistent with 2 FAM 031d and 2 FAM 032.6g guidance on risk management.⁵ During her tenure, the Chargé allowed telework and instituted other health and safety practices, such as social distancing and restrictions on social events. During the inspection, OIG observed that social distancing rules and situational telework practices remained in place, as did adherence to Government of Uruguay regulations, including mandatory COVID-19 testing before and after airport arrivals into Uruguay.

Embassy staff told OIG the Department's rollout of remote access electronic applications and additional resources to support telework enabled the embassy to continue to advance ICS objectives during the pandemic. Embassy staff relied on Webex, Microsoft Teams, and other virtual platforms for internal and external meetings, including with government officials, lawmakers, businesses, and members of the civil society. Nonetheless, the embassy's Consular Section suspended all routine U.S. citizen and visa services except for emergency citizen and passport services at the beginning of the pandemic. The embassy resumed consular services in October 2020.

In November 2021, the Government of Uruguay lifted most of its COVID-19 travel restrictions due to its successful vaccination campaign. As a result, the embassy resumed normal operations, with workplace flexibilities such as telework for eligible U.S. direct-hires and LE staff.

Execution of Foreign Policy Goals and Objectives

Embassy Montevideo approved its ICS in September 2018 and created an implementation "roadmap" to track progress toward its goals and objectives consistent with 18 FAM 301.2-4(D)c and 16 STATE 122756.⁶ OIG found staff members were familiar with ICS goals and that they used the "roadmap" to structure embassy programs and activities. In addition, staff reported that one Country Team meeting each month was devoted to measuring goals and objectives. At the time of the inspection, the embassy was preparing to redraft its ICS in

⁵ According to 2 FAM 031d, a key tenet of leadership at the Department is to lead teams to the best possible assessment of risk, implementation of mitigation measures, and an evaluation of the residual risk that still remains, through sound planning and management. The Department expects leaders to judge whether the benefits of an activity outweigh the residual risk potential and to act accordingly. Guidelines in 2 FAM 032.6g also state that chiefs of mission set the risk tolerance level at their mission and communicate it clearly to staff.

⁶ Cable 16 STATE 122756, "Implementation of Strategic Progress Reviews, New Managing for Results Website, and Program Design and Performance Management Toolkit," November 15, 2016.

accordance with instructions in 21 STATE 107242,⁷ which requires overseas missions to start the process to complete a new 4-year ICS.

Embassy staff described the Chargé's leadership of the embassy's small interagency team, consisting of the Departments of State, Commerce, and Defense, as effective. For example, she was involved in planning for official visits to ensure the visits supported the embassy's ICS goals and objectives. Additionally, she effectively engaged with other agencies such as the Departments of Agriculture and Justice that cover Uruguay from neighboring countries. For example, the Chargé resolved a procedural issue when a law enforcement agency based at another regional embassy began communicating directly with Uruguayan counterparts rather than through Embassy Montevideo.

OIG observed the Chargé's leadership in a November 2021 briefing for the Deputy Secretary of State. Her briefing demonstrated her grasp of important details in Uruguayan issues of most concern to the United States by describing how those issues fit into U.S. strategic interests in reference to China, a global competitor.

OIG's review of the Chargé's calendar showed she had contacts with a wide range of Uruguayan officials, such as the president and officials in ministries, including those of Foreign Affairs and Tourism, consistent with her responsibilities in 2 FAM 113.1c(1) and (7) to maintain close official relations and represent the interests of the United States. She also had contacts with at least one bi-national commission.

Adherence to Internal Controls

The Front Office prepared the FY 2021 Annual Chief of Mission Management Control Statement of Assurance in accordance with 2 FAM 022.7(1) and (5), which require chiefs of mission to develop and maintain appropriate systems of management control of their organizations. OIG reviewed the embassy's supporting documentation, which showed that embassy sections reviewed internal controls as required. Those reviews identified three significant deficiencies: a lack of physical security measures, a lack of fire alarms needed for fire safety, and noise and air quality problems caused by the ongoing major renovation of the chancery. The first two deficiencies are scheduled to be corrected by the renovation; the embassy addressed the third issue with monitoring devices, situational telework, and hearing protection equipment.

OIG confirmed the acting DCM carried out regular reviews of the Consular Section chief's nonimmigrant visa adjudications, as required by 9 FAM 403.12-1a and c and 9 FAM 403.12-2b. Additionally, OIG determined the embassy maintained its gift registry in accordance with Department guidance in 2 FAM 964 and 16 STATE 97388.¹

⁷ Cable 21 STATE 107242, "Launch of Mission Strategic Planning," October 21, 2021.

Security and Emergency Planning

The Chargé's leadership of the security and emergency preparedness programs was consistent with the Department's guidelines in 12 Foreign Affairs Handbook (FAH)-1 H-721a. The Chargé signed 14 security directives and met with the Regional Security Officer on a weekly and ad hoc basis to review the security program. In addition, the embassy updated its emergency action plan in February 2021 and posted a link on its SharePoint site. Responses to OIG's questionnaires showed that most U.S. and LE staff members were familiar with the plan, knew what to do in case of an emergency, and participated in security drills. The companion classified inspection report contains additional discussion of the security program.

Equal Employment Opportunity

OIG found the embassy's Equal Employment Opportunity (EEO) practices were consistent with 3 FAM 1514.4 and 21 STATE 60514.⁸ Embassy staff repeatedly told OIG the Chargé emphasized the importance of diversity and inclusion. She supported activities of a lesbian, gay, bi-sexual, and transgender affinity group by attending events and speaking in support of the group's activities. She also persuaded the Government of Uruguay to assign a female national police officer to her security detail. Additionally, the embassy nominated an EEO counselor and appointed two LE staff EEO liaisons in 2019. The nomination of the EEO counselor was pending with the Office of Civil Rights until the office resumes conducting training for new EEO counselors in 2022. In the meantime, the embassy consulted with other trained EEO counselors in the region as needed.

Developing and Mentoring Foreign Service Professionals

Embassy staff told OIG the First- and Second-Tour (FAST) program became dormant during the COVID-19 pandemic. In addition, four of the five FAST employees were new to the embassy, having arrived during summer 2021. With new employees on board, the Chargé and the acting DCM started to re-energize the program by issuing a new FAST policy, holding monthly meetings, encouraging FAST employees to participate in activities, including meetings with the visiting Deputy Secretary, and promoting cooperation with larger FAST groups in the region, such as at Embassy Buenos Aires. Overall, OIG concluded the Chargé's and the acting DCM's efforts were consistent with 3 FAM 2242.4 and the Department's leadership principles in 3 FAM 1214b(8), which require leaders to value and develop people through mentoring, coaching, and other opportunities.

POLICY AND PROGRAM IMPLEMENTATION

OIG assessed Embassy Montevideo's policy and program implementation work performed by the Political-Economic, Public Diplomacy, and Consular Sections. OIG found the embassy

⁸ Cable 21 STATE 60514, "Policy Statements on Diversity and Inclusion and Equal Employment Opportunity and Harassment," June 11, 2021.

generally met Department requirements. However, OIG found one internal control issue in the Public Diplomacy Section, and two in the Consular Section, as discussed below.

Political-Economic Section

OIG reviewed the Political-Economic Section's leadership and management, policy implementation, reporting, Leahy vetting,⁹ grants administration, commercial outreach, and end-use monitoring functions and found the section complied with Department standards. During the inspection, OIG identified one issue which the embassy corrected. Specifically, the Political-Economic Section submitted updated Leahy vetting standard operating procedures to the Department's Bureau of Democracy, Human Rights, and Labor as required in the 2017 Leahy Vetting Guide.

Section's Reporting Reflected Bilateral Engagement

OIG reviewed a sample of the Political-Economic Section's cables from January to November 2021 and found they reflected priorities outlined in the ICS. The cables reported on a broad range of topics, including Uruguay's economic relationship with China, bilateral cooperation on COVID-19 vaccine research, and disability rights. The cables also showed the embassy's bilateral engagement in areas such as prison reform; illegal, unreported, and unregulated fishing; and screwworm eradication, an important animal health priority for Uruguay. Stakeholders praised the embassy's reporting on climate issues, the COVID-19 pandemic, law enforcement, and security. For example, stakeholders told OIG they found the embassy's frequent updates on transnational crime and law enforcement particularly useful. Finally, Department officials said that despite the pandemic, the section responded promptly to taskings and information requests and was effective in implementing policy and providing useful reporting.

Public Diplomacy

OIG reviewed the Public Diplomacy Section's strategic planning, section leadership, program implementation, reporting, grants administration, and media engagement. OIG found the section's operations and programs generally complied with Department standards, except for grants management, as discussed below.

Grants Files Lacked Sufficient Evidence of Recipient Reporting and Monitoring and Evaluation

OIG reviewed 20 Public Diplomacy Section grants and cooperative agreements, issued from August 1, 2019, to September 1, 2021, totaling \$1.042 million, and found that 7 of the 20 files lacked evidence of recipient reporting and 13 lacked evidence of monitoring and evaluation by the section.¹⁰ The Department's Federal Assistance Directive requires that Federal assistance

⁹ The Leahy Amendment to the Foreign Assistance Act of 1961 prohibits the Department from furnishing assistance to foreign security forces if the Department receives credible information that such forces have committed gross violations of human rights. See 22 U.S.C. § 2378d.

¹⁰ OIG reviewed 20 awards out of a universe of 122 with activity from August 1, 2019, to September 1, 2021, totaling \$1.954 million. These awards were subject to the Federal Assistance Directive (issued May 2017, revised

awards be monitored to ensure that programmatic and financial management performance is adhered to and that the intended activities, goals, and objectives are being accomplished.¹¹ This issue occurred because grants officer representatives did not provide sufficient oversight. Failure to monitor and evaluate grants impairs the ability of grants officers to identify and mitigate risk, monitor program implementation, evaluate program results, and ensure accountability for public diplomacy resources. During the inspection, the section adopted a new procedure for documenting monitoring activities and grants officers and grants officer representatives began adding evidence of recipient reporting and monitoring and evaluation to electronic grant files. Therefore, OIG did not make a recommendation to address this issue.

Spotlight on Success: “Alumni Open Talks”

Embassy Montevideo’s Public Diplomacy Section launched “Alumni Open Talks,” a resourceful response to the constraints of the COVID-19 pandemic. While teleworking, section staff members coordinated and hosted a series of 30-minute Facebook live-streamed talks. Uruguayan public diplomacy program alumni conducted talks that focused on the pandemic-related matters, such as 3-D printing of face masks and the global economic impact of COVID-19. Based on the success of the talks, the section expanded the range of topics beyond COVID-19 to include talks on renewable energy, entrepreneurship, environmental protection, and science education. As of July 2021, the section had hosted 18 “Alumni Open Talks” reaching an average audience size of approximately 1,000, with some sessions attracting nearly 2,000 participants. As a result, the section was able to increase American influence in Chile through strategic outreach, a key ICS goal.

Consular Operations

OIG reviewed the embassy’s consular operations, including Consular Section leadership, U.S. citizen services, crisis preparedness, management controls, visa services and processing, outreach, and fraud prevention programs. The Consular Section suspended all but emergency U.S. citizen and passport services in March 2020 due to the COVID-19 pandemic. As of October 1, 2020, the section had resumed consular services. During the inspection, the embassy corrected two internal control issues identified by OIG. Specifically, the embassy:

- Developed a fraud prevention strategy in accordance with Department standards in 7 FAH-1 H-941.1c and 7 FAH-1 H-943.7a.
- Developed written standard operating procedures for working with the Regional Security Officer and conducting fraud interviews and site visits, as required by 7 FAH-1 H-943.7b.

October 2019). The sample included all grants and cooperative agreements greater than \$25,000 as well as grants focused on different public diplomacy areas and with different grants officer representatives.

¹¹ The Department’s Federal Assistance Directive establishes internal guidance, policies, and procedures for all domestic and overseas grant-making bureaus, offices, and posts within the Department when administering Federal financial assistance. The standard relevant to this finding was the Federal Assistance Directive, October 2019, Chapter 4.D, para 2 page 128.

OIG determined that Embassy Montevideo's consular operations complied with the guidance contained in 7 FAM, 9 FAM, 7 FAH, applicable statutes, and other Department policies, with the exceptions discussed below.

Embassy Did Not Properly Monitor Global Support Strategy Services

OIG found that the embassy did not monitor the Global Support Strategy¹² program as required by 7 FAH-1 H-263.3 and the Bureau of Consular Affairs' Global Support Strategy checklist. Global Support Strategy posts are responsible for management oversight of the visa applicant services received by outside contractors. However, the Consular Section's global post/mission coordinator did not perform quarterly test calls to the call center or conduct quarterly reviews of the audio or electronic files for a selection of individual callers to assess the accuracy of information and language skills. Consular staff told OIG they were unaware of these requirements. Failure to perform these functions leaves the embassy unable to verify the accuracy and quality of information the call center provides to applicants.

Recommendation 1: Embassy Montevideo should monitor its Global Support Strategy program services to verify the accuracy and quality of information provided to visa applicants, in accordance with Department standards. (Action: Embassy Montevideo)

Consular Supervisors Lacked Line-of-Sight Supervision of Cashier's Booth

The location of the cashier booth made it impossible for officers to monitor the consular cashier's activities without standing directly in front of the booth's window. According to 7 FAH-1 H-282(2)(i), consular sections should have a cashier booth that allows line-of-sight supervision, while 7 FAH-1 H-281e states that an effective line of sight allows officers and supervisors to easily monitor operations by enabling cleared American supervisors to physically observe work areas. Additionally, 7 FAH-1 H-742a states that the location of the consular cashier's workspace must allow for line-of-sight supervision by a cleared American staff member. The location of the cashier booth at the end of a hallway and around a corner from the consular interview windows made it difficult for supervisors to monitor the cashier booth. Lack of line of sight inside the cashier's booth increases the risk of cashier malfeasance.

Recommendation 2: Embassy Montevideo should install a closed-circuit television monitoring system or other means to enable consular managers to visually observe the activities within the Consular Section cashier booth. (Action: Embassy Montevideo)

¹² The Global Support Strategy program is a worldwide consular program created in 2010 to bring greater global standardization, accountability, and transparency to the delivery of visa applicant support functions. The program provides support services for nonimmigrant and immigrant visa operations at 170 U.S. consulates and embassies for public inquiry services, appointment services, fee collection, document delivery, and greeters through a multiple-awardee indefinite duration/indefinite quantity contract.

RESOURCE MANAGEMENT

OIG reviewed Embassy Montevideo's internal control systems in general services, facility management, financial management, and human resources operations. During the inspection, the embassy corrected seven internal control issues identified by OIG. Specifically, the embassy:

- Conducted and submitted its annual housing market survey, in accordance with 15 FAM 212.6b.
- Conducted the annual review of its 21 blanket purchase agreements,¹³ in accordance with Department of State Acquisition Regulation, Section 613.303-6.
- Formally appointed contracting officer's representatives (COR), in accordance with 14 FAH-2 H-141b(4). The embassy's COR program is discussed in more detail below.
- Reviewed its list of confined spaces and established entry permit requirements, as required by the Department's Confined Space Program Procedures.¹⁴
- Provided occupational safety and health training for supervisors, in accordance with 15 FAM 965g.
- Began certifying non-residential properties in the Post Occupational Safety and Health Officer Certification Application, in accordance with 15 FAM 971.
- Updated its local compensation plan, in accordance with guidance in 17 STATE 83954.¹⁵

Overall, OIG found the Management Section generally implemented required processes and procedures in accordance with applicable laws and Department guidance, with the exceptions noted below. Embassy staff attributed some of the issues to competing and shifting priorities during the COVID-19 pandemic and to the major rehabilitation of the chancery. In interviews with OIG, Management Section staff stated they generally were responsible for responding to issues created by the rehabilitation project, such as the repeated relocation of employees and office equipment to swing spaces within the chancery as the rehabilitation work progressed. Additionally, section staff put mitigation measures in place to address the noise and air pollution generated by the construction work.

General Services Operations

Embassy Did Not Fully Comply With Department's Motor Vehicle Safety Standards

Embassy Montevideo did not comply with elements of the Department's Overseas Motor Vehicle Safety standards. Specifically, OIG found that:

¹³ A blanket purchase agreement is a simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply.

¹⁴ Office of Safety, Health, and Environmental Management, Confined Space Program Procedures, 2002.

¹⁵ Cable 17 STATE 83954, "Revisions to HR/OE Policies: (1) Substituting Experience for Education; (2) Priority Placement; (3) Reduction in Force (RIF)," August 14, 2017.

- Six chauffeurs and 60 incidental (self-drive) drivers did not receive driver safety training or required retraining, as called for in 14 FAM 433.5a-b.
- One chauffeur and 10 incidental drivers held expired medical clearances, contrary to guidance in 14 FAM 433.4a.
- Chauffeurs exceeded the 10-hour per day limit on driving shifts, contrary to guidance in 14 FAM 433.8a. OIG's review of time and attendance records over 12 weeks—from August 1 to October 23, 2021—showed that chauffeurs exceeded the limit on 16 occasions.

In addition, the embassy did not track all chauffeurs' and incidental drivers' compliance with medical clearance and driver safety training requirements using the Department's Fleet Management Information System,¹⁶ as required by 14 FAM 433.4e and 14 FAM 433.5d. According to records provided to OIG by the embassy, 16 chauffeurs and 133 incidental drivers were authorized to operate Government-owned vehicles. However, the embassy tracked only 12 chauffeurs and two incidental drivers in the fleet management system. These internal control issues occurred due to staff unfamiliarity with Department motor vehicle safety standards. In addition, in-person driver safety training could not be conducted due to COVID-19 pandemic restrictions, including social distancing and limits on in-office presence. However, at the time of the inspection, some restrictions had been lifted, allowing the embassy to resume training. Failure to enforce Department motor vehicle safety standards increases the risk of injury to drivers, passengers, and the public, as well as of damage to U.S. Government property.

Recommendation 3: Embassy Montevideo should comply with all Department Overseas Motor Vehicle Safety standards for chauffeurs and incidental drivers under chief of mission authority. (Action: Embassy Montevideo)

Contracting Officer's Representative Program Did Not Comply With Department Standards

The embassy's COR program did not comply with Department standards. The embassy had six CORs who oversaw six contracts worth approximately \$600,000. OIG found that:

- Five of the six CORs did not complete mandatory COR training, as required in 14 FAH-2 H-143.1.
- Two of the six CORs did not complete mandatory annual ethics training, in accordance with the Department's Procurement Information Bulletin No. 2012-15.
- Three of the six CORs did not have current certification issued by the Department's Office of the Procurement Executive, as required by 14 FAH-2 H-143a.

Despite these issues, OIG's interviews with embassy staff and reviews of other documentation showed the embassy monitored the contracts, received the goods and services for which it had contracted, and addressed contractors' performance when issues arose. Embassy staff told OIG the issues in the COR program occurred because of insufficient staffing and additional

¹⁶ The Fleet Management Information System is the Department's enterprise system for the management of all fleet operations.

responsibilities that arose during the pandemic and the OBO construction project, which limited time available to oversee the COR program. A non-compliant COR program increases the risk of contract mismanagement.

Recommendation 4: Embassy Montevideo should bring its contracting officer's representative program into compliance with Department standards. (Action: Embassy Montevideo)

Embassy Did Not Close Out Procurement Files Within Required Timeframes

Embassy Montevideo did not close out its procurement files in the Department's Integrated Logistics Management System¹⁷ within the required timeframes. Specifically, OIG found the embassy did not close out 937 procurement files from FY 2015 to FY 2022. Guidance in 14 FAH-2 H-573.2b¹⁸ states that contracts under simplified acquisitions procedures should be closed out immediately after the contracting officer receives evidence of receipt of property and final payment. Staff members addressing pandemic and rehabilitation project issues limited the amount of time available to perform contract closeout processes. Failure to close out procurement files within the required timeframe increases the risk of inaccuracies in procurement records and of internal controls issues in procurement operations.

Recommendation 5: Embassy Montevideo should close out procurement files in accordance with Department standards. (Action: Embassy Montevideo)

Foreign Per Diem Rates Were Out of Date

OIG found the foreign per diem rates for two locations in Uruguay were out of date. Specifically, the Bureau of Administration's Office of Allowances website showed that the embassy had not submitted a hotel and restaurant report since 2009 for Colonia and Punta del Este. Department of State Standardized Regulation 074.2 states that the parties having responsibility to prepare and submit reports must provide complete, accurate, and supportable information in their biennial hotel and restaurant reports. Embassy staff told OIG they were unaware the reports were overdue. Furthermore, the Department does not have a system in place to alert overseas missions of overdue hotel and restaurant reports. Failure to submit reports on a timely basis could result in overpayment or underpayment of travel expenses to U.S. Government personnel.

Recommendation 6: Embassy Montevideo should submit its hotel and restaurant reports to the Bureau of Administration's Office of Allowances, in accordance with Department standards. (Action: Embassy Montevideo)

¹⁷ The Integrated Logistics Management System is an integrated web-based system that encompasses all Department supply chain functions in one system. It is designed to upgrade Department supply chain management by improving operations in purchasing, procurement, warehousing, transportation, property management, personal effects, and diplomatic pouch and mail.

¹⁸ Guidance in 14 FAH-2 H-573.2b also cites 48 C.F.R. § 4.804-1.

Facility Management

Embassy Used Shipping Containers for Permanent Storage of Embassy Property, Contrary to Department Guidance

The embassy improperly used seven shipping containers as permanent storage space for embassy property such as facility maintenance supplies and as functional space for a workshop and a changing area for local guard force staff. The Department issued guidance in September 2018¹⁹ stating it does not support the use of shipping containers as an occupied space or as structures to accommodate functional space needs and that containers not certified by OBO should be dismantled and removed. Embassy staff told OIG they believed OBO was aware of the use of the shipping containers because bureau staff were at the embassy overseeing the rehabilitation of the chancery. The use of uncertified shipping containers is not an adequate method of permanent storage and increases the risk of damage to Department property.

Recommendation 7: Embassy Montevideo should comply with Department standards with respect to the use of shipping containers for permanent storage space and functional space. (Action Embassy Montevideo)

INFORMATION MANAGEMENT

OIG reviewed Embassy Montevideo's unclassified information management operations, information systems and mobile computing administration, mail and pouch services, cyber security practices, records management, and emergency communications systems. During the COVID-19 pandemic, the Information Management Office provided the tools and support embassy staff needed to continue operations while working remotely. Despite a vacancy in one out of three U.S. direct-hire positions in the section, OIG determined the Information Management Office's programs and services generally met the day-to-day computing and communications needs of the embassy, except for three issues noted below.

Information Systems Security Officers Did Not Perform All Required Duties

The embassy's Information Systems Security Officers (ISSO) did not perform all required information systems security duties. According to 12 FAM 613.4 and 5 FAH-11 H-116a(1), ISSOs are responsible for implementing cybersecurity policies and procedures for information systems and for using the ISSO checklist to document all required duties. Specifically, OIG found the ISSOs did not use the ISSO checklist, review network logs monthly, or monitor security controls. Section staff told OIG they did not perform these duties due to the vacancy in one direct-hire position and additional responsibilities for supporting customer telework requirements during the pandemic. OIG issued two management assistance reports, one in May 2017 and the other in December 2020,²⁰ that highlighted widespread Department failures

¹⁹ Cable 18 STATE 98976, "Shipping Containers and Portable Structure Use and Occupancy Requirements," September 27, 2018.

²⁰ OIG, *Management Assistance Report: Non-Performance of Information Systems Security Officer Duties by Overseas Personnel* (ISP-17-24, May 2017); OIG, *Management Assistance Report: Continued Deficiencies in*

to perform ISSO duties. Failure to perform required ISSO responsibilities leaves Department networks vulnerable to potential unauthorized access and malicious activity.

Recommendation 8: Embassy Montevideo should complete all information systems security officer responsibilities in accordance with Department standards. (Action: Embassy Montevideo)

Embassy Did Not Conduct High-Frequency Radio Testing

Embassy Montevideo had not tested the primary or secondary high-frequency radio systems at the chancery or the high-frequency radio at the alternate command center, located off-site, since February 2020. Department standards in 5 FAH-2 H-723 require weekly testing of the primary high-frequency radio at the chancery and monthly testing of radio equipment located off-site to ensure the equipment's operational readiness. Staff told OIG that section staffing shortages and responding to customer telework needs contributed to this issue. Regular testing of emergency communications equipment is critical to ensure that such equipment is operable during a crisis.

Recommendation 9: Embassy Montevideo should test its high-frequency radio network in accordance with Department standards. (Action: Embassy Montevideo)

Records Retirement Practices Did Not Comply With Department Standards

The embassy's records retirement practices did not comply with Department records management standards. According to the Department's 2021 Global Information Services Annual Post Retirement Report, the embassy had not retired political program files since 2018 and economic program files since 1999. Department standards in 5 FAM 433a-b require posts to maintain an active program to retire records in accordance with records disposition schedules. OIG determined this internal control issue occurred due to insufficient oversight by information management staff and the embassy's staff unfamiliarity with records retirement requirements. The lack of an effective records retirement program increases the risk of loss of important data and historical records that could affect the Department's and the embassy's ability to perform policy analysis, support decision-making, and conduct archival research.

Recommendation 10: Embassy Montevideo should retire records in accordance with Department records management standards. (Action: Embassy Montevideo)

Performance of Information Systems Security Officer Responsibilities at Overseas Posts (ISP-21-07, December 2020).

RECOMMENDATIONS

OIG provided a draft of this report to Department stakeholders for their review and comment on the findings and recommendations. OIG issued the following recommendations to Embassy Montevideo. The embassy's complete response can be found in Appendix B.¹

Recommendation 1: Embassy Montevideo should monitor its Global Support Strategy program services to verify the accuracy and quality of information provided to visa applicants, in accordance with Department standards. (Action: Embassy Montevideo)

Management Response: In its March 11, 2022, response, Embassy Montevideo concurred with this recommendation. The embassy noted it began quarterly monitoring in February 2022.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Montevideo monitors its Global Support Strategy program services to verify the accuracy and quality of information provided to visa applicants, in accordance with Department standards.

Recommendation 2: Embassy Montevideo should install a closed-circuit television monitoring system or other means to enable consular managers to visually observe the activities within the Consular Section cashier booth. (Action: Embassy Montevideo)

Management Response: In its March 11, 2022, response, Embassy Montevideo concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Montevideo installed a closed-circuit television monitoring system or other means to enable consular managers to visually observe the activities within the Consular Section cashier booth.

Recommendation 3: Embassy Montevideo should comply with all Department Overseas Motor Vehicle Safety standards for chauffeurs and incidental drivers under chief of mission authority. (Action: Embassy Montevideo)

Management Response: In its March 11, 2022, response, Embassy Montevideo concurred with this recommendation. The embassy noted an estimated completion date of March 31, 2022.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Montevideo complied with all

¹ OIG faced delays in completing this work because of the COVID-19 pandemic and resulting operational challenges. These challenges included the inability to conduct most in-person meetings, limitations on our presence at the workplace, difficulty accessing certain information, prohibitions on travel, and related difficulties within the agencies we oversee, which also affected their ability to respond to our requests.

Department Overseas Motor Vehicle Safety standards for chauffeurs and incidental drivers under chief of mission authority.

Recommendation 4: Embassy Montevideo should bring its contracting officer's representative program into compliance with Department standards. (Action: Embassy Montevideo)

Management Response: In its March 11, 2022, response, Embassy Montevideo concurred with this recommendation. The embassy noted an estimated completion date of April 30, 2022.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Montevideo brought its contracting officer's representative program into compliance with Department standards.

Recommendation 5: Embassy Montevideo should close out procurement files in accordance with Department standards. (Action: Embassy Montevideo)

Management Response: In its March 11, 2022, response, Embassy Montevideo concurred with this recommendation. The embassy noted an estimated completion date of November 30, 2022.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Montevideo closed out procurement files in accordance with Department standards.

Recommendation 6: Embassy Montevideo should submit its hotel and restaurant reports to the Bureau of Administration's Office of Allowances, in accordance with Department standards. (Action: Embassy Montevideo)

Management Response: In its March 11, 2022, response, Embassy Montevideo concurred with this recommendation. The embassy noted an estimated completion date of April 30, 2022.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Montevideo submitted its hotel and restaurant reports to the Bureau of Administration's Office of Allowances, in accordance with Department standards.

Recommendation 7: Embassy Montevideo should comply with Department standards with respect to the use of shipping containers for permanent storage space and functional space. (Action Embassy Montevideo)

Management Response: In its March 11, 2022, response, Embassy Montevideo concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Montevideo complied with

Department standards with respect to the use of shipping containers for permanent storage space and functional space.

Recommendation 8: Embassy Montevideo should complete all information systems security officer responsibilities in accordance with Department standards. (Action: Embassy Montevideo)

Management Response: In its March 11, 2022, response, Embassy Montevideo concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Montevideo completed all information systems security officer responsibilities in accordance with Department standards.

Recommendation 9: Embassy Montevideo should test its high-frequency radio network in accordance with Department standards. (Action: Embassy Montevideo)

Management Response: In its March 11, 2022, response, Embassy Montevideo concurred with this recommendation. The embassy noted a completion date of February 2, 2022.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Montevideo tested its high-frequency radio network in accordance with Department standards.

Recommendation 10: Embassy Montevideo should retire records in accordance with Department records management standards. (Action: Embassy Montevideo)

Management Response: In its March 11, 2022, response, Embassy Montevideo concurred with this recommendation. The embassy noted an estimated completion date of June 30, 2022.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Montevideo retired records in accordance with Department records management standards.

PRINCIPAL OFFICIALS

Title	Name	Arrival Date
Chiefs of Mission:		
Ambassador	Vacant	
Chargé d’Affaires	Jennifer Savage ^a	8/2019
Deputy Chief of Mission (acting)	Douglas Briller	10/2020
Chiefs of Sections:		
Management	Deborah Winters	7/2020
Consular	Daniel Onstad	7/2020
Political-Economic	Eric Geelan	8/2020
Public Affairs	Jackie Mourof	8/2019
Regional Security	Margalit Murray	7/2021
Other Agencies:		
Department of Commerce	Mathew Poole	8/2019
Department of Defense	Colonel Gary Symon	8/2019

^a Jennifer Savage became Chargé d’Affaires on January 20, 2021.

APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

This inspection was conducted from August 30 to December 8, 2021, in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2020 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 of Department entities 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 addition to these three broad areas, OIG also determined whether:

- COVID-19 affected Embassy Montevideo operations and internal controls and if so, to what extent.
- COVID-19 related telework affected mission accomplishment, customer service to the public, and employee performance.

Methodology

OIG used a risk-based approach to prepare for this inspection. Due to the COVID-19 pandemic and taking into consideration relevant guidance, OIG conducted portions of the inspection remotely and relied on audio- and video-conferencing tools in addition to in-person interviews with Department and other personnel. Additionally, embassy staff conducted video walkthroughs so OIG could see embassy facilities relevant to the inspection. OIG also reviewed pertinent records; circulated surveys and compiled the results; and reviewed the substance of this report and its findings and recommendations with offices, individuals, and organizations affected by the review. OIG used professional judgment and analyzed physical, documentary, and testimonial evidence to develop its findings, conclusions, and actionable recommendations.

OIG inspected executive direction and the security program onsite at Embassy Montevideo. Inspection of the other functional areas covered in this report—Political-Economic, Public Diplomacy, Consular, Resource Management, and Information Management—was done remotely. Because these areas were inspected remotely, OIG was unable to fully assess motor pool operations and fleet management, consular cashiering functions, and controls over consular accountable items. OIG also did not conduct spot checks of expendable and non-expendable property, verify that residential housing complied with safety requirements, or conduct a full review of records management. Finally, OIG did not review the embassy’s classified computer and communications security operations, neither of which could be done remotely.

APPENDIX B: MANAGEMENT RESPONSE

March 11, 2022

UNCLASSIFIED

THRU: WHA – Brian A. Nichols, Assistant Secretary of State

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

FROM: Embassy Montevideo – Jennifer Savage, Chargé D’Affaires

SUBJECT: Response to Draft OIG Report – Inspection of Embassy Montevideo, Uruguay

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

OIG Recommendation 1: (U) Embassy Montevideo should monitor its Global Support Strategy program services to verify the accuracy and quality of information provided to visa applicants, in accordance with Department standards. (Action: Embassy Montevideo)

Management Response: (U) Embassy Montevideo concurs with the recommendation. The embassy began quarterly monitoring of the quality of information provided to visa applicants by the Global Support Strategy call center in February 2022.

OIG Recommendation 2: (U) Embassy Montevideo should install a closed-circuit television monitoring system or other means to enable consular managers to visually observe the activities within the Consular Section cashier booth. (Action: Embassy Montevideo)

Management Response: (U) Embassy Montevideo concurs with the recommendation. The embassy will procure and install a monitoring system upon receipt of funding from the Bureau of Consular Affairs. In the meantime, consular managers continue to carry out hourly unannounced observations of cashier activities from outside the cashier booth. The point of observation is 30

centimeters outside the clear glass cashier booth door (which remains closed), and two meters from the cashier and cashier workstation.

OIG Recommendation 3: (U) Embassy Montevideo should comply with all Department Overseas Motor Vehicle Safety standards for chauffeurs and incidental drivers under chief of mission authority. (Action: Embassy Montevideo)

Management Response: (U) Embassy Montevideo concurs with the recommendation. The embassy will add all incidental drivers and their health clearance information to the FMIS system by March 31, 2022.

OIG Recommendation 4: (U) Embassy Montevideo should bring its contracting officer's representative program into compliance with Department standards. (Action: Embassy Montevideo)

Management Response: (U) Embassy Montevideo concurs with the recommendation. All Contracting Officer Representatives (CORs) are currently completing the annual ethics training, taking the COR training, and confirming COR certification. The expected completion date is April 30, 2022.

OIG Recommendation 5: (U) Embassy Montevideo should close out procurement files in accordance with Department standards. (Action: Embassy Montevideo)

Management Response: (U) Embassy Montevideo concurs with the recommendation. The Contracting Officer has consistently closed out the procurement files she contracted since her arrival to Post, and will continue to do so. The backlog of files pertaining to previous Contracting Officers has already been reduced in the first tranche of the A/OPE eFile Mass Closeout Initiative. The Embassy will participate in all future closeout tranches to close out the remaining backlogged files. Any files which are not covered by the mass closeout will be addressed individually. The expected completion date for all closeouts is November 30, 2022.

OIG Recommendation 6: (U) Embassy Montevideo should submit its hotel and restaurant reports to the Bureau of Administration's Office of Allowances, in accordance with Department standards. (Action: Embassy Montevideo)

Management Response: (U) Embassy Montevideo concurs with the recommendation. The report for Montevideo was submitted in the eAllowances and went into effect on January 1, 2022. Reports for the two other locations will be completed by April 30, 2022.

OIG Recommendation 7: (U) Embassy Montevideo should comply with Department standards with respect to the use of shipping containers for permanent storage space and functional space. (Action Embassy Montevideo)

Management Response: (U) Embassy Montevideo concurs with the recommendation. Post will work with OBO to evaluate and seek permits for all containers on site by December 2022. In addition, as the OBO-led major rehabilitation project progresses and as functional space is turned over to post many of the containers will be removed. The first container is scheduled to be removed by December 2022.

OIG Recommendation 8: (U) Embassy Montevideo should complete all information systems security officer responsibilities in accordance with Department standards. (Action: Embassy Montevideo)

Management Response: (U) Embassy Montevideo concurs with the recommendation. Embassy Montevideo has assigned an IMS for the role of Information Systems Security Officer. Cable 21 MONTEVIDEO 570 was sent on September 7, 2021 designating Primary ISSO and Alternate ISSO for post. All responsibilities are designated and up-to-date.

OIG Recommendation 9: (U) Embassy Montevideo should test its high-frequency radio network in accordance with Department standards. (Action: Embassy Montevideo)

Management Response: (U) Embassy Montevideo concurs with the recommendation. Embassy Montevideo resolved its antenna issue on January 24, 2022. Embassy Montevideo resumed weekly high-frequency radio testing with Embassy Asuncion on February 2, 2022. All testing requirements are complete and up-to-date.

OIG Recommendation 10: (U) Embassy Montevideo should retire records in accordance with Department records management standards. (Action: Embassy Montevideo)

Management Response: (U) Embassy Montevideo concurs with the recommendation. The Information System Center will provide ongoing support to sections to ensure all government records are properly organized in the shared drive and retired timely, in accordance with the Department's records management standards. The Embassy has delegated records management responsibility to an assigned employee in each section. The estimated date of program implementation is June 30, 2022.

The point of contact for this memorandum is Deborah "Duffy" Winters.

ABBREVIATIONS

COR	Contracting Officer's Representative
DCM	Deputy Chief of Mission
EEO	Equal Employment Opportunity
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
FAST	First- and Second-Tour
ICS	Integrated Country Strategy
ISSO	Information Systems Security Officer
LE	Locally Employed
OBO	Bureau of Overseas Buildings Operations

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