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Office of Inspector General
United States Department of State

ISP-I-26-14

Office of Inspections

June 2026

Inspection of Embassy Zagreb, Croatia

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

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HIGHLIGHTS

Office of Inspector General
United States Department of State

ISP-I-26-14

What OIG Inspected

OIG inspected Embassy Zagreb's achievement of foreign policy goals and objectives, policy and program implementation, consular operations, resource management, and information management.

What OIG Recommends

OIG made 6 recommendations: 5 to Embassy Zagreb and 1 to the Bureau of Overseas Buildings Operations. In its comments on the draft report, the Department concurred with all 6 recommendations. OIG considers all 6 recommendations resolved. The Department's response to each recommendation can be found in the Findings section of this report. The Department's formal response is reprinted in its entirety in Appendix B.

June 2026

OFFICE OF INSPECTIONS

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

Inspection of Embassy Zagreb, Croatia

What OIG Found

- Embassy Zagreb generally advanced U.S. foreign policy goals and managed its operations in accordance with U.S. Department of State standards, with some exceptions as noted below.
- The Embassy did not regularly visit its network of American Corners.
- Although the Embassy's Consular Section generally adhered to Department guidance, it lacked a well-functioning microphone system.
- In the resource management area, the Embassy had deficiencies in its life safety, fire safety, motor vehicle safety, and facilities programs.
- Spotlights on Success: 1) Embassy Zagreb's Political-Economic Section's coordination with regional U.S. embassies on cross-border issues, especially energy, advanced U.S. interests; 2) The Public Diplomacy Section's program evaluation showed the benefits of its multi-year entrepreneurship training and exchange initiatives; and 3) The Diplomatic Technology Unit's Information Systems Security Officer program strengthened cybersecurity operations.

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INTRODUCTION

The Office of Inspector General (OIG) inspected Embassy Zagreb'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 Zagreb's security program.²

OIG is required to conduct management reviews of certain embassy leaders who have been at post more than 180 days to assess whether there are instances of senior management concerns.³ For this inspection, no embassy leaders had been at post for the requisite period and therefore were not subject to this review.

BACKGROUND

Croatia was part of the Austro-Hungarian Empire, then Yugoslavia, declaring independence in 1991. Four years of fighting among the former Yugoslav states followed before the Dayton Peace Accords brought peace to the region in 1995. The United States established diplomatic relations with Croatia in 1992. Since then, U.S. engagement has supported Croatia's development as a democratic, secure, market-oriented society and a strong partner in Euro-Atlantic institutions.

Croatia became a full member of the North Atlantic Treaty Organization (NATO) on April 1, 2009, and joined the European Union in 2013. Croatia's mentoring of neighbors in NATO's Partnership for Peace, and especially the Adriatic Charter, has helped those NATO candidates advance their membership aspirations by initiating defense reforms and contributing to Alliance operations. The U.S. Department of Defense provides military assistance to Croatia through training, equipment, and education in U.S. military schools.

Croatia plays an important role in regional energy security. The floating liquefied natural gas (LNG) import terminal off Krk island positions Croatia as a regional energy leader and helps diversify Europe's energy supply. U.S. engagement is focused on strengthening Croatia's strategic trade control system, border controls, and law enforcement mechanisms.

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

² OIG, *Classified Inspection of Embassy Zagreb, Croatia* (ISP-S-26-14, 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. The purpose of the review is to assess whether there are 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. The officers subject to the review are the chief of mission, charge d'affaires, the deputy chief of mission, and principal officers at constituent posts. The individuals must have been at post for more than 180 days. Acting deputy chiefs of mission, acting principal officers, and section chiefs are not subject to a management review.

Embassy Zagreb identified the following strategic objectives:

- Support Croatia as a regional energy hub that bolsters U.S. energy exports and promotes regional energy security.
- Promote U.S. prosperity through greater trade and investment and position American companies for success in Croatia's most promising sectors and in strategic competitions for critical infrastructure.
- Strengthen the bilateral security partnership and regional stability through continued U.S. sales and assistance in modernizing Croatia's military.

According to the U.S. Department of State's (Department) biennial ranking, Embassy Zagreb is considered a category 3 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. The Department describes a category 3 Embassy as a medium-sized overseas post in a country with which the United States has an active bilateral relationship. Other U.S. government agencies represented at Embassy Zagreb are the Departments of Defense, Justice, Commerce, and Agriculture.

The Ambassador, a non-career appointee, arrived at Embassy Zagreb in October 2025. At the time of this inspection, the Deputy Chief of Mission (DCM) role was filled by Embassy section heads on an acting basis.

OPERATING ENVIRONMENT

Limited Budget Curtailed In-Country Travel

Recent reductions to Embassy Zagreb's Diplomatic Programs budget, combined with inflationary pressures on operating costs and local staff salaries, have left the Embassy with minimal discretionary funds to meet diplomatic program needs.⁴ For example, only one of the nine Political-Economic staff was able to conduct any Embassy-funded travel outside Zagreb during 2025 (a single day trip to Osijek). A recommendation relating to the Public Diplomacy

⁴ At the time of this inspection, the Department had advised Embassy Zagreb to consider a cut of up to 10 percent in both its Diplomatic Programs and International Cooperative Administrative Support Services (ICASS) budgets, as a preliminary planning exercise prior to the enactment of FY 2026 appropriations. Following the passage of FY 2026 appropriations, after fieldwork concluded for this inspection, the Department provided resources sustaining regional operations at no less than FY 2025 levels. ICASS is the principal means by which U.S. government agencies share the cost of common administrative support services at most diplomatic and consular posts overseas. Inflation has been a challenge for Croatia since adaptation of the Euro in 2023. It spiked that year to over 10 percent and remains almost double the eurozone average, registering at 4.5 percent in December 2024, compared to the eurozone average of 2.4 percent.

Section presented later in this report offers a similar example of how the limited opportunity for in-country travel impeded operations.

Key Embassy Positions Vacant During the Inspection

During the period immediately before and during this inspection, the Embassy was functioning without permanently assigned personnel in key positions such as the DCM, the Management Officer, and the Regional Security Officer, impacting operational continuity. The DCM position, vacant since October 17, 2025, was filled on an acting basis principally by the Consular Chief, while the other two positions were filled with a combination of short-term temporary duty personnel from other locations and existing Embassy personnel covering roles in an acting capacity.

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 Zagreb received only limited foreign assistance funds, so OIG did not review that area.⁵ Embassy Zagreb’s work in foreign policy goals and objectives is described below.

Advancement of Foreign Policy Goals and Objectives

Embassy Zagreb’s Country Team, led by the Ambassador, developed and advanced U.S. foreign policy goals and objectives consistent with Department guidance and priorities.⁶ In the absence of an Integrated Country Strategy, the Ambassador directed efforts around three core foreign policy priorities: (1) deepening U.S.-Croatia energy collaboration, (2) advancing commercial diplomacy, and (3) strengthening the bilateral security partnership. An ambitious set of cultural diplomacy initiatives keyed to America’s 250th anniversary comprised a fourth area of Embassy focus. OIG found that the Embassy Country Team had a clear sense of these priorities and its reporting, contact work, advocacy, program and media outreach generally advanced these goals. Examples of successful Embassy efforts include Croatia’s adoption of a Foreign Direct Investment screening law, Croatian support for Ukraine through purchases of U.S. defense equipment under NATO’s Prioritized Ukraine Requirements List,⁷ and, in conjunction with Embassy Sarajevo, advancing the Southern Interconnection gas pipeline to replace Russian fuel

⁵ At the time of this inspection, the only foreign assistance directly managed by the Embassy were two Assistance for Europe, Eurasia and Central Asia (AEECA) grants managed by the Public Diplomacy Section, from FY 2024 and totaling just over \$250,000. AEECA funding ended in FY 2025.

⁶ Cable 25 STATE 13056, “Message from Secretary Rubio to Chiefs of Missions,” February 13, 2025, paragraph 2: “Every dollar we spend, every program we fund, and every policy we pursue must be justified with the answer to three simple questions: Does it make America safer? Does it make America stronger? Does it make America more prosperous?”

⁷ The Prioritized Ukraine Requirements List is a NATO initiative launched in July 2025 to fund and coordinate the rapid delivery of critical U.S.-sourced military equipment and ammunition to Ukraine.

with U.S. LNG in the region. The Embassy also furthered U.S. goals through engagement on the Three Seas Initiative of Baltic, Adriatic, and Black Sea nations.⁸

INSPECTION RESULTS

As detailed in Appendix A of this inspection report, OIG assessed the full range of Embassy operations and found that all the sections generally complied with Department standards except as noted below. OIG also identified three innovative aspects of the embassy's operations which are described in the Spotlights on Success section below. OIG identified deficiencies in certain aspects of policy and program implementation, consular operations, and resource management, as discussed in the Findings section below.

During the inspection, the Embassy addressed the following issues:

- The Public Diplomacy Section updated grant files with missing merit review selection process documentation and grants officer representative designation letters.⁹
- The Management Section:
 - Implemented a system for ensuring motor vehicle key control and accountability of fuel cards.
 - Secured loose tools near the warehouse, which could have been used as improvised weapons or weapons of opportunity.
 - Updated the locally employed (LE) staff handbook and submitted it for local legal review.
 - Addressed an \$80,000 suspense deposit abroad account from FY 2022 that had not been deobligated. Financial management staff were working with the Bureau of the Comptroller and Global Financial Services and the Regional Procurement Support Office to deobligate the funds and close the account.
- The Diplomatic Technology unit:
 - Brought its network user account configurations into compliance with Department standards.
 - Secured communications equipment in non-controlled access area space that was serving controlled access area spaces.
 - Secured its Emergency Action Committee radios with Bureau of Diplomatic Security-approved locks.
 - Added chief of mission personnel offsite workspaces to the Embassy's emergency and evacuation radio program.

⁸ The Three Seas Initiative (3SI) is a forum of 13 European Union States and 4 Non-EU States, with the U.S. participating as a strategic partner. The 3SI focuses on developing critical infrastructure in Central and Eastern Europe to enhance energy, transport, and digital connectivity.

⁹ OIG reviewed all public diplomacy grants of \$15,000 or greater issued in FY 2024 and FY 2025 (18 grants valued at \$873,869 out of a total universe of 47 grants valued at \$1,002,646). Several award files were missing documentation of the merit review selection process and grants officer representative designation letters.

OIG provided a draft of this report to Department entities for review and comment on the findings and recommendations. OIG issued 6 recommendations to Embassy Zagreb and to the Bureau of Overseas Buildings Operations. The Department's complete responses can be found in Appendix B. The Department also provided technical comments that were incorporated in the report, as appropriate.

Spotlights on Success

Policy and Program Implementation: Political-Economic

Political-Economic Section's Coordination with Regional U.S. Embassies on Cross-Border Issues, Especially Energy, Advanced U.S. Interests

Issue: Advancing U.S. priorities for Southeast Europe, such as greater energy security, is hampered by the conflicting policies and lack of cross-border collaboration among the regional states.

Success or Innovation: Embassy Zagreb's efforts to promote joint reporting and advocacy on cross-border issues with U.S. embassies in Budapest, Belgrade, Sarajevo, Bratislava and Podgorica was touted regionally and in the Department as a model of regional collaboration. The coordination, led by the Political-Economic Section with Front Office support, included co-drafting and clearing reporting cables and daily reports on cross-border subjects, communicating and clearing talking points across all the embassies to synchronize Front Office advocacy, and organizing joint meetings between senior U.S. officials and counterpart energy ministers at regional conferences such as the Transatlantic Security Cooperation Ministerial in Athens in November 2025.

Significance: This coordination directly advanced U.S. foreign policy priorities in the region, especially related to energy security, leading to success in replacing Russian natural gas with U.S. suppliers,¹⁰ revitalizing the Croatia-BiH Southern Gas Interconnection project,¹¹ and blocking Chinese control of critical infrastructure.¹²

¹⁰ Since the inauguration of Croatia's LNG Krk Terminal in 2021, Croatia has completely replaced Russian natural gas imports with LNG imports, the majority of which are U.S.-sourced. In 2021, Croatia imported primarily Russian gas through its pipeline connection with Hungary. It fully divested from Russian gas imports by November 2022, with LNG imports from the U.S. accounting for almost two-thirds of gas imports by 2024.

¹¹ The proposed project would link Bosnia and Herzegovina, which currently gets all of its gas from Russia, to Croatia's LNG infrastructure and diversify regional supply routes.

¹² This included Croatia's development of an investment screening mechanism for critical infrastructure in November 2025, and the award of the concession for a container terminal at Zadar Port to a foreign company not owned or controlled by China.

Policy and Program Implementation: Public Diplomacy

Public Diplomacy Section Program Evaluation Showed Benefits of its Multi-year Entrepreneurship Training and Exchange Initiatives

Issue: Public Diplomacy sections typically lack the time and resources to systematically measure the long-term impacts of sustained program activities, making it difficult to evaluate effectiveness.

Success or Innovation: Embassy Zagreb’s Public Diplomacy Section conducted a wide range of training and exchange programs from 2012 to 2024 that exposed 281 young Croatian entrepreneurs to market-oriented business innovation. In 2025, the section worked with Department evaluation experts to develop a customized survey combined with focused interviews to assess how these Embassy programs affected the professional trajectory of participants.¹³ Among the topline survey results:

- 94 percent of respondents believe the United States contributes positively to Croatia’s economic development, and 71 percent prefer the United States to China as an investment partner.
- 70 percent currently manage a business and 19 percent have invested in U.S. companies.
- 84 percent of respondents remain in contact with fellow participants and 20 percent remain in touch with three or more U.S. contacts.

Significance: Through its commitment to substantive program evaluation, the Public Diplomacy Section showed that its decade-long effort in Croatia to promote a U.S.-linked entrepreneurial ecosystem has strengthened America’s position as a partner of choice for business and technology.

Information Management: Information Systems Security

Diplomatic Technology Unit’s Information Systems Security Officer Program Strengthened Cybersecurity Operations for Embassy Zagreb Information Systems

Issue: Performing Information Systems Security Officer (ISSO) duties at embassies in accordance with Department standards has been a historical challenge for the Department, particularly for embassies like Zagreb without a full-time ISSO position, as noted in previous OIG-issued management assistance reports.¹⁴

¹³ From March to November 2025, the Embassy’s Public Diplomacy Section worked with the Office of the Under Secretary for Public Diplomacy’s Research and Evaluation Unit (REU) to jointly evaluate Embassy Zagreb’s technology and entrepreneurship programs. The REU provides direct monitoring and evaluation services to public diplomacy sections overseas, including designing and administering surveys.

¹⁴ OIG, *Management Assistance Report: Non-Performance of Information Systems Security Officer Duties by Overseas Personnel* (ISP-17-24, May 2017), and OIG, *Management Assistance Report: Continued Deficiencies in Performance of Information Systems Security Officer Responsibilities at Overseas Posts* (ISP-21-07, December 2020).

Success or Innovation: Embassy Zagreb’s Diplomatic Technology unit implemented a multi-pronged approach to managing ISSO duties instead of delegating the responsibility to a single individual. The unit’s approach included holding a monthly meeting dedicated to assigning and tracking ISSO task completion, delegating ISSO tasks to LE staff system administrators and the Regional ISSO where feasible, logging all completed tasks in the centralized Post ISSO Task Checklist, and developing a Microsoft Power App to assist with security group reviews and auditing.¹⁵

Significance: The Diplomatic Technology unit’s multi-pronged approach resulted in the completion of all required ISSO duties in accordance with Department standards and helped achieve the seventh lowest risk score of all 244 overseas posts in the Department’s enterprise network and system monitoring tool.

Findings

Policy and Program Implementation: Public Diplomacy

Embassy Zagreb Did Not Regularly Visit its Network of American Corners

Issue: Embassy Zagreb maintained a network of five American Corners throughout Croatia,¹⁶ but Embassy personnel did not regularly visit them. For example, in 2025, the Embassy visited three of the centers twice, one center once, and one center not at all.

Criteria: Department guidance states, “[Public Affairs Officers] ensure that Public Diplomacy Section staff are involved with the Spaces, visit them on a regular basis, and that the rest of the [Embassy] . . . participates in programs.”¹⁷ The grants provided for Embassy Zagreb’s American Corners call for quarterly visits.

Cause: Ninety percent of the section’s FY 2025 budget went to LE staff salaries, leaving the section with insufficient discretionary funds for regular in-country staff travel (four of the five Corners require drive times of 2-3 hours each way, making lower cost day trips generally impractical).

Significance: American Corners cannot fully meet their purpose as platforms for public diplomacy outreach to Croatians on American values and policies without periodic personal engagement by Embassy personnel.

¹⁵ The Department’s *DOS-0365, Power Platform Governance Framework* (February 2023) defines Microsoft Power Apps as an application development tool for low to no code applications.

¹⁶ American Spaces are Department operated or supported public diplomacy facilities designed to attract and engage targeted foreign audiences with activities and digital resources that showcase the breadth and depth of American values and perspectives. American Corners, one type of American Space, are partnerships with local host institutions—in the case of Croatia, public libraries, offering a range of American Space programming and governed by a memorandum of understanding between the institution and the Embassy. Embassy Zagreb supports American Corners in Karlovac, Osijek, Rijeka, Vukovar, and Zadar.

¹⁷ “MANAGING AMERICAN SPACES: A HANDBOOK FOR ALL PRACTITIONERS,” Version 2.0.5, May 2025, issued by the Bureau of Education and Cultural Affairs, page 13.

Recommendation 1: Embassy Zagreb should review the status of its American Corners network and either identify resources for regular engagement by Embassy personnel or reduce the number of American Corners commensurate with available staff and budget resources. (Action: Embassy Zagreb)

Management Response: Concurred.

Consular: Facilities and Space

Consular Section's Faulty Microphone System Impeded Efficient and Confidential Communication with Clients

Issue: The Consular Section's microphone system did not function reliably, sometimes emitting disruptive feedback, and sometimes allowing conversations at the consular windows to be heard throughout the consular waiting room.

Criteria: 7 FAH-1 H-281a, 7 FAH-1 H-463

Cause: The Embassy's Facility Management determined that the system installed in 2003 was obsolete. It lacked volume controls, headphones, and adjustable microphones.

Significance: A faulty microphone system impedes the efficiency of consular interviews, and sound projection into the waiting area violates client privacy and undermines consular process integrity.

Recommendation 2: Embassy Zagreb should replace the existing consular microphone system with a functioning system. (Action: Embassy Zagreb, in coordination with the Bureau of Overseas Buildings Operations)

Management Response: Concurred.

Resource Management: Life Safety

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

Issue and Criteria: OIG found Embassy Zagreb's safety, health, and environmental management program did not fully comply with Department and federal standards. Specifically:

- There was a 20-foot fall hazard on the roof of the utility building that the Bureau of Overseas Buildings Operations (OBO) identified as a Priority 1 hazard during a safety assessment of the Embassy in September 2023 but remained unresolved (Occupational Safety and Health Standards, Part 1910.28).¹⁸

¹⁸ Cable 11 STATE 77926 "CHANGES TO SHEM SMARTS SYSTEM REQUESTS FOR POST UPDATES," August 3, 2011, lists three levels of priorities for safety findings, with Priority 1 being the highest risk level and therefore must be completed within 12 months.

- There was no eyewash station for the forklift battery charging area (14 FAH-1 H-313.1-2g; Occupational Safety and Health Standards, Part 1910.151(c)).

Cause: Embassy staff told OIG that they were waiting for a contractor to install railings to address the fall hazard. Additionally, because the forklift charging area was located outside of the warehouse, they were not aware that an eyewash station was required.

Significance: Failure to implement these safety measures raises the risk of serious injury to personnel.

Recommendation 3: Embassy Zagreb should bring its safety, health, and environmental management program into compliance with Department and federal standards. (Action: Embassy Zagreb)

Management Response: Concurred.

Resource Management: Life Safety

Fire Protection Program Did Not Fully Comply With Department Standards

Issue and Criteria: OIG found Embassy Zagreb's fire protection program did not fully comply with Department standards. Specifically:

- Out of 40 government-leased residences in high-rise and non-high-rise buildings requiring fire mitigation,¹⁹ 28 (25 non-high-rise and 3 high-rise) did not fully comply with Department standards²⁰ (15 FAM 813.7-3, 15 FAM 813.7-4, 15 FAM 813.7-6).
- Embassy residents did not conduct or document monthly inspections and testing of fire extinguishers and smoke alarms in all residences, as required, achieving only a 27 percent completion rate between February 2025 and January 2026 (15 FAM 843c-d, 15 FAM 842b).
- Four OBO Fire Inspection Report findings remained open from June 2024. Three involved fire alarm deficiencies and one related to smoke detectors (15 FAM 841a, 15 FAM 842b).

Cause: Embassy staff told OIG that there was confusion regarding which residences required mitigation. They also said they had emailed mitigation measures to some occupants but did not have documentation confirming that the occupants received the information. Embassy staff also told OIG they emailed monthly surveys to all occupants regarding fire extinguishers and smoke alarm testing, but many did not respond.

¹⁹ According to 15 FAM 813.7-6a, non-high-rise buildings are buildings with an occupied floor located less than 75 feet above the lowest level of fire department vehicle access. Embassy Zagreb leased units in 4 high-rise buildings and 36 non-high-rise buildings that were expected to comply with these requirements or have an OBO approved exception with both risks and approved mitigation strategies communicated to the occupants.

²⁰ In March 2024, the Department issued new standards for high-rise and non-high-rise residences requiring two exits, a fire alarm, and fire sprinkler systems. If unable to meet these requirements, embassies need OBO approval of mitigation measures and must inform occupants of the mitigation measures.

Significance: Failure to implement a mitigation program for high-rise and non-high-rise buildings increases the risk that occupants will be unaware of required measures in case of an emergency, thereby raising the risk of injury to personnel and property damage to residences or functional buildings. Malfunctioning and poorly serviced fire protection equipment could limit the ability of the Embassy residents to protect against fires and increase the risk of injury and property damage.

Recommendation 4: Embassy Zagreb, in coordination with the Bureau of Overseas Buildings Operations, should bring its fire protection program into compliance with Department standards. (Action: Embassy Zagreb, in coordination with OBO)

Management Response: Concurred.

Resource Management: Facility Management

Embassy Zagreb Had Multiple Unresolved Facilities Issues

Issue and Criteria: OIG found Embassy Zagreb had multiple unresolved facilities issues. Specifically, OIG found:

- The Embassy's electrical system was obsolete and needed substantial upgrades. OBO first identified this concern in 2020 and developed an \$8 million electrical project to replace a switch gear, transformer, and voltage regulator. The replacement project is tentatively scheduled to begin in April 2027, but at the time of this inspection, OBO was still in the process of reviewing acquisition documentation for final award issuance. Facility Management staff told OIG it could cause a major power disruption affecting security equipment and computers (15 FAM 635.1-1a(1)).
- The building automation system was obsolete and unrepairable. Facility Management staff told OIG that warning panels often gave incorrect signals or alarms, and staff must manually control heating and air conditioning systems, including in the Front Office executive suite. The heat at the chancery did not work during the last week of December 2025, forcing Embassy staff to telework. Facility Management staff told OIG that outage was directly related to the failing building automation system. OBO identified this as a concern in 2016, and the system is tentatively scheduled for replacement in 2027. At the time of this inspection, the system replacement project had not been solicited (15 FAM 635.1-1a(1)).

Cause: Embassy staff told OIG that they believed the delays in addressing these issues were because OBO must prioritize limited funding across embassies worldwide.

Significance: Unaddressed maintenance and upkeep of key building systems could affect the functionality of Embassy facilities, as well as the safety of staff and their ability to accomplish mission goals.

Recommendation 5: The Bureau of Overseas Buildings Operations, in coordination with Embassy Zagreb, should implement a plan to address identified facilities issues at Embassy Zagreb. (Action: OBO, in coordination with Embassy Zagreb)

Management Response: Concurred.

Resource Management: General Services

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

Issue and Criteria: OIG found Embassy Zagreb did not comply with some elements of the Department's Motor Vehicle Safety Management Program. Specifically, OIG found:

- Based on time and attendance records provided by the Embassy, OIG determined that Embassy drivers exceeded the 10-hour driver duty shift limit 85 times in 6 pay periods, from September 7 to November 29, 2025. The two chief of mission drivers accounted for 77 of the 85 violations. On January 15, 2026, the Embassy commenced a new scheduling approach intended to avoid drivers exceeding the 10-hour duty shift limit, but results were not available prior to the end of this inspection (14 FAM 433.8a-e).
- Of the 84 Embassy chauffeurs and incidental drivers, 4 had expired licenses, 30 had expired medical certifications, 29 had expired safe driver training, and 2 had expired armored vehicle training—impacting 45 drivers (14 FAM 433.3c, 14 FAM 433.4e, 14 FAM 433.5a-d).

Cause: Embassy staff told OIG that the embassy previously employed three chief of mission drivers. After one position was eliminated due to budgetary constraints, the remaining two drivers worked extended shifts to meet operational demands. Staff also reported that the long-serving motor pool supervisor retired in summer 2025 and the acting supervisor—who has not received formal training for the role—was not aware of the requirement to track medical examinations and safety training.

Significance: Failure to enforce Department motor vehicle safety standards increases the risk of injury to drivers, passengers, and the public, as well as damage to U.S. government property.

Recommendation 6: Embassy Zagreb should comply with all Department Motor Vehicle Safety Management Program standards for chauffeurs and incidental drivers under chief of mission authority. (Action: Embassy Zagreb)

Management Response: Concurred.

PRINCIPAL OFFICIALS

Section/Title	Name	Arrival Date
Chiefs of Mission:		
Ambassador	Nicole McGraw	10/2025
Deputy Chief of Mission	Vacant	
Chiefs of Sections:		
Consular	Joanna Katzman*	8/2024
Management	Vacant†	
Political/Economic	Ross Johnston	8/2025
Public Diplomacy	Lauren Perlaza	8/2025
Regional Security	Vacant‡	

* At the time of this inspection, Joanna Katzman was serving as the acting Deputy Chief of Mission.

† At the time of this inspection, the Diplomatic Technology Chief acted as Management Officer except for a 2-week period during which a Management Officer from another embassy covered the role.

‡ At the time of this inspection, a series of temporary detail officers from outside Embassy Zagreb filled the Regional Security Officer position.

Source: OIG-generated based on personnel data provided by Embassy Zagreb in January 2026.

APPENDIX A: OBJECTIVE, SCOPE, AND METHODOLOGY

This inspection was conducted from December 8, 2025, to March 3, 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 Zagreb'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.

Scope and Methodology

OIG assessed whether the Embassy effectively achieved U.S. foreign policy goals and objectives 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. OIG reviewed Embassy administration and monitoring of federal assistance awards being implemented in the country, and Leahy vetting. OIG also assessed consular operations through a review of 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 did not physically inspect the Chief of Mission Residence due to restricted access. 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 using 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 RESPONSES



*Embassy of the United States of America
Zagreb, Croatia*

May 12, 2026

UNCLASSIFIED

THRU: Bureau of European and Eurasian Affairs – Arthur Milikh, Senior Bureau Official

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

FROM: U.S. Embassy Zagreb – Nicole McGraw, Ambassador

SUBJECT: Response to Draft OIG Report – Inspection of Embassy Zagreb, Croatia

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

OIG Recommendation 1: Embassy Zagreb should review the status of its American Corners network and either identify resources for regular engagement by embassy personnel or reduce the number of American Corners commensurate with available staff and budget resources. (Action: Embassy Zagreb)

Management Response: Embassy Zagreb concurs with the recommendation. Embassy Zagreb's Public Diplomacy section received additional funding from ECA to include regular travel to American Spaces in its FY26 program. Embassy Zagreb PD staff expects to visit all centers by the end of FY26, with ongoing plans to visit all on a regular basis.

OIG Recommendation 2: Embassy Zagreb should replace the existing consular microphone system with a functioning system. (Action: Embassy Zagreb, in coordination with the Bureau of Overseas Buildings Operations)

Management Response: Embassy Zagreb concurs with the recommendation. Embassy Zagreb requested funding in November 2024 and received funding from Overseas Building Operations (OBO) in April 2026 to replace the current microphone system. The scope of work was completed, and GSO/Procurement is currently advertising for replacement of the microphone system. Replacement is expected to be completed by end of August 2026.

OIG Recommendation 3: Embassy Zagreb should bring its safety, health, and environmental management program into compliance with Department and federal standards. (Action: Embassy Zagreb)

Management Response: Embassy Zagreb concurs with the recommendation. Embassy Zagreb has completed the railing installation project. (See photo in attachment A.) Embassy Zagreb is in process of purchasing and installing a fully plumbed eyewash station in compliance with OSHA and SHEM requirements. The eyewash station will be located inside the warehouse next to the relocated battery charging station, so the plumbing is not affected by winter weather. Completion of installation is estimated to be end of July 2026.

OIG Recommendation 4: Embassy Zagreb, in coordination with the Bureau of Overseas Buildings Operations, should bring its fire protection program into compliance with Department standards. (Action: Embassy Zagreb, in coordination with OBO)

Management Response: Embassy Zagreb concurs with the recommendation. Beyond the monthly email reminders it is already sending, Embassy Zagreb will issue regular Management Notices to remind residents of the requirement to check their fire extinguisher, smoke alarms, and CO2 alarms monthly. Embassy Zagreb will establish and implement a web-based/mobile device-based monthly reporting system, similar to other regional embassies, for residents to confirm their monthly check of residential fire safety checks and report monthly compliance to the Management Officer and DCM for further action, if necessary. Embassy Zagreb has provided fire mitigation letters outlining residence-specific OBO/SHEM/Fire mitigations and received signed letters from residents for all current Zagreb government provided housing in the housing pool. As of May 5, all residents have responded. Embassy Zagreb is formalizing and will implement a process to make sure that required fire mitigation letters are provided to and signed by all new incoming residents upon turnover in housing. This new process is estimated to be fully implemented by end of June 2026.

OIG Recommendation 5: The Bureau of Overseas Buildings Operations, in coordination with Embassy Zagreb, should implement a plan to address identified facilities issues at Embassy Zagreb. (Action: OBO, in coordination with Embassy Zagreb)

Management Response: Embassy Zagreb reviewed and concurs with the separate plan and timeline provided by OBO through M/EX to address this recommendation to upgrade and modernize embassy facility electrical and building automation systems. Embassy Zagreb understands that these projects will not have significant negative impact on ongoing embassy operations but understands that use of generator power will be required at times during the electrical switchgear upgrade and that some contractor work will be required on weekends and evenings.

OIG Recommendation 6: Embassy Zagreb should comply with all Department Motor Vehicle Safety Management Program (MVSMP) standards for chauffeurs and incidental drivers under chief of mission authority. (Action: Embassy Zagreb)

Management Response: Embassy Zagreb concurs with the recommendation. Embassy Zagreb has adjusted Chief of Mission driver scheduling in conformance with FAM and OBO SHEMA mandated driving limitations. In addition, Embassy Zagreb supplements COM drivers with motor pool drivers, who have appropriate training, to mitigate the potential for COM drivers to exceed MVSMP safety standards.

The point of contact for this memorandum through August 5 is Acting Management Officer, Katrina Barnas. After August 6, point of contact is Management Officer Erika Zielke.



United States Department of State
Washington, DC 20520

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May 1, 2026

Read by _____

Info Memo for A/OIG Arne Baker

FROM: OBO/PDD – Ambassador Henry Jardine

SUBJECT: OBO's Draft Report Response to OIG's Inspection of Embassy Zagreb, Croatia (ISP-I-26-14)

Summary:

- OBO concurs with this recommendation.
- OBO continues implementing the plans to replace the electrical switchgear and the BAS system.

Recommendation 5: The Bureau of Overseas Buildings Operations, in coordination with Embassy Zagreb, should implement a plan to address identified facilities issues at Embassy Zagreb. (Action: OBO, in coordination with Embassy Zagreb)

Management Response (4/30/2026): OBO concurs with this recommendation. OBO/CFSM/FMS/FAC will continue implementing the plans to replace the electrical switchgear and the BAS system, as well as continuing to provide support through IMAP and the ORSC Frankfurt. For some context, the IMAP electrical visit from September 2025 noted that the switchgear was in good condition (despite being old) with the exception that the PLC controllers (a component of the main system) were not functioning. Also, funds have been sent to post for interim BAS remediation until the whole system can be replaced, so the Front Office will have more effective HVAC control.

Specifically, the contract is awarded to replace the switchgear and main electrical service, the work is currently in the design phase. Issued for construction design, drawing development continues with an estimated delivery June 2026. The contractor is also preparing equipment submittals, to include long lead items. The project was funded in 2024, using \$6,200,000 of “x” year funds. The estimated project completion date is currently September 29, 2027.

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OBO anticipates award of the BAS Replacement project in May 2026. This Design-Build project will replace the existing BAS in all buildings at Post, in both secure and non-secure spaces. The cost for this project is approximately \$1,800,000 and should be completed in Fall, 2027.

Embassy Zagreb understands that these projects will not have significant negative impact on ongoing embassy operations but understands that use of generator power will be required at times during the electrical switchgear upgrade and that some contractor work will be required on weekends and evenings.

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