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Office of Inspector General
United States Department of State

ISP-I-22-23

Office of Inspections

July 2022

Inspection of Embassy Oslo, Norway

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

UNCLASSIFIED



HIGHLIGHTS

Office of Inspector General
United States Department of State

ISP-I-22-23

What OIG Inspected

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

What OIG Recommends

OIG made 8 recommendations to Embassy Oslo.

In its comments on the draft report, Embassy Oslo concurred with all 8 recommendations. OIG considers all 8 recommendations resolved. The embassy's response to each recommendation, and OIG's reply, can be found in the Recommendations section of this report. The embassy's formal response is reprinted in its entirety in Appendix B.

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OFFICE OF INSPECTIONS

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Inspection of Embassy Oslo, Norway

What OIG Found

- Embassy Oslo's Chargé d'Affaires established cordial relations with officials at the highest levels of the Norwegian Government and worked with them to accomplish U.S. goals and objectives.
- Some locally employed staff expressed concerns about the lack of a formal channel through which individual locally employed staff could confidentially bring workplace issues to the attention of embassy leadership.
- Behavior in one embassy section did not meet Department of State standards for a safe, civil, and respectful workplace environment.
- Embassy Oslo did not comply with Department requirements in administering its accommodation exchange program.
- The Embassy Employee Association's board of directors did not sufficiently oversee the association's operations as required by Department standards.
- Embassy Oslo's high frequency radio network needed repairs, potentially hindering the embassy's ability to communicate with regional posts.

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CONTEXT

Norway is located in the Scandinavian region of northern Europe, sharing land borders with Russia, Sweden, and Finland. The country's long coastline faces the Barents Sea to the north, the Norwegian Sea to the west, and the North Sea to the west and south. The country's



Figure 1: Map of Norway. (Source: The CIA World Factbook.)

population of 5.4 million is concentrated near its coast, particularly around the capital, Oslo. Norway is one of the world's wealthiest countries due to its large petroleum reserves and its management of oil and gas revenues, which includes the world's largest sovereign wealth fund, valued at more than \$1.3 trillion. Although not a member of the European Union, Norway participates in the European Union's single market through the European Economic Area agreement. The Arctic is fundamental to Norwegian national identity, and a pillar of Norwegian foreign, domestic and security policy, reflected in Norway's hosting of the Arctic Council Secretariat in Tromsø.¹

The United States and Norway have strong historic ties, with nearly five million Americans claiming Norwegian ancestry. Norway is a key U.S. partner in promoting universal human rights and economic development and in seeking the peaceful resolution of disputes around the globe. Norway also shares with the United States a strong interest in addressing the problems posed by climate change. U.S. security cooperation with Norway is strong; it was one of

the founding countries of the North Atlantic Treaty Organization (NATO) in 1949 and hosts and participates in exercises with allies and partners. Norway serves as NATO's eyes and ears on the alliance's northern flank.

Embassy Oslo's three primary objectives, as outlined in the FY 2018-2022 Integrated Country Strategy (ICS), are:

- Norway contributes to European security and to addressing global challenges.
- U.S.-Norway trade and investment contribute to economic growth and prosperity in the United States and Norway, also benefiting partners around the world.
- The Norwegian public understands and supports the United States and U.S. policies.

¹ The Arctic Council is an intergovernmental forum that promotes cooperation on common Arctic issues among the Arctic states, Arctic indigenous peoples, and other Arctic inhabitants. The Arctic Council Secretariat provides administrative and organizational support to the Chair of the Arctic Council, which rotates every 2 years among the eight Arctic states (Canada, Denmark, Finland, Iceland, Norway, Russia, Sweden, and the United States).

At the time of the inspection, Embassy Oslo had 221 employees, including 68 U.S. direct hires, 2 eligible family members, and 151 locally employed (LE) staff. In addition to the Department of State (Department), other Federal agencies included the Departments of Commerce and Defense and the Social Security Administration. A new embassy compound opened in May 2017.

OIG evaluated the embassy's executive direction, policy and program implementation, resource management, and information management operations consistent with Section 209 of the Foreign Service Act of 1980. Because of the COVID-19 pandemic, OIG conducted the inspection remotely and therefore could not review some areas.²

EXECUTIVE DIRECTION

OIG assessed Embassy Oslo's leadership based on a review of staff questionnaires and documents as well as remote interviews and observations of embassy meetings.

Tone at the Top and Standards of Conduct

At the time of the inspection, the embassy had been without an ambassador since May 2020. The Chargé d'Affaires, a member of the Senior Foreign Service, arrived in July 2021 as the Deputy Chief of Mission (DCM) and immediately assumed charge of the embassy. Her previous assignment was Consul General in Sydney, Australia. The acting DCM, also a member of the Senior Foreign Service, arrived in October 2019 as the chief of the Political-Economic Section and became the full-time acting DCM in January 2021. His previous assignment was chief of the Political Section at the American Institute in Taiwan.³

The Chargé and the acting DCM modeled most of the Department's 3 Foreign Affairs Manual (FAM) 1214 leadership and management principles.⁴ In particular, the leadership team was challenged in the areas of self-awareness and communication. OIG found that although morale among both direct-hire and LE staff generally was good, some LE staff members, as well as the LE Staff Committee, told OIG they believed the current Front Office did not solicit or take into consideration LE staff concerns when it made decisions that affected all embassy employees. The LE staff believed there was a need to rebuild mutual trust and a "one team/one mission" mentality. For example, the change of posture from fully remote to up to 80 percent in-office work presence, as decided by the Emergency Action Committee just prior to the Chargé's arrival in July 2021, as well as the issuance in December 2021 of a new telework policy without LE staff input, created the impression among some LE Staff that embassy leadership did not trust LE staff to do their jobs remotely. In line with the chief of mission's responsibility for the direction, coordination, and supervision, of all employees at an embassy, the Department

² See Appendix A.

³ The acting DCM was promoted into the Senior Foreign Service in September 2021.

⁴ The Department's leadership and management principles outlined in 3 FAM 1214b include (1) model integrity, (2) plan strategically, (3) be decisive and take responsibility, (4) communicate, (5) learn and innovate constantly, (6) be self-aware, (7) collaborate, (8) value and develop people, (9) manage conflict, and (10) foster resilience.

encourages missions to establish open lines of communication with LE staff to better facilitate effective and secure operations.⁵ The Chargé told OIG she was aware of these concerns and was in the process of working to address them. During the inspection, the Front Office met with the LE Staff Committee to discuss teambuilding and morale, sent an all-embassy email that sought to address lingering confusion over the telework policy, and conducted a survey to solicit LE staff views, which were reflected in the new telework policy.

Execution of Foreign Policy Goals and Objectives

Embassy Oslo's Front Office fulfilled its responsibilities to lead and manage the embassy-wide strategic planning process and the bilateral diplomatic relationship, consistent with 2 FAM 113.1 and 2. During the inspection, the embassy was in the process of drafting its FY 2022-2026 ICS and anticipated meeting the March 2022 deadline to submit an initial draft to the Department. Heads of other agencies told OIG they were satisfied that their agencies' interests and goals were reflected in the ICS draft.

OIG found the Chargé established cordial relations with officials at the highest levels of the Norwegian Government and worked with them to accomplish U.S. goals and objectives. For example, the Chargé worked with the Department of Defense Senior Defense Representative to coordinate and lead the embassy's advocacy with the Norwegian Government for the ratification by the Norwegian parliament of the U.S.-Norway Supplemental Defense Cooperation Agreement, which was signed by both the U.S. and Norwegian Governments in April 2021. In addition, the Chargé worked with the embassy's U.S. Commercial Service representative to support and advocate on behalf of American commercial and trade interests in Norway and to promote Norwegian investment in the United States. For example, she joined the U.S. Commercial Service representative in advocating with the Norwegian Government on behalf of an American company for an ongoing radar modernization program procurement as well for as for two American companies regarding a new helicopter procurement.

The acting DCM supported the embassy's foreign policy goals by engaging with Norwegian officials on ways in which the Norwegian government could strengthen its Trafficking in Persons prosecutions and victims' assistance programs in order to return to its previous Tier 1 status on the Department's Annual Trafficking in Persons Report to Congress.⁶

Equal Employment Opportunity

OIG found Embassy Oslo lacked a robust Equal Employment Opportunity (EEO) program. The embassy had been without a direct-hire EEO counselor since June 2019. In 2020, the

⁵ Cable 22 STATE 11660, "Policy Update: Locally Employed Staff Employee-Management Relations," February 8, 2022.

⁶ The Department's 2021 Trafficking in Persons report identified Norway as a Tier 2 country after determining that it did not fully comply with the minimum standards for the elimination of human trafficking but was making significant efforts to do so. The 2021 report covered government efforts undertaken from April 1, 2020, through March 31, 2021, to combat human trafficking. See Department of State, "2021 Trafficking in Persons Report: Norway," <https://www.state.gov/reports/2021-trafficking-in-persons-report/norway/>.

Department's Office of Civil Rights (S/OCR) approved the embassy's nominee for the position but was unable to provide the required training in both 2020 and 2021 due to the COVID-19 pandemic. In the absence of a counselor, the sole LE staff EEO liaison had not received the recommended regular and ongoing training, communication, and guidance since that time. In addition, embassy staff had not received EEO, anti-harassment, and anti-bullying training from S/OCR since 2018.

During the inspection, the embassy contacted an EEO counselor at Embassy Copenhagen who agreed to travel to Oslo in April 2022 to provide training for the incumbent LE staff EEO liaison and two new LE staff liaisons as well as general information for all staff on Department guidance regarding the EEO program.⁷ In addition, during the inspection, S/OCR responded to the embassy's October 2021 request for embassy-wide EEO, anti-harassment, and anti-bullying training and began working with Embassy Oslo to schedule the training. As a result of these actions, OIG did not make a recommendation to address these issues.

Local Employees Expressed Concerns About the Lack of a Formal Channel to Communicate With Leadership

LE Staff Committee members and other LE staff told OIG of concerns about the lack of an ombudsman or other formal channel through which individual LE staff members could confidentially bring workplace issues and complaints to the attention of embassy leadership. This was a particular concern in one section where behavior did not meet Department standards in 3 FAM 4151a and 3 FAM 1526a for a safe, civil, and respectful workplace environment.

The Chargé and the acting DCM told OIG they were unaware of these concerns. Upon learning of them, they intensified their engagement with the LE staff to rebuild trust in the channels available to report their concerns. Specifically, the Chargé issued a revised and updated management notice that reiterated the Department's and the embassy's zero tolerance policy for discrimination, harassment, and bullying in the workplace and provided guidance on how to report complaints. In addition, she and the acting DCM began meeting with individual LE staff members, the LE Staff Committee, and direct-hire supervisors to convey these messages. The Chargé told OIG she took seriously her responsibilities to foster a safe and respectful workplace environment and that she would intensify her efforts to ensure that all staff felt heard, safe, and respected, consistent with 3 FAM 1214b. Because of these actions, the OIG did not make a recommendation to address this issue.

Impact of COVID-19 Pandemic

During the initial phase of the COVID-19 pandemic from March 2020 to July 2021, the embassy operated on a maximum telework posture. As a result, most policy-related meetings and events either were held virtually or were canceled, diminishing diplomatic relationships, and severely

⁷ 3 FAM 1514c(2), "Responsibilities of EEO Counselors"; cable 21 STATE 123468, "Fundamentals of, and Updates to, the EEO Counselor Program," December 9, 2021; and cable 22 STATE 3042, "How to Build a Robust Equal Employment Opportunity (EEO) Program at Post," January 11, 2022.

limiting progress on most ICS goals. The inability of staff to work in the office also led to some minor difficulties with internal controls in the Consular and Management Sections relating to cashiering as well as deferral of many required periodic surveys, reviews, and reports. In August 2021, the embassy returned to a full in-office operating posture. During the inspection, embassy staff in some sections were still addressing backlogs, conducting overdue surveys and reviews, and preparing overdue reports, as discussed later in this report.

Adherence to Internal Controls

The Front Office fulfilled its responsibility to ensure that effective internal management controls were in place and regularly reviewed. The embassy used the checklist provided by the Bureau of the Comptroller and Global Financial Services to review its management controls and submitted the FY 2021 Annual Chief of Mission Management Control Statement of Assurance in accordance with 2 FAM 024d; the embassy reported no major internal control vulnerabilities.

During the inspection, the acting DCM and the Consular Section chief established a procedure to ensure the acting DCM reviewed the required percentage of the consular chief's nonimmigrant visa adjudications in a timely manner, in accordance with 9 FAM 403.12-1. In addition, as discussed in the Public Diplomacy section of this report, the Chargé ceased using her personal Twitter account for official messaging, consistent with 10 FAM 182a.

Security and Emergency Planning

OIG found the Chargé and the acting DCM fulfilled their responsibilities to ensure that security and safety measures were in place. OIG found the embassy reviewed, updated, and certified the emergency action plan in a timely manner, consistent with 12 Foreign Affairs Handbook (FAH)-1 H-031b and 12 FAH-1 H-036. During the inspection, the embassy issued a management notice reminding staff to familiarize themselves with the plan and providing instructions for accessing it on the embassy's SharePoint Post Emergency Reference Library site. In addition, the Chargé fulfilled her security and emergency planning responsibilities by:

- Chairing the Emergency Action Committee's annual review of the Memorandum of Agreement between the Chief of Mission and the Department of Defense Geographic Commander on Force Protection for Department of Defense Personnel and Elements in Norway (2 FAH-2 H-116.4b).
- Chairing the biannual Law Enforcement Working Group meeting (12 FAM 426.2a(1) and 12 FAM 426.2c(1)).
- Reviewing and signing the mandatory embassy security directives upon her arrival (12 FAM 422.2i).
- Participating in regular security, safety, and emergency preparedness drills (12 FAH-1 H-761 and 12 FAH-1 H-762).

Developing and Mentoring Foreign Service Professionals

The Front Office team fulfilled its responsibilities for developing and mentoring Foreign Service employees, consistent with 3 FAM 2242.4. OIG's review found mentoring activities in the 6 months preceding the inspection included brown bag discussions on bidding and employee evaluation reports, notetaking for Country Team meetings, and support for official visits of U.S. Government officials to Norway. During the inspection, the embassy issued a policy on its professional development and mentoring program, drafted by the four first- and second-tour employees in consultation with the acting DCM.

POLICY AND PROGRAM IMPLEMENTATION

OIG assessed Embassy Oslo's policy and program implementation through a review of the advocacy and analysis work of the Political-Economic and Public Diplomacy Sections, and the U.S. citizen and visa services provided by the Consular Section. OIG found the embassy generally met Department requirements, with the exceptions noted below.

Political-Economic Section

OIG's review of the Political-Economic Section's leadership and management, policy implementation, and reporting found the section generally operated in accordance with Department standards. The section coordinated its work with other embassy sections, which praised the section for its expertise and its collegiality. Stakeholders in the Department and other Washington agencies likewise gave the section strong marks for responsiveness and cooperation.

OIG found that Political-Economic Section employees were familiar with the ICS, which generally guided their work, and that the section played a lead role in developing the embassy's new ICS. OIG reviewed the section's 243 reporting cables transmitted between July 2021 and January 2022 and found they were aligned with ICS goals and objectives and Department priorities. The section's reporting cables covered a broad range of topics, including China's activity in Norway, the new Norwegian Government and its policy priorities, the Norwegian Arctic, bilateral defense cooperation, and the COVID-19 pandemic. In addition to reporting cables, the section provided daily updates by email to the Department on Norwegian political and economic developments and generally met reporting deadlines on demarches and annual reports.

Public Diplomacy Section

OIG reviewed the Public Diplomacy Section's strategic planning and reporting, resource and knowledge management, media engagement, policy programming and exchanges, and grants administration. OIG found the section collaborated with other embassy sections and aligned program resources with advancing ICS goals. The section staff praised the Public Diplomacy Officer's leadership skills and for improving morale in the section. OIG found the mission's

public diplomacy activities met Department standards and guidance, with the exceptions noted below.

Public Diplomacy Section Took Steps to Correct Grants Management, Closeout Deficiencies

OIG's review of Embassy Oslo's four largest active Public Diplomacy grants⁸ found they all lacked a pre-award grant management form as required by the Federal Assistance Directive v.6 (2021).⁹ In addition, OIG found that 32 expired grants from FY 2017 to FY 2021 had yet to be closed out, as required in the Federal Assistance Directive v.6. After OIG brought these issues to their attention, section staff added the missing documentation to the grant files and closed out the expired grants. OIG determined that grants were properly used for inherent Public Diplomacy functions. Staff told OIG the backlog in closing the grants was due to the lack of a grants officer in the section for 7 months. Failure to properly document files and close out expired grants increases the risk of loss or misuse of U.S. Government funds. Because the section took corrective action on the missing grant document and completed the closeout of the expired grants during the inspection, OIG did not make a recommendation to address this issue.

Chargé Posted Official Social Media Content on Her Personal Twitter Account

OIG's review of the Chargé's personal Twitter account from August 2021 to January 2022 showed routine posting of official social media content, contrary to Department policy. As outlined in 10 FAM 182, senior officials who engage in official communication on behalf of the Department over social media must use official rather than personal social media accounts. The Chargé told OIG she used her personal account rather than the Chief of Mission account because she was in an acting capacity and wanted to avoid any complications when the new ambassador arrived. Reposting official content on a personal account can lead viewers to believe that the personal account is an alternative source for official Government communication and views. During the inspection, the Chargé stopped routinely re-tweeting official social media content on her personal Twitter account. Therefore, OIG did not make a recommendation to address this issue.

Consular Section

OIG reviewed Embassy Oslo's consular operations, including U.S. citizen services, crisis preparedness, management controls, visa services and processing, and fraud prevention programs.¹⁰ The Consular Section experienced prolonged staffing gaps during the year prior to the inspection but nonetheless was able to reduce backlogs in U.S. citizen services and meet

⁸ OIG reviewed 4 grants (total value of \$204,741) out of a total of 49 grants (total value of \$284,926) issued in FY 2021. The grants selected for review included the four active grants above \$22,000 in value (out of a total of six active grants). At the time of the inspection, Embassy Oslo had yet to issue any grants for FY 2022.

⁹ The Department's Federal Assistance Division establishes internal guidance, policies, and procedures for administering Federal financial assistance for all Department domestic and overseas grant-making bureaus, offices, and posts.

¹⁰ Embassy Stockholm, Sweden, processes immigrant visas for Norwegian citizens.

strong demand for student visa applications during summer 2021. At the time of inspection, the Consular Section offered most consular services except for loss of nationality processing, albeit at a reduced capacity due to COVID-19 protocols. With the exception noted below, OIG concluded that Embassy Oslo's consular programs generally complied with guidance contained in 7 FAM, 9 FAM, 7 FAH, applicable statutes, and other Department policies.

Panel Physician Program Did Not Comply With Department Standards

Embassy Oslo did not meet Department standards in administering its panel physician program.¹¹ Specifically, the Consular Section had not completed the annual inspection and evaluation of the panel physician clinic, as required by 9 FAM 302.2-3(E)(3)(f)(2), since December 2019. In response to the COVID-19 pandemic, the Government of Norway imposed restrictions on visits to medical offices, which interfered with the Consular Section's ability to schedule and complete an in-person evaluation. However, on February 12, 2021, the Government of Norway lifted nearly all COVID-19 restrictions, making it possible for the annual inspection and evaluation to be completed. Regular evaluations of panel physician clinics ensure that panel physicians are following the correct protocols when screening immigrant and certain nonimmigrant visa applicants to identify any medical conditions that would render an individual ineligible for a U.S. visa. Failure to complete this routine inspection increases the risk of fraud, mismanagement, or abuse in the visa process.

Recommendation 1: Embassy Oslo should bring its panel physician program into compliance with Department Standards. (Action: Embassy Oslo)

RESOURCE MANAGEMENT

OIG reviewed internal control systems in general services, financial management, facility management, human resources, and employee association operations at Embassy Oslo. The embassy corrected three management control issues identified by OIG during the inspection. Specifically, the embassy:

- Published an updated motor pool policy (14 FAM 435.1a-b).
- Entered embassy driver medical and training documentation into the Department's Fleet Management Information System (14 FAM 433.4e and 14 FAM 433.5d).
- Instituted a system for the annual review of LE staff position descriptions (3 FAH-2 H-443.1).

OIG found the embassy's Management Section generally implemented processes and procedures in accordance with applicable laws and Department guidance, with the exceptions noted below.

¹¹ As defined in 9 FAM 302.2-3(E)(3)(f)(1), panel physicians, under agreements with consular sections, conduct the medical examinations of U.S.-bound immigrants and refugees.

General Services

Embassy Property Controls Did Not Comply With Department Standards

OIG found the embassy did not conduct a semiannual management review and spot checks of its expendable and nonexpendable property in accordance with Department standards. Embassy Oslo had a three-person property section consisting of a supply supervisor, a supply clerk, and a warehouse clerk. The supply supervisor was the embassy's primary receiving clerk while the supply clerk was responsible for the embassy's annual inventory and acted as a back-up receiving clerk. Since at least early 2021, the supply clerk had been regularly acting as the primary receiving clerk as well as handling record keeping and the annual inventory. According to 14 FAM 411.2d, property-related duties, including receiving, record keeping, and inventory, are to be separated whenever possible. If a separation of duties is not possible, 14 FAM 411.2d requires the accountable property officer to conduct a semiannual management review. In addition, 14 FAM 411.2-2c requires the accountable property officer to conduct periodic, unannounced spot counts of expendable and nonexpendable property stored in warehouses to verify the accuracy of property records. However, OIG could not find evidence that the embassy undertook a semiannual management review to verify the accuracy of its property holdings or conducted periodic spot checks of stored property. Section staff told OIG the accountable property officer conducted unannounced spot counts of expendable and nonexpendable property prior to November 2021 but did not formally document them. Failure to conduct and document a semiannual management review and regular spot checks leaves the embassy vulnerable to theft and hinders accurate property inventories.

Recommendation 2: Embassy Oslo should conduct a semiannual management review and spot checks of its expendable and nonexpendable property in accordance with Department standards. (Action: Embassy Oslo)

Forklift Operators Lacked Required Refresher Training

OIG found that the embassy's primary forklift operator had not taken training in operating, maintaining, and storing powered industrial trucks, such as forklifts, since 2004. Furthermore, the 11 backup forklift operators last took this training between 2000 and 2018. In accordance with 14 FAH-1 H-313.6-2c and d and 14 FAH-1 H-313.4a(1) and (3), forklift operators must be properly trained in operating, maintaining, and storing forklifts or other powered industrial trucks and take refresher training at least every 3 years. Embassy staff told OIG they were unaware of this requirement. Failure to ensure proper employee training creates a potential workplace safety hazard.

Recommendation 3: Embassy Oslo should comply with Department training standards in the use of powered industrial trucks, such as forklifts. (Action: Embassy Oslo)

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

Embassy Oslo did not comply with some elements of the Department's Overseas Motor Vehicle Safety Standards. Specifically, 2 chauffeurs and 11 incidental (self-drive) drivers did not receive

driver safety refresher training as required in 14 FAM 433.5a-b. In addition, nine incidental drivers did not receive updated medical certifications before driving official vehicles, as required in 14 FAM 433.4a-c. As stated in 14 FAM 433.1a, embassies must implement the Department's Overseas Motor Vehicle Safety Management Program for all professional and incidental drivers under chief of mission authority. OIG determined these internal control issues occurred because management did not enforce known requirements. Failure to enforce motor vehicle safety standards increases the risk of injury to drivers, passengers, and the public, as well as damage to U.S. Government property.

Recommendation 4: Embassy Oslo should comply with applicable Department overseas motor vehicle safety requirements for chauffeurs and incidental drivers under chief of mission authority. (Action: Embassy Oslo)

Embassy Per Diem Reports and Educational Allowances Questionnaires Were Out of Date

OIG found that the embassy had not submitted a report for foreign per diem rates since 2018 for Oslo and the city of Stavanger. In addition, the embassy had not submitted an educational allowances report for Oslo since 2015 and for Stavanger since 2014. The Department of State Standardized Regulations, Section 074.2, specifies that established overseas posts should submit a hotel and restaurant report to establish foreign travel per diem rates every 2 years. Furthermore, Section 072.12 requires embassies to submit an education allowance questionnaire annually. Management Section staff told OIG they were unaware of these requirements. Failure to submit reports in a timely manner could result in overpayment or underpayment of travel or educational expenses to U.S. Government employees.

Recommendation 5: Embassy Oslo should submit updated hotel and restaurant reports and educational allowance questionnaires to the Bureau of Administration in accordance with Department guidelines. (Action: Embassy Oslo)

Financial Management

Embassy Accommodation Exchange Services Did Not Comply With Department Standards

Embassy Oslo did not comply with Department requirements in administering its accommodation exchange¹² services in the following areas:

- Embassy Oslo lacked the required chief of mission decision memorandum outlining the rationale for providing accommodation exchange and approving the service. According to 4 FAM 361.5a, a chief of mission should determine through a decision memorandum, at least every 5 years, whether to provide accommodation exchange services, taking into consideration available local banking facilities.

¹² Accommodation exchange is the authorized exchange of equivalent monetary values in different forms to authorized persons, such as U.S. dollars for local currency or the exchange of a U.S. dollar check for U.S. dollar cash.

- The embassy's cashiering services policy allowed for a daily accommodation exchange limit of \$10,000. According to 4 FAM 361.5-3a, the per day limit on the amount of foreign currency that can be purchased from the principal cashier should normally not exceed \$1,000.
- Embassy policy allowed customers to use a cashier drop box for accommodation exchange transactions by check in an effort to reduce cashier window hours and costs. Guidance in 4 FAM 361.5-3i and the Department's Cashier User Guide Chapter 8.1, states that all accommodation exchange transactions must be performed at the cashier window and in the presence of both the cashier and the individual requesting the service.

Embassy staff told OIG they were unaware of the requirement for a chief of mission decision memorandum and believed the embassy's cashiering policy was sufficient for the embassy to provide accommodation exchange services. Furthermore, staff told OIG they believed the higher daily accommodation exchange limit was justified because of Norway's high cost of living and the need for some embassy personnel to pay rent for their living quarters, despite the fact that few employees used embassy-provided accommodation exchange services since they had access to viable banking alternatives. Noncompliance with Department accommodation exchange standards increases the risk of fraud, mismanagement, or abuse.

Recommendation 6: Embassy Oslo should comply with Department procedures for accommodation exchange services. (Action: Embassy Oslo)

Human Resources

Embassy Took Steps to Initiate Cost-Benefit Analysis to Determine Optimal Local Guard Program Employment Mechanism

In 1999, the Department approved the use of personal services agreements for the embassy's local guard force, which at the time consisted of seven members. As of February 2022, the local guard force had increased to 68 members and embassy officials expected it would continue to grow. The Regional Security Officer told OIG that managing the local guard force in addition to conducting all other required duties was a challenge for the section, which had two direct-hire officers.

During the inspection, embassy leadership told OIG it wished to explore the option of moving to a contract local guard force, which would reduce the amount of direct supervision and administrative support required by embassy staff. Guidance in 12 FAH-7 H-411a states that a non-personal services contract is the Department's preferred mechanism for the delivery of local guard services because it is generally more effective, efficient, and less expensive. Furthermore, 12 FAH-7 H-441b(6) states that a cost-benefit analysis of the options—personal service agreements or a contract arrangement—should be conducted in order to inform the decision of whether to remain with the personal services agreement mechanism. The embassy contacted the Bureau of Diplomatic Security, which told the embassy to proceed with conducting market research to identify security services companies and determine the

approximate cost, as part of the decision process. Because of these actions by the embassy, OIG did not make a recommendation to address this issue.

Employee Association

Employee Association Board Did Not Provide Sufficient Oversight

OIG found the Embassy Employee Association's board of directors did not sufficiently oversee the association's operations as required. The board did not conduct monthly cash counts of monies collected from sales at the association's shop or unannounced inventory spot checks, as required by 6 FAM 531d. OIG also found the board granted unsupervised access to the association store outside normal operating hours and allowed sales on an honor system, with staff taking items and paying for them later. Furthermore, OIG found the annual audit report the association submitted to the Bureau of Administration's Office of Commissary and Recreation Affairs in 2021 did not include a physical inventory of stock and equipment required in 6 FAM 557, other documentation required in 6 FAM 557d(1)-(4), and was 3 months late. Embassy staff told OIG these issues occurred due to association staff and board member turnover and COVID-19 restrictions. The board's failure to exercise adequate oversight in the financial management and operation of the Embassy Employee Association puts its assets and operations at risk and could lead to financial difficulties.

Recommendation 7: Embassy Oslo should require the Embassy Employee Association board to conduct its oversight responsibilities in accordance with Department standards. (Action: Embassy Oslo)

INFORMATION MANAGEMENT

OIG found Embassy Oslo's Information Management (IM) operations complied with most Department standards. The IM Section supported a broad range of information management and security services, including unclassified and classified computing support, desktop telephone and mobile phone management and assistance, dedicated internet network management, multimedia support, and high-frequency radio and emergency and evacuation radio support.

The Information Management Officer and IM staff received positive feedback from Department officials, as well as from embassy management and staff, for information technology (IT) services and operations. Recent IM accomplishments included the successful installation of enterprise Wi-Fi at the chancery. Furthermore, the IM Section managed the needs of the embassy staff's transition to remote work through early planning for technical requirements. This included migrating all embassy files and documents to the SharePoint cloud and training users on how to access Department resources remotely by using Microsoft's 365 suite of products.

During the inspection, the embassy corrected three information management and security issues identified by OIG. Specifically, the embassy:

- Documented information systems security officer duties within work statements and recorded the completion of required tasks (12 FAM 632.5).
- Added missing equipment to asset management records (14 FAM 416.2).
- Corrected equipment classification labeling (5 FAH-9 H-381).

OIG determined that the IM Section implemented most required information management and security controls in accordance with Department policies and applicable laws, with the exceptions noted below.

Embassy's High Frequency Radio Network Needed Repairs

Embassy Oslo's high frequency radio network needed repairs. Specifically, the high frequency radio unit at the embassy was malfunctioning, while the radio antenna at the alternate command center was installed in a location with poor reception. High-frequency radio networks provide long-distance communications to Department missions in neighboring countries. According to 5 FAM 542.5, the Regional Information Management Center is responsible for the guidance, installation, and maintenance support of radio networks under chief of mission authority. The embassy consulted the Regional Information Management Center Frankfurt about the issue; however, a site visit to correct the matter was canceled due to pandemic-related travel restrictions. Although the embassy had other emergency communications systems, a functional high frequency radio network would assist with communications to missions in the region.

Recommendation 8: Embassy Oslo, in coordination with Regional Information Management Center Frankfurt and the Bureau of Information Resource Management, should bring the embassy's high frequency radio equipment into compliance with Department standards. (Action: Embassy Oslo, in coordination with RIMC Frankfurt and IRM)

Embassy's Diplomatic Post Office Lacked Host Nation Agreement

Embassy Oslo's Diplomatic Post Office (DPO) lacked the host nation agreement required by Department standards. The embassy's DPO, which was converted from an Army/Air Force Post Office in October 2012, operated under an outdated agreement with the Government of Norway. Officials in the Bureau of Administration's Diplomatic Pouch and Mail Division informed OIG that 14 FAM 761.2a(2) requires embassies to use the Office of Legal Adviser-approved host nation agreement template for DPOs. According to the Diplomatic Pouch and Mail Division, a host nation agreement establishes local procedures and relationships with the Ministry of Foreign Affairs, customs officials, air carriers, and local postal administrations on how and where mail is cleared and solidifies required documentation. The lack of a formal agreement with the Government of Norway could potentially jeopardize the embassy's DPO service. The Information Management Officer was unaware that a formal agreement with the Government of Norway did not exist for Embassy Oslo's DPO operation. Once the Information Management Officer realized the embassy lacked a formal agreement, he drafted one during the inspection. At the end of the inspection, the draft host nation

agreement was approved by the Office of Legal Adviser and was submitted to the Ministry of Foreign Affairs for final approval. Because the embassy took these steps to rectify the problem, OIG did not make a recommendation to address this issue.

Embassy's Records Management Program Did Not Comply With Department Standards

The embassy's records management program did not comply with Department standards in 5 FAH-4 H-200 and 5 FAM 410 for records organization and oversight. In particular, OIG found the embassy had not archived paper records and files since 2009. Furthermore, the embassy did not have a detailed standard operating procedure outlining staff members' responsibilities for records management, including file storage and organization, nor did it assign a coordinator in each section to manage files and disposition of records. OIG found these issues occurred due to a lack of management and staff attention on records management responsibilities. The absence of an effective records management program increases the risk of loss of important data and historical records that could affect the Department's and the embassy's ability to conduct policy analysis, decision-making, and archival research. During the inspection, the Information Management Officer established a working group as the first step to focus on records management, including identifying dedicated points of contact in each section. Because the embassy took necessary steps to rectify the issue, OIG did not make a recommendation.

RECOMMENDATIONS

OIG provided a draft of this report to Department stakeholders for their review and comment on the findings and recommendations. OIG issued the following recommendations to Embassy Oslo. The embassy's complete response can be found in Appendix B.¹ The embassy also provided technical comments that were incorporated into the report, as appropriate.

Recommendation 1: Embassy Oslo should bring its panel physician program into compliance with Department Standards. (Action: Embassy Oslo)

Management Response: In its June 13, 2022, response, Embassy Oslo concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Oslo's panel physician program complies with Department standards.

Recommendation 2: Embassy Oslo should conduct a semiannual management review and spot checks of its expendable and nonexpendable property in accordance with Department standards. (Action: Embassy Oslo)

Management Response: In its June 13, 2022, response, Embassy Oslo concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Oslo conducted a semiannual management review and spot checked its expendable and nonexpendable property in accordance with Department standards.

Recommendation 3: Embassy Oslo should comply with Department training standards in the use of powered industrial trucks, such as forklifts. (Action: Embassy Oslo)

Management Response: In its June 13, 2022, response, Embassy Oslo concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Oslo complied with Department training standards in the use of powered industrial trucks, such as forklifts.

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

Recommendation 4: Embassy Oslo should comply with applicable Department overseas motor vehicle safety requirements for chauffeurs and incidental drivers under chief of mission authority. (Action: Embassy Oslo)

Management Response: In its June 13, 2022, response, Embassy Oslo concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Oslo complied with applicable Department overseas motor vehicle safety requirements for chauffeurs and incidental drivers under chief of mission authority.

Recommendation 5: Embassy Oslo should submit updated hotel and restaurant reports and educational allowance questionnaires to the Bureau of Administration in accordance with Department guidelines. (Action: Embassy Oslo)

Management Response: In its June 13, 2022, response, Embassy Oslo concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Oslo submitted updated hotel and restaurant reports and educational allowance questionnaires to the Bureau of Administration in accordance with Department guidelines.

Recommendation 6: Embassy Oslo should comply with Department procedures for accommodation exchange services. (Action: Embassy Oslo)

Management Response: In its June 13, 2022, response, Embassy Oslo concurred with the recommendation. However, the embassy noted that the U.S. Disbursing Officer (USDO) authorized the \$5,000 limit for accommodation exchanges and authorized the use of its lock box for acceptance of checks. Therefore, it did not agree that its accommodation exchange limit needed to be changed or that the use of the lockbox needed to be eliminated.

OIG Reply: OIG considers the recommendation resolved. OIG notes that at the time of the inspection, the embassy's cashiering services policy allowed for a daily accommodation exchange limit of \$10,000, which exceeded the USDO authorized amount of \$5,000. Additionally, OIG acknowledges that USDO can authorize the use of a lock box; however, at the time of the inspection, the embassy did not provide OIG with the USDO authorization. The recommendation can be closed when OIG receives and accepts documentation that Embassy Oslo complied with Department procedures for accommodation exchange services.

Recommendation 7: Embassy Oslo should require the Embassy Employee Association board to conduct its oversight responsibilities in accordance with Department standards. (Action: Embassy Oslo)

Management Response: In its June 13, 2022, response, Embassy Oslo concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Oslo conducted its oversight responsibilities in accordance with Department standards.

Recommendation 8: Embassy Oslo, in coordination with Regional Information Management Center Frankfurt and the Bureau of Information Resource Management, should bring the embassy's high frequency radio equipment into compliance with Department standards. (Action: Embassy Oslo, in coordination with RIMC Frankfurt and IRM)

Management Response: In its June 13, 2022, response, Embassy Oslo concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Oslo brought the embassy's high frequency radio equipment into compliance with Department standards.

PRINCIPAL OFFICIALS

Title	Name	Arrival Date
Chiefs of Mission:		
Ambassador	Vacant	
Deputy Chief of Mission	Sharon Hudson-Dean ^a	7/2021
Chiefs of Sections:		
Management	Thaddeus Plosser	8/2019
Consular	Eugenia Davis	8/2020
Political/Economic	Christian Marchant ^b	10/2019
Public Affairs	Jillian Bonnardeaux	7/2021
Regional Security	Raymond Baroni	7/2020
Other Agencies:		
Senior Defense Official and Defense Attaché	Captain (USN) Eric Severseike	5/2020
Foreign Commercial Service	Vidar Keyn	1/1999

^a Sharon Hudson-Dean became Chargé d’Affaires on July 29, 2021, upon her arrival at Embassy Oslo.

^b At the time of the inspection, Christian Marchant was serving as the acting Deputy Chief of Mission and Nicole Johnson was serving as the acting Political/Economic Chief.

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

APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

This inspection was conducted from January 3 to March 24, 2022, in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2020 by the Council of the Inspectors General on Integrity and Efficiency, and the Inspections Handbook, as issued by the Office of Inspector General (OIG) for the Department and the U.S. Agency for Global Media (USAGM).

Objectives and Scope

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

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

In addition to these three broad areas, OIG had these additional specific objectives to determine whether:

- COVID-19 affected Embassy Oslo's operations and internal controls.
- COVID-19 related telework affected mission accomplishment, customer service to the public, and employee performance.

Methodology

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

Because the inspection was conducted remotely, some elements of a standard, on-site OIG inspection could not be completed. Specifically, OIG did not review Embassy Oslo's classified reporting, classified computer and communications security operations, or security program. Additionally, during the inspection, OIG found that it could not assess certain areas due to lack of access to local applications, limitations in audio- and video-conferencing tools, or the need to confirm information on-site. These areas included review of records maintained in paper files, controls over consular accountable items and inventory, consular cashiering functions, embassy cash counts, physical inspection of embassy motor vehicles, verification of compliance with housing safety requirements, adequacy of contract and contractor officer representative files, telephone operations, IT emergency preparedness, and the environmental and physical security of IT operating spaces.

APPENDIX B: MANAGEMENT RESPONSE



Embassy of the United States of America

June 13, 2022

UNCLASSIFIED

THRU: Assistant Secretary Karen Donfried

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

FROM: Sharon Hudson-Dean, CDA, Embassy Oslo *SHAD*

SUBJECT: Response to Draft OIG Report – Inspection of Embassy Oslo, Norway

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

OIG Recommendation 1: Embassy Oslo should bring its panel physician program into compliance with Department Standards. (Action: Embassy Oslo)

Management Response: Embassy Oslo concurs with the recommendation. Due to COVID restrictions the Embassy had been limited in its ability to complete the annual inspection. Embassy Oslo's Consular Section completed the inspection and evaluation of the panel physician on April 26, 2022 and submitted the report to the Department and the Center for Disease Control on June 13, 2022.

OIG Recommendation 2: Embassy Oslo should conduct a semiannual management review and spot checks of its expendable and nonexpendable property in accordance with Department standards. (Action: Embassy Oslo)

Management Response: Embassy Oslo concurs with the recommendation. After deploying the Annual Inventory Modernization (AIM) in March 2022, Embassy Oslo completed the FY2022 annual inventory in May 2022. Starting in the Summer 2022, Embassy Oslo will use the Management Controls application (available through the Global Application Portal) to conduct the semiannual management review and to guide and conduct spot checks of its expendable and nonexpendable property.

OIG Recommendation 3: Embassy Oslo should comply with Department training standards in the use of powered industrial trucks, such as forklifts. (Action: Embassy Oslo)

Management Response: Embassy Oslo concurs with the recommendation. Refresher training commenced in March 2022.

OIG Recommendation 4: Embassy Oslo should comply with applicable Department overseas motor vehicle safety requirements for chauffeurs and incidental drivers under chief of mission authority. (Action: Embassy Oslo)

Management Response: Embassy Oslo concurs with the recommendation. Due to COVID restrictions, chauffeurs were previously limited in their ability to receive refresher training. Refresher training has been scheduled for the two chauffeurs. Additionally, Post updated its Motor Vehicle Policy in January 2022. A Management Notice - "Procedures to Obtain Required Medical Certification for Incidental Drivers of Government-Owned Vehicles" was released in January 2022 clarifying roles, responsibilities, and requirements that all incidental drivers must meet before being authorized to operate a U.S. government vehicle.

OIG Recommendation 5: Embassy Oslo should submit updated hotel and restaurant reports and educational allowance questionnaires to the Bureau of Administration in accordance with Department guidelines. (Action: Embassy Oslo)

Management Response: Embassy Oslo concurs with the recommendation. Embassy Oslo submitted Per Diem reports to the Office of Allowances for Oslo, Stavanger, and Tromso in March 2022. Education Allowance reports for the Oslo International School and the International School of Stavanger were submitted to the Office of Allowances in April 2022 and May 2022 respectively.

OIG Recommendation 6: Embassy Oslo should comply with Department procedures for accommodation exchange services. (Action: Embassy Oslo)

Management Response: Embassy Oslo concurs with the recommendation that it should comply with Department procedures for accommodation exchange. Embassy Oslo does not concur with the \$1,000 limit for www.pay.gov transactions nor does post concur with the elimination of the lock box for checks (as long as the Embassy Class B Cashier must continue to accept checks per Chief of Mission directive). The U.S. Disbursing Officer (USDO) has sole authority over cashiering operations and they have specifically authorized a \$5,000 limit for www.pay.gov accommodation exchange (see 20 GLOBAL FINANCIAL SERVICES 6324). Additionally, the USDO has authorized the use of a lock box as a safe and efficient option.

OIG Recommendation 7: Embassy Oslo should require the Embassy Employee Association board to conduct its oversight responsibilities in accordance with Department standards. (Action: Embassy Oslo)

Management Response: Embassy Oslo concurs with the recommendation. Embassy Oslo Management, the EEA, and the Office of Commissary and Recreation Affairs have initiated discussions regarding the future of the EEA.

OIG Recommendation 8: Embassy Oslo, in coordination with Regional Information Management Center Frankfurt and the Bureau of Information Resource Management, should

bring the embassy's high frequency radio equipment into compliance with Department standards. (Action: Embassy Oslo, in coordination with RIMC Frankfurt and IRM)

Management Response: Embassy Oslo concurs with the recommendation. The Embassy has been attempting to solve this issue for some time but has been stymied due to travel restrictions related to COVID. Post has worked with Regional Information Management Center Frankfurt to schedule a visit in August 2022 to rectify the situation.

The point of contact for this memorandum is Sharon Hudson-Dean, CDA.

ABBREVIATIONS

DCM	Deputy Chief of Mission
DPO	Diplomatic Post Office
EEO	Equal Employment Opportunity
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
ICS	Integrated Country Strategy
IM	Information Management
LE	Locally Employed
NATO	North Atlantic Treaty Organization
S/OCR	Office of Civil Rights

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