

~~SENSITIVE BUT UNCLASSIFIED~~

United States Department of State
and the Broadcasting Board of Governors
Office of Inspector General

Report of Inspection

Embassy Luanda, Angola

Report Number ISP-I-09-19A, March 2009

~~IMPORTANT NOTICE~~

~~This report is intended solely for the official use of the Department of State or the Broadcasting Board of Governors, or any agency or organization receiving a copy directly from the Office of Inspector General. No secondary distribution may be made, in whole or in part, outside the Department of State or the Broadcasting Board of Governors, by them or by other agencies or organizations, without prior authorization by the Inspector General. Public availability of the documents will be determined by the Inspector General under the U.S. Code, 5 U.S.C. 552. Improper disclosure of this report may result in criminal, civil, or administrative penalties.~~

~~SENSITIVE BUT UNCLASSIFIED~~

PURPOSE, SCOPE, AND METHODOLOGY OF THE INSPECTION

This inspection was conducted in accordance with the Quality Standards for Inspections, as issued by the President's Council on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

PURPOSE

The Office of Inspections provides the Secretary of State, the Chairman of the BBG, and Congress with systematic and independent evaluations of the operations of the Department and the BBG. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and economy and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instance of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

METHODOLOGY

In conducting this inspection, the inspectors: reviewed pertinent records; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.



**United States Department of State
and the Broadcasting Board of Governors**

Office of Inspector General

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in dark ink, appearing to read "H. W. Geisel", written in a cursive style.

Harold W. Geisel
Acting Inspector General

TABLE OF CONTENTS

KEY JUDGMENTS	1
CONTEXT	3
Introduction.....	3
Policy Overview.....	5
EXECUTIVE DIRECTION	7
POLICY AND PROGRAM IMPLEMENTATION.....	11
Reporting and Analysis	11
Economic Assistance.....	13
Trade Promotion	14
Environment, Science, Technology and Health Affairs.....	15
Public Diplomacy	15
Consular Affairs.....	17
RESOURCE MANAGEMENT.....	21
Rightsizing Review.....	21
Management Section	22
Facilities and Real Property.....	23
International Cooperative Administrative Support Services	26
Human Resources	27
General Services Office.....	29
Financial Management Operations.....	31
Information Management and Information Security	32
QUALITY OF LIFE	35
Overseas Schools.....	35
Medical Services.....	35
Community Liaison Office	36
MANAGEMENT CONTROLS	39
Human Resources	39
General Services	39
Financial Management.....	41
FORMAL RECOMMENDATIONS	43
INFORMAL RECOMMENDATIONS	47
PRINCIPAL OFFICIALS	53
ABBREVIATIONS	55

KEY JUDGMENTS

- Embassy Luanda is effectively focused on policy formulation and implementation. This includes not only improving bilateral relations and promoting democracy, but also correctly attempting to influence Washington to more effectively engage with Angola, the sixth largest supplier of oil to the United States and an increasingly important regional player in Africa.
- Embassy Luanda is energetically promoting commercial relations with Angola, the third largest U.S. trading partner in sub-Saharan Africa.
- U.S. foreign assistance programs on health, democracy, and economic reform are well managed and meet the Secretary's goals for transformational diplomacy.
- Embassy Luanda needs to better utilize the Department's policy on visa referrals.
- Information management systems need additional and more secure emergency power.
- As Embassy Luanda makes the transition to a medium-size embassy, it must continue putting into place standard administrative procedures and management controls.
- The recent International Cooperative Administrative Support Services (ICASS) consolidation has presented management with challenges for managing general services and providing quality customer service.
- Angola's increasing importance adds to the embassy workload and merits increased staffing by the Department of State (Department) and other agencies.
- Although completed in 2005, the new chancery already needs some security upgrades.
- Living and working in Angola is difficult. The embassy and the Department will have to work to recruit and assign to post only the most skilled, energetic, and adaptable employees.

The inspection took place in Washington, DC, between September 15 and October 3, 2008, and in Luanda, Angola, between October 20 and 31, 2008. Ambassador Michael Senko (team leader), Brian Mohler (deputy team leader), Kathryn Berck, William Booth, Eric Chavera, Richard Jones, and Patrick Whalen conducted the inspection.

~~SENSITIVE BUT UNCLASSIFIED~~

~~SENSITIVE BUT UNCLASSIFIED~~

CONTEXT

INTRODUCTION

Angola's 16 million people are emerging from decades of civil strife to become important players in Central and Southern Africa. After winning independence from Portugal in 1975, the country plunged into an intermittent 27-year civil war among the Popular Movement for the Liberation of Angola (MPLA) with links to

communist parties in Portugal and the then Eastern Bloc, the National Front for the Liberation of Angola with links to the United States, and the National Union for the Total Independence of Angola (UNITA) with links to the People's Republic of China and apartheid South Africa. The MPLA formed Angola's first government under Agostinho Neto. When Neto died in 1979, he was replaced by Jose Eduardo dos Santos who has been Angola's President ever since.



After the National Front for the Liberation of Angola was marginalized, an internationalized conventional civil war between the MPLA and UNITA continued until 1989. UNITA controlled much of Angola's interior with help from South African troops and U.S. aid. Large numbers of Cuban troops supported the MPLA. U.S.-brokered agreements resulted in the withdrawal of foreign troops and organized an electoral process for a democratic Angola under United Nations auspices. However, a dispute over the conduct of the 1992 election between President Dos Santos and Jonas Savimbi of UNITA reignited the conflict which continued until Savimbi's death in 2002. In April 2002, the Angolan government and UNITA signed a memorandum of understanding to formalize the de facto cease-fire following Savimbi's death. Under its terms, UNITA demobilized its military and rejoined the Angolan political process.

Angola took an important step toward greater democracy and stability by holding peaceful National Assembly elections in September 2008. These were the first elections since the disputed 1992 Presidential contest. Although marred by technical and logistical problems, the international consensus was that the will of the Angolan people had been expressed by the 82 percent of the vote given to MPLA candidates. The badly defeated UNITA accepted the outcome. President Dos Santos has committed to holding presidential elections in 2009.

Richly endowed with oil, natural gas, diamonds, iron ore, copper, and gold and possessing considerable hydroelectric capacity, Angola, twice the size of Texas, could become among Africa's richest nations. However, due to war, and political and economic ineptitude, Angola ranks near the bottom in virtually every socioeconomic indicator. A population uprooted by decades of war has overwhelmed the nation's cities, especially Luanda, and depopulated much of the countryside, making agricultural development difficult.

Since 2002, however, Angola has enjoyed unprecedented peace and development. With UNITA's forces integrated into the Angolan military and a vigorous political process tempering old animosities, war and instability have been neutralized, at least for now. The country's economic future is brighter than it has been in decades because of growing offshore oil production. Spurred by an oil boom, Angola's real gross domestic product growth rate of 24.4 percent in 2007 was among the highest in the world. The rapidly expanding Angolan petroleum industry now produces roughly its Organization of Petroleum Exporting Countries cap of 1.9 million barrels a day, and more production capacity is being installed. Crude oil sales now account for half of Angola's gross domestic product, 95 percent of its exports and almost 80 percent of government revenue. Its production is among the highest of any African country. Angola recently displaced Nigeria as the sixth largest foreign supplier of oil to the United States.

Moreover, despite abundant natural resources and a rising per capita gross domestic product of over \$2,000, the nation recently was placed 162 out of 177 countries on the UN Development Program's Human Development Index. According to the World Bank's "Doing Business" index, Angola ranks 168 out of 181 countries in promoting an open and efficient business climate.

POLICY OVERVIEW

Bilateral ties are bedeviled by the MPLA's memories of past U.S. support for its rival UNITA. Relations have not generally prospered since we recognized the MPLA government in 1993. Diplomatic work is hampered by suspicion and the secretive nature of the government. The embassy has minimal access to top decision and policy makers, and our ability to inform and influence the government is poor. Indeed, the MPLA evinces the arrogance and the aloofness of a victor who defeated the Portuguese, the South Africans, and the Americans, with the added clout of revenue from two million barrels of oil a day. Still, this may be a propitious time to forge a better relationship. There seems to be growing recognition by Washington policy makers of Angola's importance. In fact, the Bureau of African Affairs stated in its most recent Bureau Strategic Plan that Angola has become one of the three most important African countries in terms of U.S. interests. Moreover, several senior Department of State and Department of Defense officials have visited Angola in recent months.

Not only has Angola become the sixth largest source of U.S. oil imports, it is key to the peace and stability of central and southern Africa, especially as its neighbors, including Zimbabwe and South Africa, suffer from political and economic instability. Angola's large, relatively well-equipped, and professional military could play an important peacekeeping role in Africa. The country has massive and growing U.S. investment in the oil and gas sector with the potential to become an even larger trade and investment partner beyond energy. The United States, together with African and European nations, was allowed by the Angolan government to observe the fairness of the recent legislative elections. Finally, high-level Angolan officials have sent signals that they wish to overlook past antagonisms to deepen the bilateral relationship.

The Ambassador persuasively argues that the best way to strengthen the U.S.-Angolan relationship is by engaging on the one thing Angola most craves from the United States: respect. Making a limited investment in occasional senior-level correspondence and telephone calls, pull-aside meetings of senior leaders on the margins of international gatherings, and occasional visits to respective capitals could pay off in large dividends. Improved ties would build on already strong and vibrant areas in the relationship, especially in health, where the U.S. Agency for International Development (USAID) mission and a contingent from the Centers for Disease Control and Prevention (CDC) enjoy excellent access and cooperation with Angolan government partners in fighting malaria, HIV/AIDS, avian influenza, and maternal and child mortality. Bilateral relations are moving ahead in other areas. U.S. naval vessels recently visited Angolan ports and conclusion of a memorandum of understanding on military cooperation seems possible. Both governments are negotiating a Trade

and Investment Framework Agreement. The Commerce and Treasury Departments are considering whether to station personnel in Angola.

Embassy Luanda is staffed by 48 direct-hire Americans - 38 from the Department, four from Department of Defense, four from USAID, two from CDC, and 151 locally employed (LE) staff. The embassy's budget is \$13.6 million a year. The political-economic section manages projects under the Ambassador's Self Help Program, and democracy and human rights programs valued at \$60,000. The section also works closely with the Bureau of Political-Military Affairs in overseeing a \$6.9 million humanitarian demining program. The USAID budget for Angola for FY 2009 is \$42.5 million, including \$17 million for the President's Malaria Initiative and \$7.5 million for democracy building and good governance. Angola also benefits from \$7 million in the President's Emergency Plan for AIDS Relief (PEPFAR), a program coordinated among State, CDC, USAID, and Department of Defense. USAID coordinates with Department of Defense programs such as its HIV/AIDS Prevention Program and humanitarian assistance.

EXECUTIVE DIRECTION

Embassy Luanda is effectively and energetically focused on policy formulation and implementation. This includes not only improving bilateral relations and promoting democracy, but also vigorously pressing Washington to more effectively engage with Angola, the sixth largest supplier of oil to the United States and an increasingly important key to regional stability. Mission resources are clearly linked to achieving the priorities laid out in its FY 2010 Mission Strategic Plan (MSP). The Ambassador and the deputy chief of mission (DCM), supported by a strong management team, are also improving administrative services and working to ensure that all management controls are in place.

The Ambassador presented his credentials to President Dos Santos in January 2008, and immediately signaled that he wanted to help write a new, more positive chapter in U.S.-Angolan relations. He has followed up with an intensive and well-calibrated program of entertaining, public appearances, and press events that are beginning to pay dividends. The embassy's election monitoring program for the September 2008 legislative elections was welcomed, and the Ambassador's comments were the only local diplomatic community statement printed above the centerfold in the government-run newspaper. As noted above, enhanced bilateral contacts are also underway on military, trade, financial, and health issues.

The Ambassador has rightly engaged with Washington to ensure that Angola, and the embassy, get the attention they merit. The Foreign Commercial Service has an officer temporarily in Luanda studying whether it should open an office to promote U.S. business interests. The Department of Treasury is considering sending personnel to assist the Angolan Ministry of Finance. The Defense attaché office will soon be enlarged, and the Federal Bureau of Investigation has offered training opportunities to Angolan law enforcement personnel.

The embassy has forged rewarding ties with the business community. Angola is now our third-largest trading partner in sub-Saharan Africa. Beyond the oil and gas sector, Angola's fast-growing economy offers potential to U.S. mining, agricultural processing, engineering, and construction companies. The Ambassador has developed helpful new contacts with progressive Angolan trade officials, and he is an active member of the U.S.-Angolan Chamber of Commerce in both Luanda and Washington. He has also consulted closely with the Export-Import Bank, which has

opened a medium-term window in Angola and reduced the risk rating for the country. Aside from oil and gas, successful sales and business ventures by Boeing and Chiquita Brands point toward commercial opportunities in Angola.

USAID and CDC officials roundly appreciate the Ambassador's support for transformational diplomacy in their assistance programs. Both agencies are well integrated into the country team. Moreover, the Ambassador hosts a thematic development assistance meeting once a month for which USAID prepares the agenda. There is a separate monthly meeting for PEPFAR. One ranking foreign assistance official summed it up saying, "The front office supports us all and advocates for us in our activities and line of work regardless of which agency we work for. The Ambassador takes time to understand... and offers his assistance, wherever appropriate, in order for us all to reach our goals." Finally, the Department and USAID completed the consolidation of administrative support services one year ahead of schedule.

Embassy goals and objectives are well laid out in its FY 2010 MSP. The former DCM oversaw the process, in which all embassy sections and other agencies were fully involved in strategy meetings and drafting. The Ambassador contributed his views, drafted the chief of mission statement, and reviewed and approved the final product. Bureau of Resource Management officials praised the MSP's quality and forward-looking nature.

The proliferation of plans across and within agencies, however, compels the embassy to spend a significant amount of time in the planning processes, sometimes at the expense of carrying out the work and reporting on results. In addition to the MSP, the embassy must annually prepare an Operation Plan for USAID, a PEPFAR Country Operational Plan, and a Malaria Operational Plan. The embassy and the Office of Inspector General (OIG) believe a consolidation of planning documents would free up more time for implementation.

The Ambassador and DCM are committed to diversity and Equal Employment Opportunity and embassy staff is aware of the policies. No Equal Employment Opportunity issues surfaced during the inspection.

The embassy leadership's biggest challenge is morale. Life in Luanda challenges even the most resilient Foreign Service veteran. Poor infrastructure and overcrowding in a city of five million, built for 500,000, leave traffic at an enervating crawl. Crime makes walking any distance unsafe. Mission housing, arguably the most expensive in the Department, is barely adequate. The cost of living is astronomical, the supply of consumer goods and food sporadic. Travel for getaways outside of Angola is very expensive. Schooling options are limited, especially for middle and high school students.

(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)

Addressing or mitigating these problems while simultaneously handling a growing workload takes energy, and the Department is fortunate to have an Ambassador who has the necessary extraordinary energy. The Ambassador and his new DCM are working on upgrading the housing inventory and hope to secure 16 apartments now under construction near the embassy. They are energetically engaged with the Department and other Washington agencies to obtain necessary resources,(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)

(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
The embassy and Department will have to work to recruit and assign only the most skilled, energetic, and adaptable employees who view their main reward as important and challenging work.

Like many energetic, goal-oriented officials of his rank and ability, the Ambassador must guard against overloading his staff. He recognizes this problem, and he and the new DCM have begun implementing a new approach to prioritizing and equitably distributing the workload.

Post management is attentive to security concerns, and many employees made unsolicited comments of appreciation for the Ambassador's concern for their safety. He recently initiated, for example, fire escape arrangements in every home to ensure no one would be trapped due to security grillwork. The embassy's capable two-person regional security office, assisted by the consular officer, ensures that the embassy, business, and larger U.S. expatriate communities are kept abreast of security developments. The emergency action plan is continually updated.

~~SENSITIVE BUT UNCLASSIFIED~~

~~SENSITIVE BUT UNCLASSIFIED~~

POLICY AND PROGRAM IMPLEMENTATION

REPORTING AND ANALYSIS

Reporting and analysis from Embassy Luanda have won praise in Washington, but the political-economic section should also devote more time on areas of particular U.S. interest, such as energy. The political-economic chief manages a section of one political and one economic officer, a professional associate who focuses on commercial work and monitors the grants under the self help program, and two experienced LE staff members. A third LE position is currently vacant. When fully staffed, this is the right size of staff for the section.

However, section effectiveness is being handicapped by staffing gaps. At the time of the inspection, the economic officer position had been vacant for two months. A replacement arrives late in 2008. The talented junior political officer who organized the embassy's excellent election monitoring effort departed during the inspection with a successor not expected before the spring of 2009. There may be a gap of six months in yet another officer position. In addition, there is a longstanding vacancy in an LE staff position; a new position description has been drafted and must be approved by the embassy before the job can be advertised. This was the subject of an informal recommendation. Finally, section effectiveness is hampered by the lack of an office management specialist to support this active office. The position is available for an eligible family member, but it has not been filled for over a year. Assigned officers generally have adequate Portuguese language skills to work effectively in Angola.

Embassy Luanda reporting and analysis are read and valued in the Department, notably in the Bureau of African Affairs and the Bureau of Intelligence and Research, as well as in a variety of other U.S. agencies. Recently, the political-economic section focused on the September 2008 legislative election, which was seen as a milestone in Angola's evolution toward a more democratic system. The embassy fielded over three dozen election monitors in five provinces as well as in the capital city of Luanda. OIG inspectors were impressed by the section's extensive reporting and analysis on preparations for and the conduct of the peaceful voting for which there was a high voter turnout as well as on the possible post-election impact on domestic politics. The lessons it learned in fielding its observation teams will help the embassy prepare for the likely 2009 presidential election.

Angola's oil production has grown rapidly in recent years. The country is now the third largest oil producer in Africa behind Nigeria and Libya and is expected to see significant oil production increases in the short-term as new offshore projects come on line. As mentioned earlier, Angola has become a major supplier to the U.S. market. It is also the second largest exporter of crude to China after Saudi Arabia. Major U.S., European, and Chinese oil companies are active in Angola.

Washington agencies remain keenly interested in the embassy's assessment of developments in the energy field, including in exploration, refining, and downstream operations. Angola has considerable natural gas associated with oil production; a large liquefied natural gas plant is currently being constructed by an American company. During the inspection, the embassy sent out an important message describing construction progress of a multibillion dollar refinery. Another recent message that Angola was exceeding its Organization of Petroleum Exporting Countries production limit received favorable comment in Washington. While these messages are examples of excellent energy reporting by Embassy Luanda, there should be more reporting of it in light of Angola's growing energy importance to the United States.

The political-economic section has produced solid trip reports on the visits of the Ambassador and other officials throughout the country. These are especially appreciated given the difficulties of internal travel in Angola. Human rights and domestic political reporting was also given good marks by Washington readers as was reporting on extractive industries, including diamonds. Consumers are eager for more embassy analysis on the prospects for economic reform, greater budget transparency, and efforts to curb pervasive corruption. There is also interest in reporting on Angola's ties with Cuba, Russia, China, and North Korea. There is recognition, nonetheless, that it can be difficult to obtain even routine factual information from suspicious and often unfriendly government sources in light of the limited access discussed in the context section of this report. However, efforts should continue to exploit these and other useful contacts, including in the UNITA opposition, foreign embassies, nongovernmental organizations representatives, civil society activists, and the energy sector. The political-economic chief admitted to OIG inspectors that there is no reporting plan for his section. An informal recommendation was made in this area.

LE staff members were frequently called upon to interpret for the Ambassador
and Washington visitors, (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

Cabinda

Cabinda is an oil rich enclave physically separated from the rest of Angola by a thin strip of land belonging to the Democratic Republic of the Congo. The province contains significant Angolan offshore oil resources and is home to separatist movements demanding access to oil revenues and greater participation in oil policy. While the Angolan government has appointed Cabinda natives to political positions, and local security has improved, separatists still carry out occasional violent attacks, especially against foreigners.

The Department hopes to set up an American presence post (APP) in Cabinda but has not decided whether to fund its establishment. It has stationed the first Cabinda APP officer, a professional associate, in the political-economic section pending a funding decision. The APP establishment in Cabinda has been approved by the Angolan government. According to Embassy Luanda's FY 2010 MSP, support costs for the Cabinda APP would include \$1 million in startup and \$590,000 annually.

Major U.S. investments are located in Cabinda, and it is also home to a large number of U.S. citizens. The APP would focus reporting on and extend services to this critical area of existing oil production and potential new on-shore oil fields. It would also monitor local political developments. At the time of the inspection, there was no indication when the Department would fund the establishment of the Cabinda APP.

ECONOMIC ASSISTANCE

Angola has asked for U.S. help in strengthening its financial structures and institutions. Fiscal transparency in Angola is a key concern for the United States. In 2007, the Angolan government formally asked for the placement of a resident U.S. advisor in its Finance Ministry to assist with strengthening the country's financial structures. The advisor would help the country's developing financial system harmonize itself with international norms. The Ambassador has strongly urged the Department of Treasury to respond positively. During the inspection, the Ambassador learned that Treasury plans to send a team to Luanda in late 2008 or early 2009 to discuss the stationing of a technical advisor. The Angolans have promised to help cover some of the advisor's expenses, including housing. The OIG team agrees that this assignment would be a positive development.

The political-economic section has close and mutually cooperative ties with the USAID mission, which is colocated in the chancery. USAID's work is largely con-

centrated in the health area as described below; it also works closely with the section on programs in democracy-building and good governance.

TRADE PROMOTION

The embassy believes, rightly, that there is scope for major increases in U.S. trade and investment in Angola, now concentrated in the oil and gas and commercial aviation sectors. Embassy Luanda's commercial work is done by the professional associate and one LE staff member in the political-economic section. The Ambassador has also been very active in commercial outreach. In addition, the embassy works closely with the local representative of the U.S.-Angola Chamber of Commerce. The embassy receives limited support from the regional commercial officer stationed at Embassy Pretoria. Washington observers gave the embassy high marks for its coverage of commercial and investment issues and described it as very responsive to requests for information.

Areas of potential U.S. commercial interest outside energy include agricultural development, including fisheries; infrastructure construction, including residential housing; and telecommunications. The embassy is working with the Office of the U.S. Trade Representative and the Angolan government on concluding a Trade and Investment Framework Agreement, now under negotiation. This could be followed by a bilateral investment treaty. These accords would provide a framework to protect U.S. businesses, increase transparency, and strengthen dispute settlement mechanisms. Such protections are essential for business operations in Angola, rated by international measures as among the most challenging places in the world to do business.

The Ambassador has pressed the Department of Commerce to consider whether the potential for expanded U.S. trade and investment in Angola would justify setting up a Foreign Commercial Service office at Embassy Luanda. Commerce may consider an office with an American officer and at least three LE staff. During the inspection, Commerce sent an officer on a five-week, temporary duty assignment to the embassy to investigate whether an office would be feasible. Commerce would have to get Congressional approval for its establishment; it could be opened by 2010 or 2011. The OIG team believes that such an addition to the embassy is merited. The eventual stationing of Commerce and Treasury officials in Luanda to help Angola undertake needed reforms to develop an open financial system and a market economy would help position U.S. business to take maximum advantage of the considerable future commercial opportunities in Angola.

Angola is eligible for special trade preferences in the U.S. market under the Africa Growth and Opportunity Act (AGOA). Currently only its oil exports benefit from AGOA as the local agricultural and manufacturing sectors are still recovering from the civil war. However, the Angolan government recognizes the importance of AGOA for the nation's economic development. The conclusion of the Trade and Investment Framework Agreement, advice from the political-economic section, and placement of a Foreign Commercial Service officer would help educate the Angolan government and local business how to take the best advantage of AGOA.

ENVIRONMENT, SCIENCE, TECHNOLOGY, AND HEALTH AFFAIRS

Embassy Luanda undertakes no environmental activities except those directed by the Department. Angola is the responsibility of the regional environmental hub located at Embassy Botswana. The Ambassador is promoting a private sector effort to save an endangered antelope species and to strengthen Angola's fledgling national parks system.

The embassy is very active in helping promote better health for Angolans. Health is a major concern in Angola where life expectancy is only 43 years, more than 30 percent lower than the average for developing countries. Infant and maternal mortality are among the worst in the world. USAID's major program in Angola is the President's Malaria Initiative, which seeks to cut deaths from malaria among young children by half by 2010. The Angolan government is closely involved with the program. The U.S. government is also highly visible in the fight against HIV/AIDS, and there is funding in Angola under the PEPFAR program. USAID, CDC, Department of Defense, and the Department work closely with the Angolan Ministry of Health to implement its national plan against HIV/AIDS. The Ambassador chairs a monthly PEPFAR coordination meeting.

PUBLIC DIPLOMACY

Despite a modest budget, the public diplomacy section produces an impressive amount of effective work, with nothing arguably nonessential or excessive. The section consists of one public affairs officer, one first-tour assistant public affairs officer, and four LE staff. There is one more LE position in the staffing pattern, but it is unfunded. In its FY 2010 MSP, the embassy asked for a fifth LE staff member to take over the job of embassy webmaster – an extremely time-consuming task due

to low bandwidth and slow computer processors locally. The fifth LE staff member would also assist the press and cultural affairs LE staff in responding to public information inquiries more promptly. OIG supports this request.

Recommendation 1: Embassy Luanda, in coordination with the Bureau of African Affairs, should immediately either fund and fill the existing unoccupied locally employed staff position or create, fund, and fill a new one at a level that public diplomacy finds appropriate for the duties the employee will perform. (Action: Embassy Luanda, in coordination with AF)

With the high cost of living in Angola, the section is keenly aware that it cannot fund elaborate events. What it can do, it does well: sponsoring training for journalists and supporting English language teachers and institutions, needs that are deeply appreciated in Angola; publicizing U.S. humanitarian assistance; supporting exchange programs and international visitors, voluntary visitors, and Fulbright scholars who are carefully chosen to act as force multipliers; distributing reading material to enhance understanding of U.S. values and goals; placing news articles and op-ed pieces in the government and fledgling independent press; and holding events to explain U.S. issues. Like many other African nations, Angola finds the 2008 U.S. presidential elections riveting, and the section has capitalized on that interest, not only arranging and managing 10 different election-related events, but also using those events to introduce embassy officers to a wide range of useful contacts. The section controls a small (\$20,000) budget for grants, which it uses skillfully and administers according to regulations.

(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

Recommendation 2: (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)

(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

CONSULAR AFFAIRS

The consular section handles the full range of immigrant visa, nonimmigrant visa, and American citizen services in volumes that are extremely high for a section of its size. This performance is possible because of the extraordinary quality of its LE staff.

A Civil Service excursionist with American citizen services experience manages Embassy Luanda's consular section. The section includes two LE staff members: one is among the most experienced consular employees in Africa; the second is a very capable cashier and data-entry clerk with about one year's experience. A year-old consular assistant position was occupied briefly by an eligible family member, who quickly moved to another embassy job. That position was vacant at the time of the inspection but should be filled in January 2009 by another eligible family member now taking the Foreign Service Institute's consular course.

Embassy Luanda's consular workload compares to that of Embassies Harare or Lusaka, which each have two Foreign Service officers and four LE staff. Luanda just completed its first full fiscal year of processing immigrant visas; Diversity Visa 2009 will provide 11 more immigrant cases than did Diversity Visa 2008. Visas 92/93 cases and related relationship fraud devour resources. The passport workload increased fivefold since 2005, while nonpassport American citizen services require significant time and expertise in dealing with the quagmire of Angolan ministries. The statement in the 2007 consular workload report that begins, "We have almost no Special Citizens Services work..." was incorrect. The FY 2010 MSP predicts that the need for American citizen services will grow by 30 percent per year. Nonimmigrant visa applications are above 5,000 annually for the first time since FY 2001; the FY 2010 MSP predicts that number will continue to rise by 20 percent per year. The OIG team found no reason to dispute these predictions. The Angolan government's policy of Angolanization requires that 70 percent of certain management positions be held by Angolan citizens. This policy is drawing expatriates back to the country, and, despite the 1991 law that prohibits dual citizenship, returnees from the United States will no doubt increase still further the pool of applicants for consular services.

The 2002 OIG inspection agreed with the then-consular manager that an additional LE staff member was needed. After 6 years of precipitous consular growth, this position is still not filled. The Bureau of Consular Affairs will support it through machine-readable visa funding, but the Bureau of African Affairs first wants the position descriptions of consular LE staff positions rewritten through the computer-aided job evaluation to show how work will be redistributed. The present consular officer has no experience with this process and little time to devote to it, yet the need to finally fill this position is urgent.

The FY 2010 MSP predicts that “by FY 2009 the embassy’s nonimmigrant visa, immigrant visa, and American citizen service statistics will justify the need for another American direct-hire officer to maintain the efficiency of consular services and quality of visa issuance.” OIG agrees.

Even today, disregarding predictions of further growth, a workload that would normally occupy two officers and four LE staff is shouldered by one officer and two LE staff, whose expertise is substantial (b)(2)(b)(6)

It is vital to this critical and sensitive embassy that the consular section be appropriately staffed: at absolute minimum, this means two full-time officers and four LE staff.

Recommendation 3: (b)(2)(b)(6)

Recommendation 4: Embassy Luanda should fill the new consular locally employed staff position as quickly as possible. (Action: Embassy Luanda)

Recommendation 5: Embassy Luanda should request an additional consular officer and a fourth locally employed staff position for FY 2010, and fill the positions, if approved. (Action: Embassy Luanda)

Luanda's nonimmigrant visa work consists for the most part of business travelers involved with the petroleum industry. Other business travelers, such as clothing and food merchants, are also generally well established and qualify easily for visas. The need for student visas is growing as Angolans feel the drawbacks of their lack of modern business practices and English language ability. Purely tourist travel is rare. Fraud tends to settle in the business visa applications and is not especially sophisticated. Consequently, the nonimmigrant visa issuance rate is surprisingly but correctly high for a country emerging from decades of civil war. The quality of these applicants, however, combined with Angolan cultural pride, the significance of personal prestige, the frequent need to travel on short notice, and the consular section's chronic two-week backlog in interview appointments makes the demand for visa referrals high for a customer base of Luanda's size. At the same time, referrals, until very recently, were neither well explained nor well handled by the consular section, which saw them as a burden rather than an opportunity. This caused frustration and friction throughout the embassy. Another source of stress was the expectation both inside and outside the embassy that the consular section would answer questions at any time, either by telephone or by personal visit to the section. The section tried its best to fulfill this expectation, to the detriment of its work flow.

The regional consular officer reviewed the embassy consular operation during a recent visit and helped streamline the handling of its nonimmigrant visa appointments. The regional consular officer, Ambassador, DCM, and the consular officer negotiated and published specific hours for telephone calls; communication outside those hours must be by e-mail. The group also forged a new visa referral process that meets the criteria of 9 FAM Appendix K and encourages embassy use of the process. Regional consular officer recommendations should be promptly adopted. Most now have been.

The consular section saw the nonimmigrant visa processing improvements recommended by the regional consular officer mainly as tools that would allow it to handle visa applicants more competently and with less chance for error. The section incorrectly continued to restrict referrals – for example, the number it would accept per day – and generally structure the process so tightly that it remained burdensome to other officers and to the applicants. Inspectors showed how “A” referrals could be powerful diplomatic tools that increase the prestige of the applicants, the officers who use it, and the consular section, and also give a favorable impression of the United States. In light of this new philosophy, the consular section has simplified the referral process even further – allowing, for example, referred applicants to appear for biometric collection on any of several days during the week. The consular officer also works more closely with embassy colleagues to enhance the experience in other ways for applicants.

Recommendation 6: Embassy Luanda should increase the number of nonimmigrant visa appointments per day to eliminate the current backlog and maintain the backlog at no more than one day, except for brief seasonal fluctuations. (Action: Embassy Luanda)

Recommendation 7: Embassy Luanda should develop and implement a process to stay current with nonimmigrant visa referrals, expand the use of referrals, and simplify the visa referral system, making it more convenient for embassy officers, the applicants, and the consular section. (Action: Embassy Luanda)

RESOURCE MANAGEMENT

Embassy Luanda Resources – FY 2008

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Foreign National Staff	Total Staff	Total Funding FY 2008
State – D&CP	20		10	30	\$1,874
State – ICASS	5		93	98	6,159
State – Public Diplomacy	2		5	7	298
State – Diplomatic Security	3		10	13	1,507
State – Marine Security	7		4	11	180
State – Representation					47
State – OBO	1			1	2,301
USAID	4	2	16	22	42,496
Defense Attaché Office	4		3	7	450
CDC	2	1	7	10	813
Totals	48	3	148	199	\$56,125

•Staff counts include number of authorized positions and eligible family members.

•Source: Embassy Luanda

RIGHTSIZING REVIEW

The embassy staffing profile increased significantly since the last inspection report in 2002. The number of Americans increased from 33 to 48, and LE staff increased from 104 to 151 during the same period. The Ambassador and DCM conduct the bilateral relationship with political, economic, consular, and public affairs officers performing their respective functions. The management officer position is responsible for managing the day-to-day administrative operations of the embassy with help from an American facilities manager, a general services officer, an American financial management officer, an information management officer with staff that includes an information systems officer and an information program officer. The management officer oversees the human resources (HR) operations.

Given Angola's increasing importance, the OIG team believes the current staffing structure at Embassy Luanda is inadequate to support U.S. interests. The embassy's FY 2010 MSP requested additional American and LE staff consular positions. The embassy also requested under ICASS a generator mechanic for residential housing and a second HR clerk. OIG believes these support positions are justified to meet the embassy's workload. Moreover, the embassy has only one direct-hire office management specialist in the front office. A busy and growing embassy of Luanda's size needs a second office management specialist in the front office.

Recommendation 8: The Bureau of African Affairs, in coordination with the Bureau of Human Resources, should assign a direct-hire office management specialist to work for the deputy chief of mission at Embassy Luanda. (Action: AF, in coordination with HR)

MANAGEMENT SECTION

The overall running of the management section received very high scores on the OIG workplace and quality of life questionnaire. The officer is on her first management tour and is very capable and well respected. The management officer supervises HR functions and manages the financial management, facilities maintenance, general services, and information management functions. The senior LE staff members in the HR and financial management offices are very experienced.

Inspectors learned that some embassy families were using a government of Angola state-owned oil company facility for day-care services at no cost for their children. The OIG team sent an inquiry to the Office of the Legal Adviser to seek an opinion on the appropriateness of such a benefit. The justification for using the day care center gratis is that the American children speak English, and there is the opportunity for cultural exchange.

The Office of the Legal Adviser asked whether the embassy had business with the state-owned company and how important energy issues are to the U.S. government. OIG responded that energy issues are extremely important. Angola is already the sixth largest oil exporter to the United States and is likely to become an even more significant supplier in coming years. U.S. oil and oil services investments in Angola are already significant, and further large investments are planned or under construction. Besides English language and cultural exchange, use of the day care center helps America's image with Angolans and its government.

The Office of the Legal Adviser responded that if the state-owned company is considered part of the Angolan government, the Department may have legal authority to accept the “gift” of the services on its behalf. To do this, Embassy Luanda must send a memo to the Under Secretary for Management, who has the legal authority to accept such a gift, and argue why it is in the interest of the Department to accept the gift of the free day care services. Also, the embassy should provide a justification on how acceptance of the gift furthers the Department’s goals and objectives.

Recommendation 9: The Office of the Legal Adviser, in coordination with the Under Secretary for Management and Embassy Luanda, should determine whether it is ethical for embassy staff to accept the gift of day care services from the Angolan state oil company. (Action: L, in coordination with M and Embassy Luanda)

FACILITIES AND REAL PROPERTY

Embassy Luanda’s new chancery was opened in 2005. It sits on a 1.6 acre hilltop with a breathtaking view overlooking the city and bay. This attractive facility has made employees more content and productive in this logistically challenged capital. While generally an adequate facility, the chancery has some design flaws, including heating, ventilation, and air conditioning imbalances; roof leaks; (b) (2)

Many building issues can be traced to the contractors’ bankruptcy during construction. Embassy management and the Bureau of Overseas Buildings Operations (OBO) have actively and successfully addressed many of the design issues and uncompleted work.

The chancery is in dire need of a third back-up power generator. Luanda’s problematical power grid requires heavy generator use. The two generator back-up system was made inadequate by the expansion of the building’s fourth floor air conditioning system in 2007. Currently when one generator is down, the other has insufficient capacity to support the electrical load. This situation causes a number of problems. (b) (2)

Moreover, when one generator is off-line, the building must reduce its nonessential load by, for example, turning off hot water and shutting down a chiller and reducing its air cooling capacity. (b) (2)

(b) (2)

The embassy asked OBO for \$400,000 for a third generator in its July 2008 request for FY 2009 special maintenance and minor improvement projects funding.

Recommendation 10: The Bureau of Overseas Buildings Operations should fund Embassy Luanda's request for a new emergency generator. (Action: OBO, in coordination with Embassy Luanda)

Housing was generally regarded as adequate by the community and rated as average on the workplace and quality of life questionnaires. Leased residences require steady maintenance. Maintenance is affected by lower construction standards and quality of work in Angola, which are well below U.S. standards. Angola's housing is exorbitantly expensive. Residences routinely cost more than \$10,000 per month to lease, and every residence requires an OBO waiver to exceed the \$25,000 annual ceiling. A competent written housing policy was updated during 2008.

Some occupants in the chancery are concerned about limited space. The embassy is growing, and there is not enough space to please all tenants. A major concern is the limited space available for facilities maintenance staff. Staff members do not have adequate and appropriate meeting rooms. Currently, they meet in mechanical rooms in the chancery basement. The rooms are not suitable for conducting business because of noise and space limitations. As a result, facilities maintenance planning and control is disadvantaged. On the other hand, other agencies and sections, particularly on the second floor, are not effectively using available space. The embassy does not have a comprehensive space management plan.

Recommendation 11: The Bureau of Overseas Buildings Operation should schedule a space planning consultation with Embassy Luanda and make recommendations for improvements. (Action: OBO, in coordination with Embassy Luanda)

The embassy has worked with OBO to identify properties to purchase in order to reduce its leasehold budget. The embassy is negotiating to lease the top four floors of a nine-story apartment building being constructed directly behind the embassy. The apartments are scheduled for completion and would be ready for occupancy in the summer of 2009. This would provide 15 apartments and a chief of mission residence. OBO gave guidance to the embassy on establishing a baseline to conduct rent negotiations. Preliminary estimates suggest the apartments could

range from \$12,000 to \$15,000 per month; the chief of mission residence could rent for \$35,000 per month. If it is successful in obtaining this property, the embassy will have to forecast correctly a large number of lease terminations at the height of the next rotation cycle for an effective transition. The OIG team would support an initiative to consider a lease/purchase option in the lease agreement for this property if it is cost effective over the long term. The Bureau of Diplomatic Security will also have to be brought into the process early to address physical security requirements given the lack of setback of the apartment building.

The existing chief of mission residence consists of two connected townhouses. It is functional, but its representational capabilities are limited. While located close to the embassy, it is on a narrow, unpaved street and lacks parking. The DCM's residence is slightly more functional, but it too lacks proper representational capabilities. Also, the DCM's residence lacks representational program furnishings, a remnant of Embassy Luanda's Special Embassy Program status. As a result, the DCM does not have the required resources to carry out some of his responsibilities. The embassy has requested OBO to provide funding for furnishings.

Recommendation 12: The Bureau of Overseas Buildings Operation should fund Embassy Luanda's request for representational furnishings for the deputy chief of mission residence. (Action: OBO)

The embassy is in the process of transferring its property inventories to a new warehouse 26 kilometers from the chancery – an arduous and time consuming trip given Luanda's heavy and slow-moving traffic. The property's nine-year, 11-month lease began in October 2007; the basic annual rent is \$324,000 per year. The leased structure is more a warehouse shell. The landlord has provided the embassy rent credits totaling \$400,000 over the lease's first three years to upgrade the structure to a full functioning warehouse. At the inception of the lease, the embassy had an ambitious plan to remodel the shell to a bone fide warehouse within a one-year period. This new building has never been used as a warehouse and is as far removed from its proposed function today as it was when leased in 2007.

The current warehouse situation is the product of two leases; it has been in service since 2006. This facility is reasonably close to the chancery and functions adequately. It has a more reasonable separation between wall and roof, and its problems with dust are not as severe as with the other warehouse. Furniture and equipment are protected from the elements. Good quality metal shelving provides ample room for nonexpendable property and could hold the additional furniture and equipment at the new warehouse. It is not as spacious as the new facility and does not have a capacity to house motor pool operations.

Whatever the current warehouse lacks in size and functionality, it makes up for in price and convenience. The annual lease cost for the current warehouse's two leases is \$156,000. The annual lease cost for the new warehouse in years two and three is \$174,000 and \$324,000 in years four through 10. In addition, the latest local architect/engineer estimate for the desired upgrades is \$800,000, considerably more than the \$400,000 anticipated by management in 2007. Remodeling this property is a major construction project and would take months to complete under the best of circumstances.

ICASS has used one warehouse but paid for two for the past year and appears poised to continue to do so until the new warehouse is sufficiently improved to house property. OIG believes that the funds for leasing of warehouse space could be put to better use. Timing is crucial to move ahead with the new warehouse or to retain the existing one because the lease on the current warehouse expires in January 2009.

Recommendation 13: Embassy Luanda should immediately bring the warehouse funding matter to the International Cooperative Administrative Support Services council to reach a decision on the best warehouse alternative to avoid paying for an unnecessary warehouse. (Action: Embassy Luanda)

INTERNATIONAL COOPERATIVE ADMINISTRATIVE SUPPORT SERVICES

The Department is the single ICASS provider. There are three agencies represented on the ICASS council. The Department's share of ICASS costs is 66 percent.

The ICASS council was not very active in the past under a former chair person. There were no regular meetings, and the council only met to approve an ICASS budget at the last minute, presented as already decided upon.

The ICASS customer satisfaction questionnaire survey showed a decrease in overall scores from 4.12 in FY 2007 to 3.77 in FY 2008. The medical unit, information management, and security received the highest scores, but leasing, shipping, procurement, residential maintenance, and the CLO received much lower scores.

Luanda was the first tier one post to successfully consolidate administrative services between the Department and USAID. The embassy consolidated services

with USAID, disbanding its administrative operation and transferring 14 positions in general services, including motor pool, shipping and customs, procurement, and residential maintenance, plus payroll, cashiering, and some information management to the Department under ICASS. It is unknown if ICASS costs were reduced as a result of the consolidation. The ICASS customer service satisfaction questionnaire indicates that the quality of services has decreased. While duplicative services have been eliminated through consolidation, (b) (2)

Management and the ICASS council must strive to improve the level of service and pay more attention to customer service. ICASS standards are essential to ensure that performance is satisfactory. The assessment revealed a need for more direct supervision over services and more customer service training for LE staff.

Recommendation 14: Embassy Luanda should coordinate with the Foreign Service Institute to provide customer service training to locally employed staff. (Action: Embassy Luanda, in coordination with FSI)

The new ICASS chair is more focused on ensuring that ICASS agreements with agencies are equitable and service standards realistic. The ICASS council also needs to better explain to agencies how workload factors were developed and present more details on the budget. The ICASS council chair and the management officer attended training for ICASS council chairs in May 2008 in South Africa and benefited greatly from the course. There was an ICASS meeting planned during the inspection to discuss the budget prior to the ICASS regional conference to take place in November 2008. Other items on the meeting agenda included the local guard program and plans for housing in the new apartment building adjacent to the chancery.

HUMAN RESOURCES

An LE human resources assistant and a human resources clerk staff the office of human resources. Embassy personnel files were complete and the majority of position classifications were current. In the absence of an American HR officer, the management officer provides oversight. A regional HR officer posted at Embassy Windhoek used to provide technical support, but that was discontinued several years ago. At present, HR officer assistance and computer-aided job evaluation processing is provided remotely by AF's HR Office.

Since the 2002 inspection, Embassy Luanda has increased by 60 employees (15 American and 47 LE staff) with a staff of two in the HR office. The embassy is

requesting an additional HR clerk to meet the increased demands for HR services. The OIG team supports this request subject to the approval of the ICASS council.

There is no bilateral work agreement with the government of Angola for spousal employment. According to the CLO one spouse was looking for local employment. The OIG team made an informal recommendation for the embassy to finish the bilateral work agreement with the host government.

There is an apparent disconnect within the embassy on departure of staff on annual leave and rest and recuperation travel, and the subsequent processing of travel message actions to stop paying a staff member's post differential. OIG informally recommended that more coordination between the general services travel office and HR, because HR is not currently being notified when the individual has departed post.

Transportation Allowance

The embassy pays a transportation allowance of 640 Kwanza (\$8.53) in cash every month to each LE staff member. The local compensation plan stipulates that the allowance should be paid at the end of the month based on the actual days worked. It is not clear if the provision of this allowance is prevailing practice among the local government and comparators. Also, it is a very time consuming and labor intensive process to track employees' daily attendance, and for the cashier to make individual disbursements of such small amounts.

The local compensation plan calls for the payment of a vacation allowance of 25 percent of the LE staff monthly salary based on two comparators. The government of Angola labor law stipulates a 50 percent vacation allowance.

Recommendation 15: Embassy Luanda, in coordination with the Bureau of Human Resources, should resolve the transportation allowance and vacation allowance, and amend the local compensation plan accordingly. (Action: Embassy Luanda, in coordination with HR)

Employee Medical Plan

Post management asked for assistance from the Bureau of Administration with an LE staff health insurance contract in January 2008. To date, Embassy Luanda has not followed up with the bureau to pursue a contract. According to the regional medical officer and the embassy nurse, it may be possible to have a viable private

health insurance policy for LE staff. Currently, as part of the nurse's duties, she administers the time consuming process of reviewing claims and processing reimbursements through the financial management office. In FY 2007, the embassy spent \$235,500 in payments to clinics and medical reimbursements. In FY 2008, this increased by 18 percent, to \$271,800. The nurse advised OIG that she was soliciting a proposal for health insurance coverage from one company. The OIG team supports this initiative so that comparable, cost effective medical care can be provided to LE staff.

Recommendation 16: Embassy Luanda, in coordination with the Bureau of Administration, should enter into a contract for health insurance coverage for LE staff. (Action: Embassy Luanda, in coordination with A)

GENERAL SERVICES OFFICE

The general services office portfolio is equally divided between a Foreign Service officer and an experienced senior LE staff member. The Foreign Service officer has a background in procurement and contracting at the regional office level. He is responsible for procurement and contracting, customs and shipping, and housing. The shipping and procurement units work carefully and effectively, and records are good. The customs and shipping section this year began to communicate routinely to employees the status of their household effects and personal vehicles. However, the procurement office does not seek competition for its packing and freight forwarding services. The embassy pays market rates without negotiation. Only one company is used because its ability to meet U.S. standards is unique, but this has not been verified by the section. As a result, the embassy is not assured that it pays a reasonable price for these services.

Recommendation 17: Embassy Luanda should solicit bids for either blanket purchase agreements or indefinite delivery and indefinite quantity contracts and ensure competition for its freight forwarding and packing services. (Action: Embassy Luanda)

The senior LE staff member had a long background with the USAID mission as its former executive officer and transferred to the Department through the ICASS merger in 2006. He is responsible for property management, travel, and motor pool. This manager has challenges ahead. The warehouse location decision discussed in this report's facilities and real property section will require his attention. Warehouse

and property accountability issues and their recommendations in the management controls section will require much time. The OIG team observed a practice to provide reimbursement for home-to-office transportation to employees with vehicles. The OIG team recommended informally that the management office issue a revised motor pool policy, expressly forbidding home-to-office use inconsistent with Department policy.

Travel

(b) (2)

Excessively expensive tickets, failed reservations, and overly stringent ticket restrictions were cited as problems faced by travelers. The embassy lacks a travel management center. Two LE staff employees share in all travel tasks (e.g., reservation booking, ticketing, and travel authorization preparation), but one employee splits her time between HR for USAID (60 percent) and travel (40 percent).

The OIG team found that the lack of a comprehensive and current mission travel policy has contributed to the community being uninformed of travel regulations and Luanda's unique travel environment, and in some cases has led to unreasonable expectations. Embassy management is working on an updated travel policy. The major issue for the travel section is that U.S. government contract fares are unavailable for Luanda; often U.S. government employees are at the mercy of airlines for reasonable cost transportation out of Luanda, especially to European destinations. The only air carrier with access to U.S. airline ticket stock is British Airways, and the travel section and travelers are at the mercy of British Airways for pricing air tickets at the time of booking. Travelers routinely compare their ticket prices to fares available online and complain the travel section pays too much. Department accounting standards (4 FAM 472.1) prevent the section from purchasing tickets online. On the other hand, the current price of a full-fare economy ticket to the designated rest and recuperation point Luanda-London-Luanda is \$5,000. This is a tremendous advantage for rest and recuperation travel for those who wish to travel to other destinations overseas. For example, one embassy family was able to travel to Japan and another to Australia at no additional cost because of the high cost basis.

Some travelers do not understand the work of the travel section and try to address transportation issues themselves. In one case, a traveler lost a booked reservation by accessing his reservation online at the carrier's Web site. In addition, travelers are sometimes confused about ticket terms of restricted flights. The embassy policy,

consistent with Department standards, is to purchase the least expensive, restricted coach tickets. In one instance, the full cost of a restricted ticket was lost when a the traveler missed a flight and had to pay for a new ticket.

Soon after the inspection, the travel section will be required to participate in one of the Department's new travel system's (E-Travel Service) options as delineated in STATE 107906 dated October 8, 2008, from the Bureau of Administration, Office of Logistics Management, Travel and Transportation Management. This will require the section to reengineer its travel practices.

Recommendation 18: Embassy Luanda should select an E-Travel Service option and disseminate a comprehensive travel policy consistent with Department standards illustrating Luanda's unique background and explaining its booking and ticketing processes. (Action: Embassy Luanda)

FINANCIAL MANAGEMENT OPERATIONS

The financial management office staff includes a first tour financial management officer, financial specialist, principal cashier, account technician/cashier, account technician, and two voucher examiners. While funding for program and ICASS is adequate to meet mandatory requirements, there is insufficient money for travel, training, and replacement furniture and equipment. The financial management officer and the financial specialist were preparing the FY 2009 ICASS budget at the time of the inspection.

A new cashier started working during the inspection and is in training. One voucher examiner position and an account technician position were vacant, and the current cashier was moved to the account technician position. Both positions have been filled, but the new employees are awaiting their security clearances.

The accounting records were well maintained, and the OIG team was impressed that the financial specialist had access to Web Post Administrative Software Suite Procurement on her desk top and was able to easily access the status of open purchase orders to facilitate coordination with the general services office to verify validity. However, the OIG team made an informal recommendation to clear several outstanding travel advances from the previous year, which were settled but not entered into the accounting system because of the shortage of staff.

The embassy does not adhere to the \$500 limitation on cash payments. Angola is a cash economy, and many payments are made in cash. Procedures have been established whereby the DCM approves emergency payments over \$1,500. Cash payments over \$3,000 are rare. Occasional money holders had cleared all interim advances of cash from the class “B” cashier at the time the OIG team observed the unannounced cash count. The OIG team made an informal recommendation to establish an embassy policy to limit cash disbursements and to make an effort to obtain bank information from vendors to make payments electronically.

The functional questionnaire stated that the suspense deposit abroad (SDA) account is used but did not state the purpose for using the account. The status of funds showed an account balance of \$4,900. The source of funds was deposits from employees to pay for consumable purchases from Samtrex, South Africa. The employees deposit funds for the consumable purchase based on the Samtrex invoice, including shipping costs, with the embassy cashier. The embassy pays the vendor bill charging the SDA account and reimburses the employees the freight charges by electronic funds transfer to their bank account. According to 4 FAH-3 H-326.2-4, the SDA account may not be used to support U.S. government employee personal purchases unless an exception is granted by the Bureau of Resource Management. Not all employees pay their bills in a timely manner. Consequently, the SDA account could be over liquidated and lead to an antideficiency violation if the Samtrex bill was paid and insufficient funds were in the account.

Recommendation 19: Embassy Luanda, in coordination with the Bureau of Resource Management, should request a waiver to Department regulations to allow for the use of the suspense deposit abroad account for payments for the consumables vendor. (Action: Embassy Luanda, in coordination with RM)

INFORMATION MANAGEMENT AND INFORMATION SECURITY

Embassy Luanda operates a comprehensive information management (IM) and information systems security program. The information management officer manages all embassy IM and security requirements effectively. ICASS customer survey results reported the embassy’s highest overall marks for key areas in IM services. IM operations have been very well maintained, despite the fact that IM resources have been stretched for several reasons, including continuous amounts of operational support, temporary staffing gaps, as well as the added workload from supporting tenant agencies. Information systems security officer (ISSO) duties are also performed effectively at Embassy Luanda. However, there are areas that require management

attention, including the location and facilities of the unclassified server room, the separation of ISSO duties, and use of the unclassified pouch.

The IM staff is responsible for the operation, maintenance, and security of the Department's unclassified network (OpenNet), the classified local area network, public diplomacy's dedicated Internet network, the unclassified and classified pouch, telephone/radio, and mailroom operations. OpenNet consists of 116 workstations and 12 servers; the classified local area network consists of 20 workstations and five servers. The IM section largely adheres to the Department's IM guidelines and common industry practices. The IM staff consists of one information management officer, one information systems officer, one information management specialist, and one information technology assistant, who is an eligible family member. The LE staff has two systems-support employees, one radio technician, one telephone technician, one telephone receptionist, and one mailroom clerk.

Staffing Constraints

The IM section experienced a significant staffing gap over the past year due to staffing transitions. The staffing gap was further compounded by the two rest and recuperation trips that are included in assignments to Embassy Luanda. Between March and October 2008, the staff was reduced to the information management officer and information systems officer, with intermittent support provided by temporary duty rovers. Due to the sustained difficulty in filling positions at Embassy Luanda, IM management did not insist on an immediate start date for the incoming information management specialist. The section is fully staffed at present but is still recovering from the staffing gap. The OIG team fully supported management's approach to this issue.

Information Services Center Server Room Location

The current location and facilities for the information services center server room do not meet Department standards. The server room's location is insufficiently air conditioned and does not have enough space to effectively operate the OpenNet servers. The size of the server room is comparable to the standard size of the embassy's telephone frame rooms. To its credit, the embassy has tried to facilitate an additional back-up air conditioner in the room during times of lost power. The telephone frame room located adjacent to the server room is much larger and ideal for server operations according to industry standards, (b) (2)

Recommendation 20: Embassy Luanda, in coordination with the Bureau of Overseas Buildings Operations, should relocate the information services center server room to a room that adequately facilitates server operations. (Action: Embassy Luanda, in coordination with OBO)

Classified Pouch Operations

Classified pouch operations at Embassy Luanda were intermittent between July and October 2007. Classified pouch operations are supported by the Pretoria regional diplomatic courier hub on a monthly schedule. The pouch operations were disrupted due to logistical problems, inaccessibility of courier flights, country clearance issues, a cargo handler embargo, and closure of the Luanda airport resulting from its legislative elections. Pouch duties, now managed by the IM staff, are not appropriately shared. 12 FAM 151.1, states that classified pouch escort duty is the responsibility of all agencies using the classified pouch. To facilitate classified operations, the OIG team made an informal recommendation that Embassy Luanda ensure that all agencies using pouch services share in pouch escort responsibilities.

Information Systems Security Officer Designation

Although the ISSO duties are being performed, these functions are not appropriately separated at Embassy Luanda. At present, the information management officer, who manages both the Sensitive But Unclassified network and Classified network, is designated as the ISSO for both networks. The information systems officer is the alternate. The individual managing the system cannot also be the same person who polices it. The ISSO duties can be realigned to have the information management officer designated as the ISSO for the unclassified network and the information systems officer designated as the ISSO for the classified network. The current designation results in an inadequate separation of duties. This creates an internal control weakness.

Recommendation 21: Embassy Luanda should realign the information systems security officer position to ensure the appropriate separation of information systems security officer duties. (Action: Embassy Luanda)

QUALITY OF LIFE

OVERSEAS SCHOOLS

(b)(2)(b)(6) supports mainly families working for oil companies. Currently five U.S. government dependents are enrolled. The school teaches grades K-12 and is accredited by a U.S. regional accrediting agency. The school is highly regarded by the mission, and access to it is considered essential to draw well-qualified officers to Luanda. (b)(2)(b)(6)

. The \$100,000 certificate represents a prepayment of facility fees, currently assessed at \$15,000 per year in addition to tuition, for one student position in the school guaranteed for the life of the school. Further, the certificate provides the student position the “highest priority placement for admission.”

MEDICAL SERVICES

The medical unit received the second highest score in responses to OIG’s workplace and quality of life questionnaires. An LE registered nurse works 40 hours per week. An LE physician works 20 hours per week primarily to see LE staff. Medical records and prescription medications are appropriately safeguarded; the unit maintains appropriate usage and inventory records.

The regional medical officer in Pretoria and the regional medical health practitioner from Malawi visit Luanda at least four times per year; the regional psychiatrist visited twice in the past 18 months. Visits and long distance support from the

Department's Office of Medical Services appear excellent. The nurse participates in annual regional continuing nursing education conferences.

The health unit also cares for American direct-hire employees, contractors, and family members. The local private medical infrastructure, including dentistry, is generally adequate for nonemergency situations.

In the past, Angolan government medical care has been inadequate. As a result, the embassy has its own health plan for LE staff and their immediate family members. The plan covers 100 percent of the first \$1,000 in prescribed clinic fees and hospitalization per family, per year, plus 75 percent of expenses above that amount with a \$10,000 cap. The plan is administered by the health unit and medical reimbursements made through the financial management office. Medical reimbursements outside of approved providers must be approved in advance.

As mentioned under the human resources section, the regional medical officer and nurse believe it may be possible to have a viable private health insurance policy for LE staff, instead of the embassy undertaking the time-consuming duties of administering the program and processing reimbursements. The nurse and regional medical officer were asked if reimbursement could be made to local employees for alternative medical care such as chiropractic, herbal medicine, or acupuncture. Both concurred that alternative medicine should not be included under the medical plan.

COMMUNITY LIAISON OFFICE

The CLO coordinator has been in the job since July 2008 after working as a consular associate. In reviewing the functional questionnaire, the CLO coordinator reiterated the problems (b) (2) with uneven LE staff performance, difficult traffic conditions, poor air quality, lack of services like taxis, sporadic power outages, minimal recreation facilities, and the high cost of travel out of Angola.

It is also difficult to travel around Angola, which limits CLO activities and events. Most CLO events are planned around holidays and take place at the Marine house or in the embassy.

The CLO coordinator is on the country team and is a member of the emergency action committee. He has not received CLO training, but would like to attend the next training session offered by the Family Liaison Office.

The recreational facility in the original plans for the chancery was dropped, which left the embassy without a fitness center and with no changing facilities for the existing swimming pool on the chancery compound. With the pending lease of 16 units in the apartment building adjacent to the chancery the need for such facilities is more crucial. The area around the chancery is located in an area where the most basic exercise outlets, including walking, running, and bicycling, are nonexistent, extremely dangerous, or exorbitantly expensive. With some significant renovations of an existing structure in the chancery compound, the embassy could provide a decent fitness and family area within reach of most of the official community. There is a pending request in the FY 2009 supplemental minor improvement request for approximately \$15,000 for architectural and engineering work leading to the renovation and expansion of the pump house adjacent to the swimming pool to accommodate these needs.

Recommendation 22: The Bureau of Overseas Buildings Operations, in coordination with Embassy Luanda, should provide funding to provide for a fitness center and changing rooms for embassy staff and families. (Action: OBO, in coordination with Embassy Luanda)

~~SENSITIVE BUT UNCLASSIFIED~~

~~SENSITIVE BUT UNCLASSIFIED~~

MANAGEMENT CONTROLS

The annual chief of mission management controls assurance statement did not identify any internal control weaknesses. The management officer explained that the embassy had followed the instructions provided by the Bureau of African Affairs for the management controls review, but the OIG team found that the embassy lacked a systematic process, such as management controls evaluations or an overseas risk assessment as suggested in regional bureau guidance. The embassy completed the OIG functional questionnaires and found them helpful in assessing management controls.

The OIG team identified weaknesses in procurement, leasing and, to a much larger extent, property management. The management officer has the management controls responsibility and supervises the general services staff responsible for these sections. The property management recommendations stated below will require management to thoroughly assess, evaluate, and document that unit's internal controls.

HUMAN RESOURCES

Overtime spending was not controlled at Embassy Luanda. State program and ICASS LE staff overtime in FY 2008 cost \$111,700, 22 percent higher than the \$92,100 in FY 2007. Supporting documents revealed that overtime requests were often approved in advance after the fact. Further, documentation was inconsistent, sometimes with little or no justification. There were also several instances where time and attendance adjustments and overtime corrections to previous reporting were entered for three or four prior pay periods. In early October 2009, management issued an administrative notice to remind employees that overtime needs to be approved in advance by supervisors.

GENERAL SERVICES

Embassy Luanda relies excessively on petty cash payments to acquire goods in the local market. (b) (2) . The embassy has not reduced petty

cash payments and awarded blanket purchase agreements with local vendors. Such agreements will promote transparency in pricing, further competition in the local marketplace, and significantly cut the paperwork burden for the procurement section.

Recommendation 23: Embassy Luanda should award blanket purchase agreements with local vendors for frequently purchased items. (Action: Embassy Luanda)

Leasing

Angola's housing grows more expensive each day and managing leasing costs is an important budget consideration. The housing section does not systematically measure or otherwise track leasing costs in Luanda outside the housing pool. Also, the housing section uses a limited number of sources for residential lease referrals. As a result, its knowledge of Luanda's leasing market is restricted and it is at a disadvantage in negotiating lease prices. The OIG team made an informal recommendation to increase the number of rental agents.

Recommendation 24: Embassy Luanda should conduct a residential lease survey, documenting lease prices in various neighborhoods according to residential type and size consistent with Department housing standards. (Action: Embassy Luanda)

Property Management and Inventory

Little has changed since the 2002 inspection when it was reported that the warehouse was not adequately supervised. Many property management section problems can be traced to the lack of written procedures for handling and storing property as required by 14 FAM 413.7. Documented, unannounced spot checks were not performed. The OIG team informally recommended this practice. Large quantities of unaccounted surplus property awaited disposal at the warehouse. There were literally thousands of empty pouch bags stored in warehouse areas. Unaccounted meals ready to eat with unknown expiration dates were also found. There was a large inventory of facilities maintenance expendable supplies without inventory records. There was a large amount of nonmoving expendable office supplies. Expendable supplies were not identified with shelf labels or by any other means; various property items were commingled without identification. The expendable area had not been cleaned for a long time.

The annual property management reports stated an implausible inventory shortage of zero percent for 2007 and 2006 for both nonexpendable and expendable property. The property management section completely lacked documentation for these assertions. As a result, there is no assurance that its inventory assertions are accurate. The Department requires sections to keep inventory documentation for three years. For the nonexpendable property application, 14 FAM 416.2 requires documentation of the comprehensive, visual, inventory coverage, and missing property reports. These reports document inventory work and results. Similarly, the OIG team found no documentation for the expendable supplies assertions. The staff stated that they used the WebPASS expendable supply application for the inventory but could not explain how they produced or documented the results. Clearly, all personnel in the section lacked sufficient understanding of the WebPASS expendable supply application to conduct an inventory.

Recommendation 25: Embassy Luanda should document a management control review of its property management function consistent with the methods in the Foreign Service Institute's Management Controls Workbook and disseminate written policies and procedures for the property management section. (Action: Embassy Luanda)

Recommendation 26: Embassy Luanda should impose Foreign Service Institute WebPASS expendable supply application correspondence training for the general services officer in charge of property management and all employees in the property management section with expendable supplies responsibilities. (Action: Embassy Luanda)

Recommendation 27: Embassy Luanda should require the accountable property officer to document its 2008 annual inventory in accordance with Department regulations for nonexpendable property and the WebPASS expendable supply system documentation for expendable property. (Action: Embassy Luanda)

FINANCIAL MANAGEMENT

Required monthly unannounced verifications of the Class B cashier's accountability are conducted, and supporting documentation is on file. Temporary advances for the purchase of official supplies are tightly monitored. The Class B cashier has adequate safekeeping facilities for the protection of official funds.

The motor pool provides a driver for the cashier to take cash from the bank to the embassy. (b) (2)

Informal Recommendation : (b) (2)

The embassy has a policy on billing for personal calls from land lines at residences, embassy office extensions, and cell phones. Individuals are assigned personal identification number codes to access the International Voice Gateway line. The general services office forwards monthly bills to the user who is responsible for identifying personal and official calls. Employees must pay bills within five days. The financial management officer maintains an accounts receivable record on a spreadsheet but was behind in recording employee payments because of the shortage of staff. The OIG team made an informal recommendation to update the accounts receivable spreadsheet and intensify efforts in coordination with the cashier to collect outstanding bills.

FORMAL RECOMMENDATIONS

Recommendation 1: Embassy Luanda, in coordination with the Bureau of African Affairs, should immediately either fund and fill the existing unoccupied locally employed staff position or create, fund, and fill a new one at a level that public diplomacy finds appropriate for the duties the employee will perform. (Action: Embassy Luanda, in coordination with AF)

Recommendation 2: (b) (2)

Recommendation 3: (b)(2)(b)(6)

Recommendation 4: Embassy Luanda should fill the new consular locally employed staff position as quickly as possible. (Action: Embassy Luanda)

Recommendation 5: Embassy Luanda should request an additional consular officer and a fourth locally employed staff position for FY 2010, and fill the positions, if approved. (Action: Embassy Luanda)

Recommendation 6: Embassy Luanda should increase the number of nonimmigrant visa appointments per day to eliminate the current backlog and maintain the backlog at no more than one day, except for brief seasonal fluctuations. (Action: Embassy Luanda)

Recommendation 7: Embassy Luanda should develop and implement a process to stay current with nonimmigrant visa referrals, expand the use of referrals, and simplify the visa referral system, making it more convenient for embassy officers, the applicants, and the consular section. (Action: Embassy Luanda)

Recommendation 8: The Bureau of African Affairs, in coordination with the Bureau of Human Resources, should assign a direct-hire office management specialist to work for the deputy chief of mission at Embassy Luanda. (Action: AF, in coordination with HR)

- Recommendation 9:** The Office of the Legal Adviser, in coordination with the Under Secretary for Management and Embassy Luanda, should determine whether it is ethical for embassy staff to accept the gift of day care services from the Angolan state oil company. (Action: L, in coordination with M and Embassy Luanda)
- Recommendation 10:** The Bureau of Overseas Buildings Operations should fund Embassy Luanda's request for a new emergency generator. (Action: OBO, in coordination with Embassy Luanda)
- Recommendation 11:** The Bureau of Overseas Buildings Operation should schedule a space planning consultation with Embassy Luanda and make recommendations for improvements. (Action: OBO, in coordination with Embassy Luanda)
- Recommendation 12:** The Bureau of Overseas Buildings Operation should fund Embassy Luanda's request for representational furnishings for the deputy chief of mission residence. (Action: OBO)
- Recommendation 13:** Embassy Luanda should immediately bring the warehouse funding matter to the International Cooperative Administrative Support Services council to reach a decision on the best warehouse alternative to avoid paying for an unnecessary warehouse. (Action: Embassy Luanda)
- Recommendation 14:** Embassy Luanda should coordinate with the Foreign Service Institute to provide customer service training to locally employed staff. (Action: Embassy Luanda, in coordination with FSI)
- Recommendation 15:** Embassy Luanda, in coordination with the Bureau of Human Resources, should resolve the transportation allowance and vacation allowance, and amend the local compensation plan accordingly. (Action: Embassy Luanda, in coordination with HR)
- Recommendation 16:** Embassy Luanda, in coordination with the Bureau of Administration, should enter into a contract for health insurance coverage for LE staff. (Action: Embassy Luanda, in coordination with A)
- Recommendation 17:** Embassy Luanda should solicit bids for either blanket purchase agreements or indefinite delivery and indefinite quantity contracts and ensure competition for its freight forwarding and packing services. (Action: Embassy Luanda)

Recommendation 18: Embassy Luanda should select an E-Travel Service option and disseminate a comprehensive travel policy consistent with Department standards illustrating Luanda's unique background and explaining its booking and ticketing processes. (Action: Embassy Luanda)

Recommendation 19: Embassy Luanda, in coordination with the Bureau of Resource Management, should request a waiver to Department regulations to allow for the use of the suspense deposit abroad account for payments for the consumables vendor. (Action: Embassy Luanda, in coordination with RM)

Recommendation 20: Embassy Luanda, in coordination with the Bureau of Overseas Buildings Operations, should relocate the information services center server room to a room that adequately facilitates server operations. (Action: Embassy Luanda, in coordination with OBO)

Recommendation 21: Embassy Luanda should realign the information systems security officer position to ensure the appropriate separation of information systems security officer duties. (Action: Embassy Luanda)

Recommendation 22: The Bureau of Overseas Buildings Operations, in coordination with Embassy Luanda, should provide funding to provide for a fitness center and changing rooms for embassy staff and families. (Action: OBO, in coordination with Embassy Luanda)

Recommendation 23: Embassy Luanda should award blanket purchase agreements with local vendors for frequently purchased items. (Action: Embassy Luanda)

Recommendation 24: Embassy Luanda should conduct a residential lease survey, documenting lease prices in various neighborhoods according to residential type and size consistent with Department housing standards. (Action: Embassy Luanda)

Recommendation 25: Embassy Luanda should document a management control review of its property management function consistent with the methods in the Foreign Service Institute's Management Controls Workbook and disseminate written policies and procedures for the property management section. (Action: Embassy Luanda)

Recommendation 26: Embassy Luanda should impose Foreign Service Institute WebPASS expendable supply application correspondence training for the general services officer in charge of property management and all employees in the property management section with expendable supplies responsibilities. (Action: Embassy Luanda)

Recommendation 27: Embassy Luanda should require the accountable property officer to document its 2008 annual inventory in accordance with Department regulations for nonexpendable property and the WebPASS expendable supply system documentation for expendable property. (Action: Embassy Luanda)

INFORMAL RECOMMENDATIONS

Informal recommendations cover operational matters not requiring action by organizations outside the inspected unit and/or the parent regional bureau. Informal recommendations will not be subject to the OIG compliance process. However, any subsequent OIG inspection or on-site compliance review will assess the mission's progress in implementing the informal recommendations.

Political and Economic Reporting

The political-economic section does not have a reporting plan.

Informal Recommendation 1: Embassy Luanda should prepare a reporting plan on political and economic issues.

The LE staff member vacancy in the political-economic section has been vacant for several months and should be filled quickly because the section is currently short-staffed.

Informal Recommendation 2: Embassy Luanda should approve the position description, advertise the position, and fill the locally employed staff member vacancy in the political-economic section.

(b) (2)

Management

Embassy timekeepers do not have designated backups.

Informal Recommendation 4: Embassy Luanda should designate alternate timekeepers to backup section timekeepers.

The management notice describing the purchase of airline tickets and performance of official travel is out of date.

Informal Recommendation 5: Embassy Luanda should update and reissue its travel policy.

There is no current embassy policy on staff use of the emergency evacuation boat.

Informal Recommendation 6: Embassy Luanda should update and reissue its policy on personal use of the embassy emergency evacuation boat.

The ICASS service standards have not been reviewed and updated.

Informal Recommendation 7: The Embassy Luanda International Cooperative Administrative Support Services council should review service standards with each section in management and update to reflect realistic standards.

There is no mission policy spelling out the responsibilities of employees for the sale of personal property prior to departure from Embassy Luanda.

Informal Recommendation 8: Embassy Luanda should issue an administrative procedure on the sale of personal property consistent with regulations.

Human Resources

The embassy does not have an English language training program for LE staff.

Informal Recommendation 9: Embassy Luanda should implement an English language training program for locally employed staff.

There is a lack of coordination within the embassy on departure of staff on annual leave and rest and recuperation travel and subsequent processing of travel message actions to stop post differential and other allowances.

Informal Recommendation 10: Embassy Luanda should implement procedures to improve the coordination between general services office travel staff, the information management officer, and human resources staff to ensure timely processing of personnel actions and travel messages affecting American employee payroll and allowances.

There are several employees in permanent grade retention or saved rate status who require a new salary scale.

Informal Recommendation 11: Embassy Luanda should implement the new salary scale for saved rate and grade retention employees.

The LE staff handbook is dated 2001.

Informal Recommendation 12: Embassy Luanda should update and reissue the locally employed staff employee handbook.

The government of Angola Ministry of External Relations has not responded to the embassy request for a bilateral work agreement.

Informal Recommendation 13: Embassy Luanda should finish a bilateral work agreement with the government of Angola.

The embassy does not have a policy on requesting overtime and the requirement for approval in advance.

Informal Recommendation 14: Embassy Luanda should write and disseminate an overtime policy.

The senior HR specialist has not received training in American payroll and allowances.

Informal Recommendation 15: Embassy Luanda should send the human resource specialist to the American pay and allowances course at the Bureau of Resource Management, Office of Global Financial Services.

Foreign Service national payroll is paid by a combination of global checks and electronic funds transfers. There are global checks sent to the USDO bank Banco Commercial Angoland and a separate agreement with Banco BIC for approximately 77 employees. About 25 employees receive their pay directly into their bank accounts by electronic funds transfers. The cashier prepares a pay list to each bank each pay period. Most employees are paid by global check because of the high bank fees charged for depositing salaries into accounts.

Informal Recommendation 16: Embassy Luanda should review the bank fees and, if reasonable, have the local compensation plan amended to cover bank charges so salaries can be deposited electronically directly to employees' bank accounts.

General Services

The general services office uses a limited number of sources for residential lease referrals. Use of more rental agents can enhance the housing pool and provide price competition.

Informal Recommendation 17: Embassy Luanda should increase the number of rental agents it uses.

The mission has an outdated motor pool policy and provides reimbursed home-to-office transportation to employees with vehicles.

Informal Recommendation 18: Embassy Luanda should issue a revised, current motor pool policy and prohibit home-to-office use outside Department policy.

Financial Management Services

There are six outstanding travel advances from FY 2007 that were settled but still remain on the open advance report.

Informal Recommendation 19: Embassy Luanda should clear the prior year outstanding travel advances on the open advance report.

Very few payments are made via electronic funds transfers to local vendors.

Informal Recommendation 20: Embassy Luanda should seek to obtain bank account information from vendors to facilitate more electronic payments.

The voucher for payment of telephone charges does not include a certification that long distance calls are necessary and in the interests of the U.S. Government in accordance with guidance in 4 FAM 447.7 and 4 FAH-3 H-447.6-2.

Informal Recommendation 21: Embassy Luanda should certify official long-distance telephone calls as required in accordance with Department regulations.

Information Management and Informational Security

Not all agencies share in pouch escort duties.

Informal Recommendation 22: Embassy Luanda should ensure that all agencies using pouch services share in pouch escort responsibilities.

Management Controls

The accountable property manager does not perform documented, unannounced spot checks of personal property.

Informal Recommendation 23: Embassy Luanda should ensure the accountable property manager performs documented, unannounced spot checks of personal property.

The financial management office is behind in recording collections to the accounts receivable ledger.

Informal Recommendation 24: Embassy Luanda should update the accounts receivable spreadsheet and intensify efforts to collect outstanding bills.

(b) (2)

Informal Recommendation 25: (b) (2)

~~SENSITIVE BUT UNCLASSIFIED~~

~~SENSITIVE BUT UNCLASSIFIED~~

PRINCIPAL OFFICIALS

	Name	Arrival Date
Ambassador	Daniel Mozena	11/07
Deputy Chief of Mission	Jeffrey Hawkins	09/08
Chiefs of Sections:		
Administrative	Margaret Hartley	01/08
Consular	Falashade Robinson	12/07
Political-Economic	Mitchell Ferguson	08/07
Public Affairs	Abigail Dressel	03/07
Regional Security	Keith LaRochelle	08/06
Other Agencies:		
Department of Defense	LTC Christopher Greig	01/07
U.S. Agency for International Development	Susan Brems	08/07
Center for Disease Control and Prevention	Xiomara Brown	10/07

~~SENSITIVE BUT UNCLASSIFIED~~

~~SENSITIVE BUT UNCLASSIFIED~~

ABBREVIATIONS

AGOA	Africa Growth and Opportunity Act
APP	American presence post
CDC	Centers for Disease Control and Prevention
CLO	Community liaison office
DCM	Deputy chief of mission
Department	Department of State
HR	Human resources
ICASS	International Cooperative Administrative Support Services
IM	Information management
ISSO	Information systems security officer
LE	Locally employed
MPLA	Popular Movement for the Liberation of Angola
MSP	Mission Strategic Plan
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
PEPFAR	President's Emergency Plan for AIDS Relief
SDA	Suspense deposit abroad
UNITA	National Union for the Total Independence of Angola
USAID	U.S. Agency for International Development

FRAUD, WASTE, ABUSE, OR MISMANAGEMENT
of Federal programs
and resources hurts everyone.

Call the Office of Inspector General
HOTLINE
202-647-3320
or 1-800-409-9926
or e-mail oighotline@state.gov
to report illegal or wasteful activities.

You may also write to
Office of Inspector General
U.S. Department of State
Post Office Box 9778
Arlington, VA 22219
Please visit our Web site at:
<http://oig.state.gov>

Cables to the Inspector General
should be slugged "OIG Channel"
to ensure confidentiality.