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Office of Inspector General
United States Department of State

ISP-I-26-16

Office of Inspections

June 2026

Inspection of Embassy Lima, Peru

BUREAU OF WESTERN HEMISPHERE AFFAIRS

UNCLASSIFIED



HIGHLIGHTS

Office of Inspector General
United States Department of State

ISP-I-26-16

What OIG Inspected

OIG inspected Embassy Lima's achievement of foreign policy goals and objectives, policy and program implementation, consular operations, resource management, and information management. This inspection included the U.S. Consular Agency in Cusco.

What OIG Recommends

OIG made 12 recommendations to Embassy Lima. In its comments on the draft report, Embassy Lima concurred with 11 recommendations and partially concurred with 1 recommendation. OIG considers all 12 recommendations resolved. The embassy's response to each recommendation can be found in the Findings section of this report. The embassy's formal response is reprinted in its entirety in Appendix B.

June 2026

OFFICE OF INSPECTIONS

BUREAU OF WESTERN HEMISPHERE AFFAIRS

Inspection of Embassy Lima, Peru

What OIG Found

- Embassy Lima generally progressed in advancing U.S. foreign policy goals in accordance with Department of State standards.
- Embassy Lima's Political, Economic, and Public Diplomacy Sections generally complied with Department standards.
- The embassy's foreign assistance program had deficiencies related to reviews of and updates to a letter of agreement on counternarcotics.
- The embassy's Consular Section had one deficiency related to crisis preparedness.
- In the resource management area, the embassy had deficiencies in its safety, real property, personal property management, procurement, and motor pool programs.
- Embassy Lima's management of the residential make-ready process delayed the placement of personnel in permanent residences and caused the embassy to incur additional costs for temporary housing arrangements, resulting in \$220,000 that could be put to better use.
- The embassy had deficiencies in its information management operations related to information systems security.

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INTRODUCTION

The Office of Inspector General (OIG) inspected Embassy Lima's advancement of foreign policy goals and objectives, policy and program implementation, consular operations, resource management, and information management, consistent with Section 209 of the Foreign Service Act of 1980.¹ A related classified inspection report includes OIG's review of Embassy Lima's security program and aspects of the embassy's information management operations.²

OIG also conducted a management review of certain embassy leaders during this inspection.³ The purpose of the management review was to assess whether there were any instances of serious management concerns, meaning the subject officers did not comply with laws, regulations, or Department guidance, and the noncompliance negatively impacted the ability to conduct operations at the embassy. For this inspection, the officer subject to the management review was the Chargé d'Affaires, ad interim (Chargé).

BACKGROUND

The United States and Peru commemorated 200 years of diplomatic relations in 2026, marking a longstanding partnership grounded in shared interests in trade and investment, security, and military engagement. The United States is Peru's leading security partner, collaborating to combat transnational criminal organizations and terrorism, reduce cocaine production and trafficking, and deter illegal migration. The United States is also Peru's second-largest trading partner. Since the signing of the 2009 U.S.–Peru Trade Promotion Agreement, bilateral trade in goods has more than doubled, increasing from \$9 billion in 2009 to more than \$20.5 billion in 2024. In 2024, total U.S.–Peru trade in both goods and services reached an estimated \$26.7 billion, resulting in a U.S. trade surplus of \$3.2 billion, while U.S. investment in Peru exceeded \$7 billion.

In FY 2026, the United States provided an estimated \$75 million in foreign assistance to Peru to reduce production and trafficking of cocaine, combat transnational crime, and support Peru's efforts to assist and integrate Venezuelan refugees and migrants residing in Peru.

The embassy defined its top goals in the context of the administration's priorities of making America safer, stronger, and more prosperous,⁴ as follows:

- Support regional efforts to end illegal immigration, advance joint initiatives to disrupt criminal and terrorist networks, and combat narco-trafficking.

¹ See Appendix A for additional details about the scope and methodology for this inspection.

² OIG, *Classified Inspection of Embassy Lima, Peru* (ISP-S-26-16, report not yet released).

³ The management review is required by the Department of State Authorization Act for Fiscal Year (FY) 2025, Section 7203; included as Division G in the National Defense Authorization Act for FY 2025 (Public Law 118-159); signed into law on December 23, 2024.

⁴ Cable 25 STATE 5156, "New Administration Priorities," January 21, 2025.

- Strengthen the growing security partnership with Peru, work together to build a more secure hemisphere, secure critical mineral supply chains.
- Expand trade and economic opportunities for U.S. industries, including investment in infrastructure and other sectors in Peru.
- Celebrate American excellence, spotlighting America’s achievements, innovation, and leadership.⁵

According to the Department’s biennial ranking, Embassy Lima is a category 4 embassy (on a scale from 1 to 5+). The rankings are based on the level and type of work required to achieve the Department’s bilateral and multilateral core diplomatic mission. Specifically, the Department describes a category 4 embassy as a large overseas post that is in a country with significant political influence in the region and extensive economic influence in the global economy. Other U.S. government agencies represented at the embassy during the inspection include the Departments of Agriculture, Commerce, Defense, Health and Human Services, Homeland Security, Interior, and Justice, as well as the Peace Corps.⁶

The Deputy Chief of Mission (DCM) arrived in Peru in August 2024 and assumed the duties of Chargé in April 2025. Prior to this assignment, the Chargé served as Political Section Chief at Embassy Madrid, Spain and at Embassy Port-au-Prince, Haiti. The Chief of the Management Section, who arrived in July 2025, assumed the duties of acting DCM in August 2025.

FOCUS AREAS

For FY 2026 inspections, OIG selected two focus areas—advancement of foreign policy goals and objectives, and foreign assistance—to align with Department priorities. Embassy Lima’s work in these two areas is described below.

Advancement of Foreign Policy Goals and Objectives

Embassy Lima’s Country Team, led by the Chargé, advanced foreign policy goals and objectives, as required by Department guidance.⁷ At the time of this inspection, the embassy was pursuing U.S. goals and objectives to make America safer, stronger and more prosperous through lines of effort in three thematic working groups focused on security, great power competition, and commercial deals. Under the leadership of the Chargé, the Political and Economic Sections coordinated the activities of these working groups. In addition, the Public Diplomacy Section led embassy-wide efforts to celebrate American excellence, particularly in planning and executing U.S.–Peru bicentennial and U.S. 250th anniversary

⁵ In June 2025, Embassy Lima added a fourth goal in reference to Cable 25 STATE 58452, “Telling Our Story to the World: 2025 Global Communications Strategies to Advance Secretary Rubio’s Foreign Policy Priorities,” June 17, 2025.

⁶ In July 2025, the U.S. Agency for International Development (USAID) ceased operations, and the Department assumed responsibility for select foreign assistance programs and activities formerly administered by USAID.

⁷ Chief of mission duties outlined in 2 FAM 113.1(b)7 include making representations to obtain support for specific U.S. policies or positions and dissuading foreign governments from courses of action contrary to U.S. interests.

engagements in conjunction with the Front Office, U.S. Commercial Service, and American Spaces and Binational Centers.^{8,9}

In October 2025, the Peruvian Congress impeached the president of Peru and appointed a new president. The Chargé and Political Section moved quickly to build critical relationships with Peru's new leadership to continue progress on security cooperation goals. Responding to the new president's request for U.S. technical assistance on a national anti-crime strategy, the Political and International Narcotics and Law Enforcement Affairs (INL) Sections worked with other agencies to bring a high-level team of experts to Peru. Additionally, working with other sections, the INL Section successfully advocated for the government of Peru to remove a technical barrier, opening competition for U.S. companies in a new market for security equipment. Furthermore, the Chargé and Economic Section collaborated with other agencies to support U.S. firms' infrastructure and energy sector investments, resulting in deals in 2025 estimated at more than \$1 billion.

Foreign Assistance

Beginning in January 2025, the Department took several actions that affected U.S. foreign assistance globally. This included initiating a foreign assistance review, which resulted in the termination of most non-security programs and realignment of select USAID functions to the Department. In April 2025, the Secretary announced a comprehensive reorganization plan effective July 2025. The reorganization included changes in responsibilities for regional bureaus for administering foreign assistance and the creation of regional hubs overseas. Additionally, the embassy's USAID mission closed, eliminating all USAID positions and terminating most of its programs. The remaining awards were transferred to the regional hubs for management.¹⁰

In FY 2026, the embassy estimated U.S. assistance to Peru was \$75 million and focused on security, health, humanitarian assistance, and public diplomacy. Embassy staff in the INL Section managed approximately \$35 million. The Department's Bureau of Western Hemisphere Affairs' assistance hub in Colombia and Office of Global Food Security's hub in Costa Rica managed approximately \$27 million in remaining USAID humanitarian and food assistance funds. Personnel from the Department of Defense¹¹ and the Centers for Disease Control and Prevention at the embassy managed the balance of assistance programs in Peru.

⁸ American Spaces are Department operated or supported public diplomacy facilities designed to attract and engage targeted foreign audiences with activities such as English language programs, policy and cultural dialogues, and digital resources.

⁹ Binational Centers are private, autonomous, non-profit institutions promoting mutual understanding between the receiving states and the United States through educational, cultural, and informational programs. Embassy Lima has American Spaces in Binational Centers in Lima, Arequipa, Tarapoto, Trujillo, Chiclayo, Cusco, Huancayo, and Piura, and an additional 24 branches throughout Peru.

¹⁰ See OIG, [Evaluation of the Department's Regional Bureaus' Administration of Foreign Assistance Programs](#) (forthcoming).

¹¹ Department of Defense funding supported International Military Education and Training programs, humanitarian, counternarcotics, HIV prevention, and other assistance.

The embassy designated the Chief of the Economic Section as the Foreign Assistance Coordinator, who established the Foreign Assistance Working Group in December 2025 with broad representation from embassy sections and other U.S. agencies in Lima. OIG reviewed Foreign Assistance Working Group meeting agendas, along with an updated terms of reference document and determined that they reflect ongoing and prospective future assistance activities.

Despite Department efforts to reorganize foreign assistance, staff in Washington, regional hubs, and Embassy Lima reported gaps in guidance on foreign assistance.¹² According to embassy officials, this contributed to uncertainty on processes as well as roles, responsibilities, and functions of the new entities managing assistance. In addition, some Embassy Lima staff were unaware that the foreign assistance hub in Costa Rica for the Office of Global Food Security and the Bureau of Western Hemisphere Affairs' assistance hub in Colombia were both managing remaining USAID awards operating in Peru. Furthermore, when compiling a document reflecting current levels of all U.S.-provided assistance in Peru, the Bureau of Western Hemisphere Affairs did not include embassy-provided data which resulted in two different summaries of U.S.-provided foreign assistance.

OIG issued one recommendation regarding INL's foreign assistance management, detailed in the Inspection Results section of this report.

INSPECTION RESULTS

OIG conducted a management review of Embassy Lima's leadership in accordance with Section 7203 of the Department of State Authorization Act for Fiscal Year 2025. OIG did not identify any actions or behaviors of serious concern that negatively affected the embassy's ability to conduct operations.¹³

OIG determined that Embassy Lima generally adhered to applicable laws, regulations, and Department guidance. In OIG questionnaires and interviews, U.S. direct-hire staff and locally employed staff expressed a high degree of satisfaction with Front Office leadership and interagency collaboration. However, as discussed in the Findings section below, OIG identified deficiencies in certain aspects of the embassy's foreign assistance, consular operations, resource management, and information management.

During this inspection, the embassy addressed the following issues:

- The Political Section appointed a Leahy Vetting Backup Coordinator to cover gaps when the primary Leahy Vetting Coordinator is absent from the embassy.

¹² At time of this inspection, OIG was conducting two evaluations to review the Department's administration of foreign assistance programs transferred from USAID and the Department's regional bureaus' administration of foreign assistance.

¹³ The officer subject to the management review was the Chargé.

- The Public Diplomacy Section added missing documents to grants' award files.
- The Consular Section:
 - Scanned and destroyed files containing personally identifiable information.
 - Restricted user access to consular systems.
 - Published a FY 2026 consular fraud prevention strategy.
 - Created a system for ensuring timely passport adjudication reviews by a consular manager.
 - Disposed of a U.S. citizen's personal property that had been stored at the Consular Agency in Cusco.
- Facility Management developed a work de-energized policy to isolate electrical safety and switchgear issues.

OIG provided a draft of this report to Department entities for review and comment on the findings and recommendations. OIG issued 12 recommendations to Embassy Lima. The embassy's complete response can be found in Appendix B. The embassy also provided technical comments that were incorporated in the report, as appropriate.

Findings

Policy and Program Implementation: Foreign Assistance

Embassy Lima Failed To Conduct Joint Semiannual Reviews of International Narcotics and Law Enforcement Agreement and Adjust the Agreement's Scope Beyond Counternarcotics

Issue: Although joint semiannual reviews of programming progress are required in INL's 1996 Letter of Agreement (LOA) with the government of Peru, INL conducted only one review in 2024 during the 30-year life of the LOA. Additionally, that 2024 review did not result in revisions to the LOA to reflect the expansion of INL programming beyond counternarcotics into areas such as customs enforcement and countering transnational organized crime.

Criteria: Operating Agreement Between the Government of the United States of America and the Government of the Republic of Peru for the Project for Control of Narcotics, July 23, 1996; cable 24 STATE 12028;¹⁴ INL Acquisitions Handbook, March 2022

Cause: INL Section staff were unaware of the joint semiannual review requirement in addition to ensuring that the LOA language reflect all programming areas.

Significance: Joint evaluations are critical to ensure that both parties remain within the agreed scope and meet requirements outlined in the LOA. Failure to conduct these evaluations, as stipulated in the bilateral LOA, prevents INL from systematically reviewing the full range of assistance provided since 1996 and from assessing progress toward achieving program objectives. Additionally, projects which fall outside of the scope of the LOA do not reflect the

¹⁴ Cable 24 STATE 12028, "Fulfilling Evaluation Requirements in Letters of Agreement with Foreign Countries," February 6, 2024.

commitments of both parties and cannot be used to measure progress toward the achievement of LOA objectives.

Recommendation 1: Embassy Lima should engage the government of Peru semiannually to review progress and update the language of the 1996 Letter of Agreement, as needed. (Action: Embassy Lima)

Management Response: Partially concurred. The embassy noted that it will continue to engage the government of Peru through meetings at least semiannually to review progress under the 1996 Letter of Agreement (LOA), as specified in the 1996 bilateral Operating Agreement (OA) annex to the LOA. Although Embassy Lima does not interpret the LOA or OA language as requiring an annual or semi-annual formal, written evaluation with the Ministry of Foreign Affairs, the embassy did note that the 30-year LOA could benefit from modernization. Embassy Lima plans to approach the government of Peru to consider updating the LOA language, including to reflect the full scope of current programming.

OIG Reply: OIG considers this recommendation resolved. OIG acknowledges that although the embassy does not interpret the LOA as requiring formal, written evaluation of joint reviews, the embassy will continue to meet with the government of Peru at least semiannually. Additionally, the embassy will engage the government of Peru on updating the LOA to reflect the full scope of the Bureau of International Narcotics and Law Enforcement Affairs' programming. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lima has a plan to engage the government of Peru semiannually and update the 1996 LOA, as needed.

Consular Operations: Crisis Preparedness

Embassy Lima Did Not Cross-Train Consular Staff in American Citizens Services Crisis-Related Functions Performed

Issue: Embassy Lima did not cross-train consular staff in American Citizens Services crisis-related functions, such as processing emergency passport applications, preparing reports of death, and using consular crisis software.

Criteria: 7 Foreign Affairs Manual (FAM) 1812.3-2(b), 7 FAM 1812.3-2(c), 13 FAM 101.2-2(E)(1), 13 FAM 101.2-2(E)(8)

Cause: Consular managers told OIG the main barriers to cross-training were staffing gaps and vacancies, officer and manager turnover, and frequent policy changes requiring retraining and additional resources.

Significance: Failure to adequately cross-train consular staff in emergency aspects of consular work could limit the Consular Section's ability to assist U.S. citizens in the event of a crisis. For example, after a December 2025 train crash in Peru which affected numerous U.S. citizens,

consular staff responsible for tracking those individuals lacked access to—and were unfamiliar with—the Bureau of Consular Affairs’ Crisis Management System, a tool that enables the Department to monitor and assist an embassy during a crisis.

Recommendation 2: Embassy Lima should cross-train Consular Section staff in American Citizens Services crisis-related functions in accordance with Department standards. (Action: Embassy Lima)

Management Response: Concurred.

Resource Management: Life Safety

Embassy Lima’s Safety Inspections Did Not Fully Adhere to Department Standards

Issue: The embassy’s safety inspections did not fully adhere to Department standards. Specifically, OIG found that:

- The embassy did not perform the required annual hazard inspection for low-risk workplaces, nor did they conduct the semi-annual inspection for high-risk work areas.¹⁵
- The embassy did not conduct annual surveys of its exit doors and emergency egress.

Criteria: 15 FAM 962a, 15 FAM 846.4

Cause: Embassy staff told OIG that these deficiencies occurred because the embassy lacked an assistant post occupational safety and health officer, which left one person responsible for all safety program duties.

Significance: Failure to perform the required annual safety inspections increases the risk that workplace hazards and fire deficiencies will not be identified and mitigated potentially resulting in injury and loss of life.

Recommendation 3: Embassy Lima should perform all required safety inspections in accordance with Department standards. (Action: Embassy Lima)

Management Response: Concurred.

¹⁵ Low-risk workplaces include office space and similar areas. High-risk work areas include maintenance shops (e.g., carpentry, welding and automotive), printing operations, pouch handling areas, warehouses, and medical laboratories.

Resource Management: Life Safety

Embassy Lima Lacked a Confined Space Program

Issue: The embassy lacked a key safety, health and environmental management policy as required by Department standards. OIG found the embassy lacked a confined space program that recognized, evaluated, and controlled hazards associated with confined space entries.¹⁶

Criteria: Cable 03 STATE 164239,¹⁷ Bureau of Overseas Buildings Operations' Confined Spaces Program Procedures¹⁸

Cause: Embassy staff told OIG that the vacancy in the assistant post occupational safety and health officer position contributed to these deficiencies by concentrating responsibilities in one individual, which, in the context of competing demands, affected the level of attention the safety program received.

Significance: Failure to comply with the Department's safety, health, and environmental management standards increases the risk of injury and loss of life.

Recommendation 4: Embassy Lima should bring its confined space program into compliance with Department standards. (Action: Embassy Lima)

Management Response: Concurred.

Resource Management: Real Property Management

Management of the Embassy Lima's Residential Make-Ready Process Delayed Placement of Personnel in Permanent Residences

Issue: Embassy Lima did not manage the make-ready process in accordance with Department standards.¹⁹ OIG found that the embassy placed 43 and 44 incoming U.S. direct-hire staff into temporary quarters (e.g., hotels) in 2024 and 2025, respectively, prior to placement in

¹⁶ A confined space is a work location that is large enough and configured so that an employee can enter and perform assigned work, has limited or restricted openings for entry and that is not designed for continuous occupancy. Confined spaces pose unique health and safety hazards due to their contents, configurations and materials that are introduced during work tasks.

¹⁷ Cable 03 STATE 164239, "Confined Space Program Requirements," June 16, 2003.

¹⁸ Bureau of Overseas Buildings Operations, Confined Space Program Procedures, December 2002.

¹⁹ Make-ready is the process to prepare a property for occupancy between tenants, and includes interior painting, general cleaning, and verification that safety and security requirements at the property are still met.

permanent residences. The cost associated with these temporary housing arrangements in FY 2024 and 2025 totaled approximately \$220,000 for Department employees.²⁰

Criteria: 15 FAM 212.1, 15 FAM 234

Cause: OIG determined that poor communication and inadequate planning among the Management Section, Regional Security Office, and property owners created confusion, logistical challenges and delays. For example, the Regional Security Office's recertification of all residences resulted in make-ready delays and hindered the timely placement of personnel into their housing units.²¹ Additionally, the sequential (rather than concurrent) execution of make-ready tasks and the reliance on property owners for tasks typically managed by the embassy's General Services Office, such as cleaning and painting, extended make-ready timelines.

Significance: Failure to implement an efficient make-ready process resulted in the embassy incurring \$220,000 for temporary housing arrangements.

Recommendation 5: Embassy Lima should reassess its make-ready process to bring it into compliance with Department standards and put funds of up to \$220,000 to better use. (Action: Embassy Lima)

Management Response: Concurred.

Resource Management: General Management

Embassy Lima Did Not Evaluate Its Commercial Warehouse Services Contract for Cost Effectiveness and Efficiency

Issue: OIG determined that Embassy Lima did not conduct a cost-benefit analysis for its commercial warehouse service contract awarded in 2022, valued at approximately \$3.3 million over a 5-year period. Prior to awarding the contract, the embassy performed warehousing services in-house. However, OIG did not identify any documented analysis or justification demonstrating that outsourcing these services was more cost-effective or operationally advantageous than continuing to perform them internally.

Criteria: Office of Management and Budget, Circular No. A-94, Section 5c,²² 21F14 Foreign Affairs Handbook (FAH)-1 H-313

Cause: Embassy management were unclear why a comprehensive cost-benefit analysis had not been completed and were unable to locate any historical data.

²⁰ This total accounts for Temporary Quarters Subsistence Allowance (TQSA) costs for Department employees and does not include TQSA costs for non-Department agencies.

²¹ Department standards in 12 FAH-8 H-131.2a states that the Regional Security Officer or Post Security must conduct a new residential security assessment on existing residences every 5 years.

²² Office of Management and Budget, Circular No. A-94, "Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs Revised," November 9, 2023.

Significance: Failure to adequately perform a cost-benefit or cost-effectiveness analysis of its warehouse services contract could lead to higher costs, lower quality services, reduce the overall effectiveness of a program or service and not consider alternatives.

Recommendation 6: Embassy Lima, in collaboration with the Bureau of Global Acquisitions, should perform a cost-benefit analysis to identify the most cost-effective approach for warehouse services, whether delivered internally or through outsourcing to a commercial vendor. (Action: Embassy Lima, in coordination with GA)

Management Response: Concurred.

Resource Management: Procurement

Embassy Lima's Contract Administration Program Did Not Adhere to Federal Regulations

Issue: The embassy's contract administration program did not fully adhere to federal regulations. Specifically, the embassy did not perform the required annual assessments in the Contractor Performance Assessment Report System for three contracts valued at approximately \$3.3 million, each of which exceeded the simplified acquisition threshold of \$350,000.²³

Criteria: Federal Acquisition Regulation, Subpart 42.1502(a) and (b), Contractor Performance Information

Cause: The embassy failed to provide adequate management oversight and lacked institutionalized procedures for completing the required contractor performance assessment reports.

Significance: Failure to properly evaluate contractors increases the risk of poor contract performance, substandard deliverables, and mismanagement of appropriated funds. Additionally, a lack of clear and timely evaluations of contractor performance hinders the embassy in making informed business decisions when awarding government contracts.

Recommendation 7: Embassy Lima should bring its contract administration program into compliance with federal regulations. (Action: Embassy Lima)

Management Response: Concurred.

²³ OIG examined a total of seven contracts over the simplified acquisition threshold. The embassy awarded six of seven contracts. The Department's Regional Procurement Support Office in Frankfurt, Germany awarded the seventh contract relating to the contracted warehouse, which the embassy manages. A performance assessment must be done in the system, annually, for each contract over the simplified acquisition threshold of \$350,000. See Federal Acquisition Regulation 2.101's definition of simplified acquisition threshold and Federal Acquisition Regulation 42.1502(a) and (b).

Resource Management: Motor Pool

Embassy Lima Did Not Calibrate Its Fuel Pump Meter and Fuel Tanks

Issue: The embassy did not calibrate its fuel pump meter and fuel tanks in accordance with Department standards. OIG determined that the fuel pump meter and fuel tanks had not been calibrated since 2024.

Criteria: Motor Pool Procedures Overseas, Section 3.3c²⁴

Cause: Embassy staff told OIG they were unaware of the requirement to perform periodic fuel system calibrations and were unclear whether responsibility rested with the motor pool unit or Facility Management.

Significance: Failure to perform periodic calibrations of the fuel systems increases the risk of mismanagement of the embassy's fuel operations and can lead to fuel loss, the inability to accurately reconcile inventory, and possible fraud.

Recommendation 8: Embassy Lima should implement a regular calibration schedule of its fuel systems in accordance with Department standards. (Action: Embassy Lima)

Management Response: Concurred.

Resource Management: Motor Pool

Embassy Lima Did Not Fully Comply With Department Motor Vehicle Safety Standards

Issue: The embassy did not fully comply with the Department's overseas motor vehicle safety standards. Specifically, the embassy failed to track whether other agencies' chauffeurs and incidental drivers operating under chief of mission authority received the appropriate medical certifications and driver safety training.

Criteria: 14 FAM 433.4a, 14 FAM 433.5a, 14 FAM 431.6-1c

Cause: Embassy staff told OIG they were unaware of Department requirements to track medical certifications and driver safety training for other agency and incidental drivers. OIG also concluded that some of the motor pool staff were overseeing the program for the first time.

Significance: Failure to enforce driver 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 9: Embassy Lima should track and enforce motor vehicle safety standards for all chauffeurs and incidental drivers under chief of mission authority in accordance with Department guidelines. (Action: Embassy Lima)

²⁴ Bureau of Administration, Motor Pool Procedures Overseas, October 2022.

Management Response: Concurred.

Information Management: Information Systems Security

Embassy Lima Used Unauthorized Cloud-Based Software

Issue: OIG found the embassy's Facility Management and Public Diplomacy Section used cloud-based commercial software applications, *SafetyCulture* (formerly *iAuditor*) and *StreamYard*, without conducting risk assessments and obtaining authorization to operate the systems from the Bureau of Diplomatic Technology.

Criteria: 12 FAH-10 H-332.2-1(1), 5 FAM 619, 5 FAH-8 H-353e

Cause: An August 2017 Bureau of Overseas Buildings Operation's Facility Management Guidebook stated the *iAuditor* application could be used for housing inspections. As a result, OIG concluded that the application's inclusion in the guidebook, as well as in the bureau's regional in-service training and a 2022 newsletter, may have created the impression that the embassy did not need to seek Department approval. In addition, the embassy's Public Diplomacy and Diplomatic Technology staff did not know that Federal Risk Authorization Management Program controls applied to U.S. government acquisitions of cloud-based platforms separate from OpenNet.²⁵

Significance: Use of unauthorized cloud-based applications could result in unauthorized disclosure of sensitive Department information.

Recommendation 10: Embassy Lima should conduct a risk assessment and obtain an authorization to operate its cloud-based software applications from the Bureau of Diplomatic Technology. (Action: Embassy Lima)

Management Response: Concurred.

Information Management: Information Systems Security

Embassy Lima Did Not Install Required Security Software on its Non-Enterprise Network

Issue: Embassy Lima did not install the required security software on its non-enterprise network (NEN).²⁶

Criteria: 12 FAH-10 H-222.5-2

²⁵ The Federal Risk Authorization Management Program is a government-wide program that standardizes the security assessment, authorization, and continuous monitoring of cloud products and services used by federal agencies.

²⁶ A NEN is a Department-procured and locally managed computing environment. NENs are used by a specific entity to meet their mission requirements that cannot be achieved using an enterprise managed solution.

Cause: The embassy did not provide adequate oversight of its NEN and prioritized other information management systems.

Significance: Failure to secure and monitor the NEN increases the embassy's vulnerability to cyberattacks.

Recommendation 11: Embassy Lima should manage the embassy's non-enterprise network in accordance with Department standards. (Action: Embassy Lima)

Management Response: Concurred.

Information Management: Information Systems Security

Embassy Lima Did Not Adhere to Department Policy for the Protection of Personally Identifiable Information

Issue: Embassy Lima did not adhere to Department policy for the protection of personally identifiable information. Specifically, OIG found personally identifiable information without proper marking in employment folders on the embassy's OpenNet system. OIG also found consular applicants' personally identifiable information on the embassy's NEN.

Criteria: 5 FAM 467.2a(5)

Cause: The embassy did not provide adequate management oversight or monitor information stored on its NEN network.

Significance: Improper storage and management of personally identifiable information could lead to security breaches and identify theft.

Recommendation 12: Embassy Lima should implement procedures to identify and protect personally identifiable information in accordance with Department standards. (Action: Embassy Lima)

Management Response: Concurred.

PRINCIPAL OFFICIALS

Section/Title	Name	Arrival Date
Chiefs of Mission:		
Ambassador	Vacant*	
Deputy Chief of Mission	Joan Perkins†	8/2024
Chiefs of Sections:		
Consular	Michael Garrote	9/2025
Economic	Ernest Abisellan	7/2025
Management	Lucia Piazza‡	7/2025
Political	Josh Morris	8/2025
Public Diplomacy	Kristin Stewart	7/2023
Regional Security	Phil Nazelrod	7/2025
International Narcotics and Law Enforcement Affairs	Rob McInturff	7/2025

* Ambassador Bernie Navarro arrived on January 29, 2026, the last day of the fieldwork portion of the inspection.

† Joan Perkins became Chargé in April 2025.

‡ At the time of this inspection, Lucia Piazza had been serving as the acting Deputy Chief of Mission since August 2025.

Source: OIG generated based on personnel data provided by Embassy Lima in September 2025.

APPENDIX A: OBJECTIVE, SCOPE, AND METHODOLOGY

This inspection was conducted from December 8, 2025, to March 6, 2026, in accordance with the *Quality Standards for Inspection and Evaluation* (December 2020), issued by the Council of the Inspectors General on Integrity and Efficiency, and the *Inspections Handbook*, issued by the Office of Inspector General (OIG) for the Department of State (Department) and the U.S. Agency for Global Media (USAGM).

As described in Section 209 of the Foreign Service Act of 1980, OIG is required to conduct inspections, audits, and investigations to systematically review the Department's overseas posts to determine whether:

- Financial transactions and accounts are properly conducted, maintained, and reported.
- Resources are used and managed efficiently, effectively, and economically.
- Activities and operations adhere to laws and regulations.
- Fraud or other serious problems, abuse, or deficiencies exist and whether adequate steps were taken to detect, correct, and prevent them.
- Policy goals and objectives are being effectively achieved, and the interests of the United States are being accurately and effectively represented.

Objective

OIG conducted this inspection to assess Embassy Lima's efforts toward achieving U.S. foreign policy goals and objectives, as well as to determine whether it adhered to applicable laws, regulations, and Department guidance related to policy and program implementation, consular operations, resource management, and information management.

Additionally, in accordance with Section 7203 of the Department of State Authorization Act for Fiscal Year 2025, Public Law 118-159,¹ OIG conducted a management review of certain embassy leaders during this inspection to assess whether there were any instances of serious management concerns, meaning the subject officers did not comply with laws, regulations, or Department guidance and the noncompliance negatively impacted the ability to conduct operations at the mission.

Scope and Methodology

OIG assessed whether the embassy effectively achieved U.S. foreign policy goals and objectives, reflected in the new administration's priority goals, through a review of the embassy's leadership, strategic planning, advocacy and analysis work, reporting, knowledge management, program management, media engagement, and oversight of American Spaces. To assess the embassy's implementation of foreign assistance, OIG reviewed embassy coordination of foreign assistance programs operating in the country, monitoring of

¹ The Department of State Authorization Act for Fiscal Year 2025 was included as Division G in the National Defense Authorization Act for Fiscal Year 2025, which was signed into law on December 23, 2024.

foreign assistance being implemented in the country, Leahy vetting, and the embassy's administration of awards. OIG also assessed consular operations through a review of the embassy's provision of U.S. citizen services, consular crisis preparedness, management controls, visa services and processing, vetting and fraud prevention programs. To address resource management, OIG reviewed internal control systems and management of life safety, real property, personal property, financial operations, and personnel. OIG assessed the embassy's diplomatic technology operations and services, including classified and unclassified computer operations, communications security, cybersecurity practices, records management, emergency communications, and telephone, mail, and pouch services management.

OIG used a risk-based approach to prepare for this inspection. OIG submitted questionnaires to U.S. direct-hire and locally employed staff at the embassy as well as select staff in relevant domestic bureaus. OIG conducted portions of this inspection remotely and relied on audio- and video-conferencing tools in addition to in-person interviews with Department and other personnel. OIG also reviewed pertinent records; circulated questionnaires and compiled the results; and discussed the substance of this report and its findings and recommendations with offices, individuals, and organizations affected by this inspection. OIG used professional judgment and analyzed physical, documentary, and testimonial evidence to develop its findings, conclusions, and actionable recommendations.

APPENDIX B: MANAGEMENT RESPONSE



Embassy of the United States of America

Lima, Peru
April 30, 2026

UNCLASSIFIED

THRU: WHA/EX – Janine S. Young, Executive Director

TO: OIG – Ryan McGonagle, Acting Assistant Inspector General for Inspections

FROM: Embassy Lima – Ambassador Bernie Navarro

SUBJECT: Response to Draft OIG Report – Inspection of Embassy Lima, Peru

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

OIG Recommendation 1: Embassy Lima should engage the government of Peru semiannually to review progress and update the language of the 1996 Letter of Agreement, as needed. (Action: Embassy Lima)

Management Response:

Embassy Lima partially concurs with OIG’s recommendation. The embassy will continue to engage the Government of Peru through meetings at least semiannually to review progress under the 1996 Letter of Agreement (LOA), as specified in the 1996 bilateral Operating Agreement (OA) annex to the LOA. INL Lima does not interpret the LOA or OA language as requiring an annual or semi-annual formal, written evaluation with the Ministry of Foreign Affairs. One such formal, written evaluation was conducted in 2024 per front channel instructions from INL Washington to all INL missions worldwide, and INL Lima plans to continue to follow all applicable guidance from Washington on conducting formal evaluations. INL Lima also believes all or the vast majority of its activities fall under the scope of the 1996 Letter of Agreement covering counter-narcotics and related crimes, including activities directly tied to counter-narcotics like customs inspections for drugs and countering transnational criminal organizations that traffic drugs. Nevertheless, INL agrees the 30-year-old LOA could benefit from modernization and plans to approach the Government of Peru at the appropriate moment

to consider updating the LOA language, including to reflect the full scope of current programming.

OIG Recommendation 2: Embassy Lima should cross-train Consular Section staff in American Citizens Services crisis-related functions in accordance with Department standards. (Action: Embassy Lima)

Management Response:

Embassy Lima concurs with the OIG's recommendation, and the Consular Section has already implemented a structured cross-training plan to ensure all staff are proficient in American Citizens Services crisis-related functions. This plan will include training on emergency passports, reports of death, and use of the CA Crisis Management System (CACMS), consistent with Department standards. This training will be repeated every 4 months with emphasis on the ACS Unit as well as others developing fluidity with the system. As part of this plan, 30 consular team members received training on CACMS on March 18. ACS confirmed CACMS access for the ACS team, communications unit, managers, and other members of the Consular team. Three teams (18 people total) from across the Consular section used CACMS to assist with Middle East Task Force evacuation efforts in March—deepening our team's experience with CACMS and crisis procedures and communications. Crisis training and cross training is now part of the Annual Work Plan for both LE Supervisors and staff. LE Supervisors will cross train in how to manage other functions in the section so that they can help when and where needed in a crisis. Cross training will also be part of managers' supervisory goals.

OIG Recommendation 3: Embassy Lima should perform all required safety inspections in accordance with Department standards. (Action: Embassy Lima)

Management Response:

Embassy Lima concurs with OIG's finding and the Facilities Management Office has implemented a structured inspection plan to ensure all required annual and semiannual safety inspections are completed in accordance with Department standards. This plan will include timely hazard inspections for low and high risk work areas and annual surveys of exit doors and emergency egress routes.

OIG Recommendation 4: Embassy Lima should bring its confined space program into compliance with Department standards. (Action: Embassy Lima)

Management Response:

Embassy Lima concurs with OIG's finding. The Facilities Section issued and implemented a confined space program in April 2026 in accordance with Department standards.

Recommendation 5: Embassy Lima should reassess its make-ready process to bring it into compliance with Department standards and put funds of up to \$220,000 to better use. (Action: Embassy Lima)

Management Response:

Embassy Lima concurs with the OIG's finding. The Management Section is actively implementing improvements to streamline the make-ready process and ensure timely placement of personnel into permanent housing. This includes strengthened coordination with the Regional Security Office and property owners, along with concurrent execution of required tasks. The embassy is also reducing dependence on property owners for actions traditionally managed by the General Services Office to prevent future delays.

Recommendation 6: Embassy Lima, in collaboration with the Bureau of Global Acquisitions, should perform a cost-benefit analysis to identify the most cost-effective approach for warehouse services, whether delivered internally or through outsourcing to a commercial vendor. (Action: Embassy Lima, in coordination with GA)

Management Response:

Embassy Lima concurs with the OIG's finding. The Management Section brought a Department expert to post to assist with a formal cost-benefit analysis to evaluate the efficiency and cost effectiveness of the commercial warehouse services contract. This review will assess whether outsourcing remains the most advantageous option compared to resuming in-house operations or if alternative contracting arrangements are more feasible.

Recommendation 7: Embassy Lima should bring its contract administration program into compliance with federal regulations. (Action: Embassy Lima)

Management Response:

Embassy Lima concurs with OIG's finding. Post has implemented an acquisition plan providing improved visibility and oversight of contracts. All Contracting Officer Representatives have received appropriate training and additional resources to ensure they are fully aware of contract administration requirements.

Recommendation 8: Embassy Lima should implement a regular calibration schedule of its fuel systems in accordance with Department standards. (Action: Embassy Lima)

Management Response:

Embassy Lima concurs with OIG's finding. The Facilities Section has contracted the expertise to provide a regular calibration schedule for the fuel pump meter and fuel tanks to ensure

compliance with Department standards. Clear responsibilities have been assigned to staff to prevent future lapses and ensure accurate fuel management.

Recommendation 9: Embassy Lima should track and enforce motor vehicle safety standards for all chauffeurs and incidental drivers under chief of mission authority in accordance with Department guidelines. (Action: Embassy Lima)

Management Response:

Embassy Lima concurs with OIG's finding. The Motor Pool Unit has implemented a tracking system to ensure all chauffeurs and incidental drivers operating under chief of mission authority meet required medical certification and driver safety training standards.

Recommendation 10: Embassy Lima should conduct a risk assessment and obtain an authorization to operate its cloud-based software applications from the Bureau of Diplomatic Technology. (Action: Embassy Lima)

Management Response:

Embassy Lima concurs with OIG's findings. The embassy has discontinued use of SteamYard in favor of FedRAMP approved streaming services and has implemented temporary mitigating measures for SafetyCulture to exclude sensitive information while we pursue an Authorization to Operate (ATO) with Diplomatic Technology of the software or similar software that can perform the necessary functionality since there is currently no FedRAMP approved alternative.

StreamYard: The embassy has discontinued use of StreamYard. The Public Diplomacy Section is now using a FedRAMP-approved alternative from the list of vendors that provide cloud-based streaming services with FedRAMP certification and 508 compliance.

SafetyCulture(iAuditor): The Bureau of Diplomatic Technology is conducting a risk assessment for iAuditor, or alternative software, and will proceed to obtain an authorization to operate if the assessment supports continued use. In the interim, the embassy has counseled Facilities Management (FAC) and General Services Office (GSO) staff on best practices for protecting sensitive information when using the application.

Diplomatic Technology is coordinating with FAC, GSO, Regional Cyber Security Officer (RCSO), OIG, ISSO, and other relevant stakeholders to ensure all cloud-based tools undergo required risk assessments and receive proper authorization before deployment.

Recommendation 11: Embassy Lima should manage the embassy's non-enterprise network in accordance with Department standards. (Action: Embassy Lima)

Management Response:

Embassy Lima concurs with OIG's findings. The Lima Diplomatic Technology office is addressing the installation of required security software on the embassy's non-enterprise network (NEN) as a dedicated project with specific milestones outlined in the System Administrator Team's Annual Work Plan (AWP).

Following the Regional Cyber Security Officer (RCSO) assessment completed in November 2025 and in accordance with [112 FAH-10 H-222.5-2, Configuration Settings - System Administrator Responsibilities](#), 15% of each system administrator's job responsibilities as defined in their AWP is dedicated to bringing all workstations into compliance with Department security software standards. As of April, the DT office has completed 5% of the mitigation project.

The mitigation project includes:

- Incorporating automatic updates on all workstations
- Installing Qualys
- Installing Microsoft Defender for Endpoint
- Installing DOS cyber tools
- Installing Umbrella on all workstations

All new NEN workstations being deployed are fully compliant with security software requirements. Lima DT is now systematically addressing previously deployed workstations that have not yet been brought into compliance and is scheduling the remainder of the year to complete this work. Progress is being tracked and monitored through the RCSO response database per the Quest database system.

Recommendation 12: Embassy Lima should implement procedures to identify and protect personally identifiable information in accordance with Department standards. (Action: Embassy Lima)

Embassy Lima concurs with OIG's findings. Diplomatic Technology has remediated the sites where the PII breach was identified and has implemented a comprehensive, multi-faceted training program to prevent future occurrences. Human Resources staff have also updated their file management processes to ensure personally identifiable information is stored only in appropriately restricted locations in accordance with Department standards. Progress is being monitored in coordination with the Regional Cyber Security Officer (RCSO).

Immediate Remediation: Diplomatic Technology staff have cleaned up all locations where improperly stored personally identifiable information was found and updated file access restrictions to ensure PII is stored only in appropriately restricted locations.

Enhanced Training Program: The embassy has strengthened PII protection through multiple training initiatives:

- **New Employee Onboarding:** PII protection training has been incorporated into the Information Systems Security Officer (ISSO) briefings provided to all newly arrived employees, ensuring awareness from day one.

- **SharePoint Management Training:** The embassy is conducting dedicated training sessions on SharePoint management and proper file handling responsibilities. To date, six training sessions have been completed on SharePoint responsibilities and management.
- **Sustained Training Commitment:** Five percent of each system developer's work objectives in their Annual Work Plan is dedicated to SharePoint training and management responsibilities, ensuring ongoing attention to proper information handling.

Management Response:

The point of contact for this memorandum is Irene Arino de la Rubia.



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