

UNCLASSIFIED



Office of Inspector General
United States Department of State

ISP-I-24-15

Office of Inspections

March 2024

Inspection of Embassy Lilongwe, Malawi

BUREAU OF AFRICAN AFFAIRS

UNCLASSIFIED



HIGHLIGHTS

Office of Inspector General
United States Department of State

ISP-I-24-15

What OIG Inspected

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

What OIG Recommends

OIG made 24 recommendations to Embassy Lilongwe. In its comments on the draft report, Embassy Lilongwe concurred with all 24 recommendations. OIG considers all 24 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.

March 2024

OFFICE OF INSPECTIONS

BUREAU OF AFRICAN AFFAIRS

Inspection of Embassy Lilongwe, Malawi

What OIG Found

- Since 2020, the Department has categorized Embassy Lilongwe as a historically difficult staff post. Despite incentives and allowances, one of the embassy's greatest challenges is attracting bidders to fill its Foreign Service positions, particularly mid-level positions.
- The Ambassador and Deputy Chief of Mission generally modeled the Department of State's leadership and management principles.
- Embassy Lilongwe had consular internal control deficiencies related to its facilities, cashier operations, crisis preparedness, fraud prevention, nonimmigrant visa policy, and the panel physician program.
- The embassy had several deficiencies in its management of federal foreign assistance, including the lack of a comprehensive foreign assistance and coordination mechanism and standard operating procedures.
- Embassy Lilongwe had multiple internal control issues in its facility management, general services, and human resources operations.
- The embassy had information management internal control deficiencies related to satellite phones, records management, information systems security officer duties, and physical infrastructure.

CONTENTS

CONTEXT	1
Embassy Recruitment Challenges.....	2
EXECUTIVE DIRECTION.....	3
Tone at the Top and Standards of Conduct	3
Execution of Foreign Policy Goals and Objectives	4
Adherence to Internal Controls.....	4
Security and Emergency Planning.....	5
Equal Employment Opportunity and Diversity, Equity, Inclusion, and Accessibility	5
Developing and Mentoring Foreign Service Professionals	6
POLICY AND PROGRAM IMPLEMENTATION	6
Political-Economic Section	6
Public Diplomacy.....	7
Consular Operations.....	8
Foreign Assistance.....	11
RESOURCE MANAGEMENT	15
Facility Management.....	16
General Services.....	18
Human Resources.....	23
INFORMATION MANAGEMENT.....	26
RECOMMENDATIONS.....	29
PRINCIPAL OFFICIALS	35
APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY.....	36
APPENDIX B: MANAGEMENT RESPONSE	37
ABBREVIATIONS	43
OIG INSPECTION TEAM MEMBERS.....	44

CONTEXT



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

The Republic of Malawi is a landlocked country in southeastern Africa, bordered by Zambia, Tanzania, and Mozambique. It has an estimated population of 21.2 million people.

The United States established diplomatic relations with Malawi in 1964 following its independence from the United Kingdom. Malawi was a one-party state from 1966 to 1994. It transitioned to a multi-party state democracy in 1994. President Lazarus Chakwera was elected president in 2020.

Malawi is one of the poorest countries in the world. At the time of the inspection, it was in a severe economic crisis. Malawi's exports and investments were shrinking, it had minimal foreign exchange reserves, and its population was expected to double over the next 20 years. In November 2023, Malawi received approval from the International Monetary Fund for an Extended Credit Facility that was expected to spur foreign and domestic investment and grow the economy.

From 2019 to 2023, the United States provided more than \$1.6 billion in foreign assistance for agriculture, health, education, emergency response, HIV/AIDS, government and civil society, maternal and child health, family planning, operating expenses, and other sectors, primarily implemented through the U.S. Agency for International Development (USAID) and the Centers for Disease Control and Prevention (CDC). In 2022, U.S. trade in goods with Malawi included \$36 million in exports and \$54 million in imports.

Embassy Lilongwe's FY 2022 Integrated Country Strategy (ICS), which was approved in March 2022, focused on:

- Engaging with the government of Malawi and relevant organizations to reduce obstacles to effective development where ineffective governance, corruption, and insecurity most negatively impact U.S. policy and foreign assistance efforts.
- Fostering private sector expansion to build trade and employment opportunities and create a development trajectory that eventually curves away from development assistance, resulting in inclusive and sustainable wealth generation.
- Supporting Malawi's human capital development so that its citizens can freely participate in growth and development as a healthy, educated, and self-reliant population.

At the time of the inspection, Embassy Lilongwe had 107 authorized U.S. direct-hire and personal service contractor positions and 23 eligible family member positions. The embassy

also had 426 locally employed (LE) staff members. Of the 426 LE staff, 168 worked for the Department of State (Department), 172 for USAID, and 86 for other agencies, including the CDC. Of the 107 U.S. direct-hire employees, 49 worked for the Department and 58 worked for other U.S. government agencies, including the CDC, the Department of Defense, the Millennium Challenge Corporation, the Peace Corps, and USAID. As described below, the embassy faced challenges recruiting for its Foreign Service positions.

In May 2023, the Department's Bureau of Overseas Buildings Operations (OBO) began construction on a \$374 million new embassy compound. At the time of the inspection, the new embassy compound was expected to be completed by December 2025.

Embassy Recruitment Challenges

Since 2020, the Department has categorized Embassy Lilongwe as a historically difficult to staff post.¹ As a result, U.S. direct-hire employees receive two authorized rest and recuperation breaks during a 2-year tour, a 25 percent hardship differential,² and a 2,500 pound consumables allowance.³ Additionally, the embassy is authorized for a 15 percent Service Needs Differential payable to employees agreeing to serve a third year.⁴ Despite these incentives and allowances, one of the Department's and Embassy Lilongwe's greatest challenges is attracting bidders to fill its Foreign Service positions, particularly mid-level positions. During the 2021 to 2023 bidding cycles, the embassy did not receive bids for 5 of 13 mid-level positions. For example, the embassy did not receive any bids for the Information Management Officer position over a 4-year period and, in 2023, the Department filled the position with a personal services contractor. To fill the mid-level Economic Officer position, the Department permitted First- and Second-Tour entry-level officers to bid on the position. The Department filled other mid-level positions, including the Political Officer and General Services Officer, with out of cone officers.⁵ Two Office Management Specialist positions were filled with a Civil Service employee⁶ and an eligible family member.

¹ The Department designates an overseas post with more than 50 percent of its regular summer bidding cycle positions receiving fewer than three at-grade/in-skill-code bids as most difficult to staff for that cycle. A post receiving this designation for three of the last four regular summer bidding cycles is designated historically difficult to staff.

² The hardship differential compensates employees for service in foreign areas where environmental conditions differ substantially from those in the continental United States and warrant additional compensation as a recruitment and retention incentive. The differential is paid as a percentage of basic compensation and can range from 5 to 35 percent.

³ The Department's Office of Allowances provides overseas posts with a consumables allowance when it is difficult to locally obtain foodstuffs for human consumption and items used for personal or household maintenance such as toiletries and nonhazardous cleaning supplies.

⁴ The Service Needs Differential is an allowance of 15 percent of base salary for employees serving in historically difficult to staff posts with at least a 20 percent hardship differential and a standard 2-year tour of duty. The allowance applies when the employee agrees to serve for a third year.

⁵ The expression "out of cone" refers to bids, assignments, and service in skill codes other than an employee's primary skill code.

⁶ The Civil Service to Foreign Service Hard-to-Fill program allows interested tenured Civil Service employees to bid for temporary assignments in Foreign Service positions that do not have sufficient numbers of Foreign Service

The Office of Inspector General (OIG) evaluated Embassy Lilongwe's executive direction, policy and program implementation, resource management, and information management operations consistent with Section 209 of the Foreign Service Act of 1980.⁷ A related classified inspection report discusses the embassy's security program, issues affecting the safety of embassy personnel and facilities, and one Sensitive But Unclassified finding related to the mission's information management program.

EXECUTIVE DIRECTION

OIG assessed Embassy Lilongwe's leadership based on interviews, staff questionnaires, reviews of documents, and OIG's observations of meetings and activities during the on-site portion of the inspection.

Tone at the Top and Standards of Conduct

A career member of the Senior Foreign Service, the Ambassador arrived at the embassy in April 2022. He previously served as Chargé d'Affaires, a.i., at the U.S. Embassy in Lusaka, Zambia from 2020 through 2021 and Chargé d'Affaires, a.i., at the U.S. Embassy in Pretoria, South Africa in 2019. The Deputy Chief of Mission (DCM), also a career member of the Senior Foreign Service, arrived at the embassy in August 2022 after an assignment as the Deputy Director of the Department's Office of Policy and Global Issues for Europe.

OIG found the Ambassador and DCM generally modeled the Department's leadership and management principles outlined in 3 Foreign Affairs Manual (FAM) 1214b.⁸ For example, to foster communication with employees, the Ambassador held monthly town halls, which featured regular remarks by the Front Office, the Management Officer, the LE staff association, and the Diversity, Equity, Inclusion, and Accessibility Council. In these town halls, the Ambassador also briefed on topics such as his diplomatic efforts with local interlocutors. In addition, the Ambassador instituted biweekly "Wise Persons" meetings with U.S. direct-hire and senior LE staff to allow the latter, given their deep knowledge of Malawian society, to advise the Front Office and other embassy managers about how the local public perceived the embassy's programs and how they might be tweaked to improve performance. The Front Office also fostered communication with interagency elements at the embassy by alternating Country Team meetings between the chancery and the off-site location that housed USAID and CDC. This enabled a wider range of officials from those agencies to attend and contribute to discussions at the meetings. Both U.S. direct-hire and LE staff told OIG that they felt they could

bidder. It is designed to help meet critical Foreign Service staffing needs, as well as to provide opportunities for Civil Service career development and mobility.

⁷ See Appendix A.

⁸ The Department's leadership and management principles outlined in 3 FAM 1214b are as follows: (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.

raise issues with the Front Office if needed. Additionally, the Ambassador's treatment of gifts was consistent with Department standards.

In accordance with 3 FAM 1214b(1) and (3), OIG found the DCM modeled integrity and acted in a decisive manner and took responsibility for her actions. U.S. direct-hire staff told OIG that she worked to improve quality of life at the embassy by pursuing ways to alleviate the impact of ongoing fuel shortages for employees and ensuring that staff received the allowances and benefits to which they were entitled.

Execution of Foreign Policy Goals and Objectives

OIG found the Ambassador, assisted by the DCM, fulfilled his responsibility under 2 FAM 113.1b to oversee the embassy's strategic activities. For example, in the context of the ICS goal on economic development, interagency interlocutors told OIG that the Ambassador's assistance was instrumental in Malawi receiving approval for the International Monetary Fund Extended Credit Facility in November 2023. These interlocutors described the Front Office's efforts as a model for other U.S. embassies to follow, adding that the Extended Credit Facility would allow international financial institutions to inject further liquidity into the Malawian economy, thereby advancing the country's economic development. In addition, the Ambassador's public engagement promoting private enterprise and youth empowerment highlighted the need for progress on these issues in Malawi. More broadly, the Ambassador projected a positive image of the U.S. government through his personal engagement with the Malawian public and his extensive social media presence.

In accordance with 18 FAM 301.2-4d, the Front Office articulated Embassy Lilongwe's goals and objectives in the March 2022 ICS. Subsequently, in a May 2023 retreat, the Ambassador led the Country Team in an interactive review of the ICS, and the DCM followed up with monthly sessions at her residence to track progress on specific goals. In addition, U.S. direct-hire employees told OIG that discussion of ICS goals and objectives took place in a variety of other embassy meetings.

Adherence to Internal Controls

The Front Office oversaw the FY 2023 Annual Chief of Mission Management Control Statement of Assurance in accordance with 2 FAM 022.7(1) and (5), which require chiefs of mission to develop and maintain appropriate systems of management control of their organizations. OIG reviewed the embassy's supporting documentation for the Statement of Assurance, which showed that embassy sections reviewed internal controls as required. Embassy Lilongwe identified significant deficiencies or material weaknesses in the lack of an Assistant General Services Officer, Assistant Regional Security Officer, Consular Officer, and Human Resources Officer. Although the embassy affirmed that it complied with requirements related to information systems security officer duties, routine safety and health assessments, occupational safety and health certifications, and motor vehicle safety, OIG found irregularities in these areas, which should have constituted post-level significant deficiencies in the Statement of Assurance. Additionally, as discussed later in this report, OIG found internal

control issues in consular management, general services management, facility management, and information management.

OIG confirmed the DCM carried out regular reviews of the Consular Section chief's nonimmigrant visa adjudications, as required by 9 FAM 403.12-1 and 9 FAM 403.12-2a and b. In addition, OIG confirmed the Front Office maintained a comprehensive gift registry that generally met the requirements of 2 FAM 964.

Security and Emergency Planning

The Front Office's leadership of the security and emergency preparedness programs generally complied with Department guidelines in 12 Foreign Affairs Handbook (FAH)-1 H-762a and 12 FAH-1 H-721. Shortly after his arrival, the Ambassador approved 15 directives governing security procedures and policies. Both the Ambassador and the DCM participated in monthly embassy radio check drills, crisis management exercises, and tabletop simulations addressing various events, such as fuel shortages, cyclones, and floods, that affect Malawi. In remarks in town halls, the DCM emphasized the need for emergency preparedness. The Ambassador also met with the Citizen Liaison Volunteers⁹ to express his appreciation for their participation in this embassy-sponsored emergency preparedness program. In July 2023, the embassy's Emergency Action Committee completed the required annual review of the memorandum of understanding setting forth the division of security responsibilities between the embassy and the regional combatant commander and found that it did not require updating. OIG also determined that the embassy's Emergency Action Plan was up to date. Twenty-nine out of 30 respondents to an OIG questionnaire indicated that they were familiar with the Emergency Action Plan and knew where to find it.

Equal Employment Opportunity and Diversity, Equity, Inclusion, and Accessibility

OIG determined that the Front Office supported Equal Employment Opportunity (EEO) principles and activities, in accordance with 2 FAM 1510 and 3 FAM 1212. LE staff told OIG they understood that the Front Office would not tolerate any violation of EEO principles and that the Ambassador and DCM demonstrated their commitment to EEO principles through their regular engagement with the embassy's Diversity, Equity, Inclusion, and Accessibility Council in meetings and town halls. For example, the council had a dedicated speaking slot at monthly town halls, which it used to make presentations on issues such as Hispanic Heritage Month and Malawian culture. The council also was awarded a grant to make the workplace more welcoming for LGBTQI+, or lesbian, gay, bisexual, transgender, queer, and intersex, individuals, and the Ambassador indicated that he would host an event to advance both this effort and upcoming World AIDS day programming. Fourteen bulletin boards throughout the embassy's various buildings displayed information on the EEO program and anti-harassment procedures.

⁹ As described later in this report, Citizen Liaison Volunteers are private U.S. citizens who assist consular sections with emergency assistance to the U.S. citizens in country.

The embassy had an EEO counselor in place who had applied for enrollment in the Secretary's Office of Civil Rights EEO training course. The LE staff EEO liaison had taken the requisite training to serve in this role.

Developing and Mentoring Foreign Service Professionals

OIG found the Front Office oversaw the embassy's First and Second Tour (FAST) program, as required in 3 FAM 2242.4. Because the embassy included employees from USAID and CDC in the FAST program, the group had 26 members, of whom 10 were Department employees, as of November 2023. According to the Department employees who responded to OIG questionnaires regarding their participation in the formal program, the vast majority rated the program as good or excellent. The DCM chaired the program, and participants established two committees, one dealing with professional development and the other with social activities. In September 2023, the DCM hosted a social event for FAST officers from six agencies at the embassy, which included both Malawian and U.S. professional contacts. She also hosted a reception for FAST personnel in November 2023. Additionally, three FAST personnel from Embassy Lilongwe attended a March 2023 FAST workshop in Addis Ababa, Ethiopia and gave a presentation on peer effectiveness at that event.

POLICY AND PROGRAM IMPLEMENTATION

OIG assessed Embassy Lilongwe's policy and program implementation through a review of the advocacy and analysis work of the Political-Economic and Public Diplomacy Sections, the U.S. citizen and visa services provided by the Consular Section, and the embassy's coordination and implementation of foreign assistance programs. OIG found the embassy generally met Department requirements for policy and program implementation. However, OIG made recommendations to address issues in the Consular Section and issues related to the coordination and implementation of foreign assistance programs, as discussed below.

Political-Economic Section

OIG reviewed the Political-Economic Section's leadership and management, policy implementation, reporting, commercial promotion, and Leahy vetting¹⁰ and found the section generally complied with Department standards. Department and interagency stakeholders whose work focused on Malawi told OIG that the section was responsive to requests, provided comprehensive support for visits, and engaged in advancing policy goals. Stakeholders recognized that the officers in the small section were responsible for covering many different issues and appreciated the attention that officers gave to their issues. Based on interviews with

¹⁰ The Leahy Amendment to the Foreign Assistance Act of 1961 prohibits the United States from furnishing certain assistance to a unit of a foreign security force if the Department has credible information that the unit has committed a gross violation of human rights. Leahy vetting is the process of determining if the Department has credible information that units or individuals proposed to benefit from certain assistance have committed a gross violation of human rights. See 22 United States Code (U.S.C.) § 2378d and 9 FAM 303.8-5(B). The Department also helps implement a similar law applicable to "amounts made available to the Department of Defense" for assistance to foreign security forces. See 10 U.S.C. § 362.

interagency partners in Washington and at Embassy Lilongwe and observation of meetings, OIG determined that the Political-Economic Section coordinated well with other agencies and sections. The Leahy vetting process worked smoothly, and the section finalized its standard operating procedures during the inspection, bringing Leahy vetting into compliance with Department requirements.

Department and interagency stakeholders praised the section's reporting for its usefulness, timeliness, and relevance. They highlighted the section's reporting on the energy and minerals sectors, refugees, macroeconomic developments, and corruption as being particularly noteworthy. OIG reviewed reporting produced by the section from January through October 2023 and found it to be timely and relevant to ICS goals and other U.S. strategic objectives.

Public Diplomacy

OIG reviewed the Public Diplomacy Section's strategic planning and reporting, section leadership, resource and knowledge management, grants administration, educational and cultural programs, American Spaces, and media engagement. During interviews with OIG, Washington stakeholders commended the Public Affairs Officer's leadership and the section's performance.

OIG found the section in transition following its mandatory reorganization through the Department's Public Diplomacy Staffing Initiative,¹¹ which incorporated a new Deputy Public Affairs Officer U.S. direct-hire position and changed some LE staff position descriptions. From 2022 to 2023, the section also filled three vacancies and onboarded two new employees. The number of new employees, as well as LE staff with new responsibilities, such as grants management, put additional training and mentoring responsibilities on the Public Affairs Officer, Deputy Public Affairs Officer, and senior LE staff. Overall, OIG determined public diplomacy operations and programs generally complied with Department standards and guidance and supported the embassy's ICS goals with the exception described below.

OIG reviewed 20 grants, totaling \$447,097, out of 53 grants with a total value of \$500,391 issued from October 1, 2021, through September 30, 2023, and found they generally complied with the Department's Federal Assistance Directive. OIG determined that the grants had clear objectives that directly supported the embassy's ICS goals. However, the Department's Office of the Procurement Executive told OIG that the section did not close out 44 grant files as required. Because grants officers and grants officer representatives started to close out these grant files during the inspection, OIG did not make a recommendation to address this issue.

¹¹ The Public Diplomacy Staffing Initiative is the Department's holistic review and realignment of the organizational structure of Public Diplomacy Sections. The initiative's goal was to enhance the ability of public diplomacy LE staff worldwide to carry out more audience-focused, result-driven programs. The initiative was intended to promote four key priorities: (1) new public diplomacy organizational structure organized around audiences, content, and resources; (2) accurate LE staff position descriptions to serve as the foundation of the new public diplomacy organizational structure; (3) improved structural ability to collaborate, both within a mission's Public Diplomacy Section and with other sections across a mission; and (4) restructured Public Diplomacy Sections that engage employees around targeted audience and strategic results.

Consular Operations

OIG reviewed Embassy Lilongwe's consular operations, including section leadership, U.S. citizen services, crisis preparedness, management controls, visa services and processing, outreach, and fraud prevention programs. Embassy Lilongwe did not receive Global Support Strategy¹² services, so consular staff handled all scheduling, correspondence, and document pass back. Additionally, the local guard force was required to greet and manage consular applicants, as described below.

During the inspection, Embassy Lilongwe addressed four deficiencies identified by OIG:

- Destroyed paper records for nonimmigrant visa cases (9 FAM 601.6-2(A) and (B)).
- Correctly designated priority appointment requests in the nonimmigrant visa adjudication system (9 FAM 601.8-3(E)).
- Added interior signage with Consular Section hours and contact information (7 FAH-1 H-263.8).
- Updated the consular system user roles for the DCM (7 FAH-1 Exhibit H-660).

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

Consular Facilities Did Not Comply With Department Standards

During the inspection, OIG observed four elements of Embassy Lilongwe's facilities for consular applicants that did not meet Department standards:

- The embassy lacked exterior signage directing consular applicants to the correct window or waiting areas, contrary to 7 FAH-1 H-282(1)(c).
- The layout of the consular waiting area and the proximity of consular service windows were inconsistent with 7 FAH-1 H-281a requirements for a dignified, efficient, and comfortable facility for visitors and staff.
- The embassy did not have a facility for conducting private interviews, as required by 7 FAH-1 H-282(1)(k).
- The layout and poor configuration of the chancery compound and location of the interior consular waiting area required local guard force members to interact with applicants, check them in for appointments, and escort them to and from their appointments. Department standards in 9 FAM 403.3-4e require consular sections have internal control procedures to ensure that guards cannot manipulate the application

¹² Global Support Strategy is a worldwide program managed by the Bureau of Consular Affairs that "contracts for visa applicant services that are not inherently governmental functions and that may include: information services, appointment systems, offsite fee collection, document delivery, onsite greeters, and offsite biometric data collection..." This program requires embassies and consulates to provide management oversight of the services they receive, include reconciliation of visa fees. (7 FAH-1 H-263.3)

process, for example by giving preferential treatment to certain applicants. At the time of inspection, Embassy Lilongwe did not have sufficient internal controls in place.

Additionally, OIG noted that the section's unreliable microphone system inhibited clear communication between consular staff and applicants.

These deficiencies in consular facilities made the provision of routine consular services more time-consuming and complicated for consular staff and required the local guard force to take on responsibilities beyond those described in their work contract. The deficiencies also caused confusion for applicants, and applicants lacked privacy in their interactions with consular staff, even for conversations on sensitive topics. The construction of a new embassy compound was in progress in Lilongwe at the time of the inspection, and the Consular Section and Regional Security Office were working to better define the role of the local guard force in managing consular applicants. Therefore, OIG did not make a recommendation to address the deficiencies in the embassy's consular facilities. However, because the new embassy compound will not be ready for occupancy for several more years, Embassy Lilongwe, in coordination with the Department, might want to consider mitigations to improve consular facilities in the interim.

Consular Cashier Operations Did Not Meet Department Standards

Embassy Lilongwe's consular cashier operations did not comply with Department standards. The consular officer did not have an open line of sight to the consular cashier booth as required by 7 FAH-1 H-281e and contrary to the guidance in 7 FAH-1 H-742a and c:

- Neither consular cashier had a combination lock box to store their cash advance.
- Only one cashier had access to the safe to store their cash advance overnight.
- The cashier booth was left unattended during the day.

OIG observed that the obstructed line of sight from the consular officer's desk to the booth was a result of building design. Consular staff told OIG they were unaware of the combination lock box requirement, and they had attempted to obtain a safe in years past but had been unsuccessful. They also said that they left the cashier booth open and unattended during the day because consular cashiers were often moving back and forth between the booth and other areas of the Consular Section and chancery to attend to their duties. Failure to comply with Department requirements for cashiering can result in insufficient oversight of consular cashier operations, improper handling of consular collections, and the loss or theft of cash instruments.

Recommendation 1: Embassy Lilongwe should comply with Department guidance for consular cashier operations. (Action: Embassy Lilongwe)

Consular Crisis Preparedness Did Not Comply With Department Standards

Embassy Lilongwe's consular crisis preparedness did not comply with Department standards. Although embassy staff had recently participated in a crisis management exercise, and consular staff had begun to assess crisis response resources and materials, the Consular Section lacked

written guidance on staff roles and responsibilities in a crisis, as required by 7 FAM 1814. Additionally, the Consular Section did not have a fully equipped disaster assistance kit¹³ as outlined in 7 FAM 1814.3 and 7 FAM 1814.3-3 and consular personnel assessed that communication and engagement with its American Liaison Network¹⁴ was not sufficient to comply with the requirements in 7 FAM 071b and c. Consular staff told OIG that, given the small staff and heavy workload, they had not had the opportunity to fully address crisis preparedness. Failure to properly prepare for a consular crisis could put U.S. citizens and consular staff at risk during an emergency.

Recommendation 2: Embassy Lilongwe should comply with Department standards for consular crisis preparedness. (Action: Embassy Lilongwe)

Consular Section's Fraud Prevention Program Did Not Comply With Department Standards

OIG found that the Consular Section's fraud prevention program did not fully comply with Department standards. Specifically, the section lacked an up-to-date written fraud prevention strategy and accompanying standard operating procedures. As required in 7 FAH-1 H-941a(1), 7 FAH-1 H-941.1a, and 7 FAH-1 H-943.6e, each consular section must define its fraud prevention program in a written strategy that includes specific responsibilities, goals, and priorities. Additionally, this strategy should include standard operating procedures on routine fraud prevention tasks, such as case referrals, the conduct of site visits, and visa pre-screening. Consular staff told OIG that preparing written fraud prevention documentation was not a priority. Without a fraud prevention strategy and accompanying standard operating procedures, incoming consular staff do not have ready access to established procedures essential to reducing fraud risks and increasing the efficiency of consular operations.

Recommendation 3: Embassy Lilongwe should conduct its fraud prevention program in accordance with Department standards. (Action: Embassy Lilongwe)

Nonimmigrant Visa Application Policy Was Not Consistent With Department Guidance

Embassy Lilongwe's nonimmigrant visa application policy was inconsistent with Department guidance. At the time of the inspection, the Consular Section did not permit individuals whose nonimmigrant visa applications had been refused to re-apply until at least 6 months after the refusal. According to 9 FAM 403.2-6(A)b and c(4), a nonimmigrant visa applicant who has been refused may reapply at any time and the section may not unduly restrict an applicant's ability to

¹³ Guidance in 7 FAM 1814.3-3 provides general checklists to assist overseas posts in designing disaster assistance kits but advises that kits should be tailored to a particular post and working environment.

¹⁴ An American Liaison Network is a country-based network of volunteers composed of representatives from key U.S. citizen constituencies, including faith groups, business communities, retirees, and students. The program facilitates regular two-way communication between embassies and consulates and U.S. citizen constituencies abroad on topics such as security, health, voting, and travel. The volunteers, known as Citizen Liaison Volunteers, are private U.S. citizens who assist consular sections in several ways, including emergency assistance to U.S. citizens, disseminating information, identifying local resources to assist U.S. citizens, and maintaining local contacts who might be of use to consular operations. See 7 FAM 071b and 7 FAM 073a and b.

reapply. The consular officer told OIG that the policy was put in place because high demand for new appointments by previously refused applicants increased wait times for other applicants. There is no appeal process for the refusal of a nonimmigrant visa; therefore, the only way a refused applicant can demonstrate that they meet the qualifications for a visa is to reapply.¹⁵ Prohibiting reapplications by refused applicants may deprive qualified individuals of legitimate travel opportunities to the United States.

Recommendation 4: Embassy Lilongwe should bring its nonimmigrant visa application process into compliance with Department standards. (Action: Embassy Lilongwe)

Consular Section Did Not Renew the Annual Agreement or Conduct Annual Inspection for Panel Physician Program

Embassy Lilongwe did not meet Department standards in administering its panel physician program.¹⁶ Specifically, the Consular Section had not renewed the annual panel physician agreement, as required by 9 FAM 302.2-3(E)(3)f(4)(a) or completed the annual inspection and evaluation of the panel physician clinic, as required by 9 FAM 302.2-3(E)(3)f(2). The consular officer told OIG she was aware of the need for an annual inspection and agreement but had not had time to do them. Inspecting panel physician facilities and timely renewal of the annual agreements ensure panel physicians follow 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 5: Embassy Lilongwe should bring its panel physician program into compliance with Department standards. (Action: Embassy Lilongwe)

Foreign Assistance

U.S. assistance to Malawi, totaling approximately \$319 million in FY 2022, was administered primarily by USAID and CDC. The President's Emergency Plan for AIDS Relief (PEPFAR) program, the largest assistance program in the country with a value of \$177 million, was implemented by USAID, CDC, and the Peace Corps, under the coordination of the embassy's PEPFAR Country Coordinator. Additionally, the embassy's Political-Economic Section directly managed 21 active federal assistance awards with a value of \$324,995.

¹⁵ See 9 FAM 403.2-6(A)c(4).

¹⁶ According to 9 FAM 302.2-3(E)(2), panel physicians are local physicians who have been selected by U.S. embassies and consulates, in collaboration with the Department and CDC, to administer medical examinations for U.S. visa applicants. Consular Sections must have current written agreements with the panel physicians, they must ensure that the physicians are familiar with the technical instructions from CDC, and they must inspect periodically the facilities of the panel physicians and any outside laboratories. Applicants for U.S. visas are ineligible for visas if they have a medical-related ineligibility under Section 212(a)(1) of the Immigration and Nationality Act (9 FAM 302.2-2(A)). All applicants for immigrant visas and certain applicants for nonimmigrant visas must undergo a physical and mental examination performed by a panel physician to determine their eligibility for such visas (9 FAM 302.2-3(A)).

OIG reviewed Embassy Lilongwe's management, oversight, and coordination of foreign assistance programs. OIG determined that the embassy generally managed foreign assistance in accordance with Department standards. Embassy staff and agency heads gave OIG positive assessments through interviews of the Front Office's willingness to support foreign assistance objectives. They also had a common understanding of the Ambassador's objective to approach foreign assistance as a "whole of government" initiative to build Malawian capacity. However, as described below, OIG found that the embassy had insufficient foreign assistance coordination and collaboration mechanisms. OIG also found deficiencies in the management of federal assistance awards.

Embassy Lacked Comprehensive Foreign Assistance Coordination and Collaboration Mechanisms

OIG found the embassy's foreign assistance coordination and collaboration mechanisms were insufficient to address certain aspects of its foreign assistance activities. According to 1 FAM 013.2e(1), the chief of mission is responsible for directing, coordinating, and supervising all executive branch activities and operations in their assigned country. Similarly, 1 FAM 013.2k(6) states that the chief of mission has a "significant role in directing and supervising" foreign assistance programs, and 2 FAM 113.1c(4) requires "establishing an effective system of internal controls," in part to prevent waste and mismanagement. At the time of the inspection, the embassy's multiple working groups, through which agencies coordinated foreign assistance, addressed a limited range of issues that made it difficult for the Front Office to ensure systematic coordination. Working groups included three groups focused on the ICS objectives for democratic governance, private sector expansion, and human capital development, as well as other groups focused on counterterrorism, law enforcement, health, and youth engagement. However, not all embassy assistance programs fell within the purview of those working groups, and some assistance programs cut across multiple working groups, complicating coordination efforts. For example, embassy staff told OIG that they discovered shortly before the inspection that both USAID and CDC had health-related assistance programs with local police, but neither agency had been coordinating these programs with the Department through an established working group for either law enforcement or health assistance. Staff also noted that smaller assistance programs, like those managed by the Political-Economic Section, were not included in the broader working group discussions about progress toward mission objectives. Without a comprehensive foreign assistance coordination mechanism, the embassy risks duplication of efforts and wasted funds in its assistance efforts.

Recommendation 6: Embassy Lilongwe should establish a comprehensive foreign assistance coordination and collaboration mechanism in accordance with Department standards.
(Action: Embassy Lilongwe)

Federal Assistance Awards Were Not Managed as Required

OIG found that the Political-Economic Section did not manage federal assistance awards as required by Department standards. The section managed awards funded by the Bureau of

Population, Refugees, and Migration, the Ambassador's Special Self-Help Fund, and the Fiscal Transparency Innovation Fund, as well as awards on behalf of the PEPFAR Coordination Office. OIG reviewed a sample of 16 active and expired federal assistance awards with a total value of \$324,895¹⁷ and found the following deficiencies:

- All 16 award files lacked required documentation, such as the terrorist financing risk assessment, quarterly financial and program reports, and required monitoring and evaluation reports. According to the Federal Assistance Directive,¹⁸ complete documentation supporting the issuance and management of federal awards must be recorded in the official award file.¹⁹
- Of the five awards with budgets exceeding \$5,000 for equipment and supplies, none included instructions for end-of-grant property disposition requirements, nor did the grants officer provide written instructions at close-out for disposition of remaining equipment or supplies as required by the Federal Assistance Directive.²⁰
- For three awards issued as grants, the embassy had not collected the unused balance of funds, a total of \$601.52, from the recipients at the close of the award. For one award, the embassy contacted the grantee to initiate a refund of \$541 in unused funds. The other two awards had unused balances under \$100, and embassy staff explained to OIG that, although it was common to have a small unused balance due to fluctuating exchange rates, their standard practice was to only collect balances of more than \$100 to avoid bank charges. However, the Federal Assistance Directive requires that all funds owed to the Department be returned within 1 year of the end of a grant's period of performance.²¹ OIG discussed with the embassy that these smaller awards may be more appropriately issued as fixed amount awards that do not require collecting small balances at the end of the period of performance.

OIG found that these deficiencies occurred in part because the embassy lacked standard operating procedures for managing federal assistance awards for foreign assistance programs. Embassy staff also told OIG that they had faced long-term vacancies in the Small Grant Coordinator position and significant turnover in the Political-Economic Section, leaving them understaffed and working without experienced supervisors to provide oversight. By not maintaining complete federal assistance award files and following required procedures, the embassy undermines its ability to demonstrate the effectiveness of its assistance projects and

¹⁷ OIG reviewed 16 of 71 awards (total value approximately \$1 million in foreign assistance funds) from FY 2019 through FY 2022 that were managed by embassy staff in the Political-Economic Section.

¹⁸ The Federal Assistance Directive (FAD) establishes internal guidance, policies, and procedures for all domestic and overseas grant-making bureaus, offices, and posts administering federal financial assistance and is updated annually by the Bureau of Administration, Office of the Procurement Executive. Grants reviewed by OIG were subject to FAD, Version 4.0, effective October 1, 2019, through October 20, 2020; FAD, Version 5.0, effective October 21, 2020, through October 7, 2021; FAD, Version 6.0, effective October 8, 2021, through October 2, 2022; and FAD, Version 7.0, which took effect on October 3, 2022.

¹⁹ FAD, Version 7.0, Chapter 2, Section I.

²⁰ FAD, Version 7.0, Chapter 3, Section J.4.

²¹ FAD, Version 7.0, Chapter 5, Sections A, C, and F.

appropriately manage foreign assistance funds, and it increases the risk that potential waste or fraud may go undetected.

Recommendation 7: Embassy Lilongwe should implement standard operating procedures for management of federal assistance awards to ensure compliance with Department standards. (Action: Embassy Lilongwe)

President’s Emergency Plan for AIDS Relief Program Close to Meeting Some Key Performance Goals

OIG found that PEPFAR Malawi was on track for achieving Joint United Nations Programme on HIV/AIDS goals²² for HIV testing, treatment, and viral suppression by 2030. According to PEPFAR reporting, as of May 2023, 88 percent of persons living with HIV in Malawi knew their status, 98 percent of those who knew their status were under antiretroviral drug treatment, and 97 percent of those treated were virally suppressed. The 2023-2025 Country Operational Plan, jointly developed with the government of Malawi and civil society organizations in the health sector, detailed interventions aimed at HIV prevention, treatment, viral load management, and strengthening health systems priorities with a locally led, country-owned HIV response. However, only 47 percent of the 2023 PEPFAR Malawi budget was granted directly to local partners, falling short of the longer-term target to grant 70 percent of new funding to local entities, as set forth in the PEPFAR Five-year Strategy.²³ PEPFAR Malawi leadership identified organizational development as a key goal to strengthen local capacity before more resources could be granted to local entities.

PEPFAR Malawi Did Not Ensure Data Integrity

Despite the overall progress in addressing the HIV/AIDS epidemic, OIG found that PEPFAR Malawi did not ensure that data from implementing partners were reported with integrity and in a timely manner in accordance with program guidance. PEPFAR staff visited clinical sites and conducted several data quality assessments from 2021 through 2023 that revealed significant data discrepancies and errors. These assessments identified error rates as high as 84 percent among data sets for the number of individuals receiving positive HIV test results, number of individuals currently receiving antiretroviral therapy, and viral load suppression rates for patients, well outside the 5 to 10 percent acceptable rates of error. The assessment reports documented a number of causes for these errors, including the use of paper records that were not regularly entered into the electronic records system; improper filing of patients’ folders; duplication of patients and multiple patients found on the same patient ID; test results not properly recorded in patient files; and lack of integration between lab software and record keeping software.

²² These goals call for ensuring that, by 2030, 95 percent of people living with HIV know their status, 95 percent of those tested are on antiretroviral treatment, and 95 percent of those under antiretroviral treatment are virally suppressed and thus less able to transmit the virus.

²³ See Department of State, *PEPFAR’s Five-year Strategy: Fulfilling America’s Promise to End the HIV/AIDS Pandemic by 2030* (December 1, 2022), <https://www.state.gov/pepfar-five-year-strategy-2022/>.

PEPFAR Malawi issued recommendations to the clinical sites for correcting these discrepancies but did not complete follow-up work to address the data quality issues. The PEPFAR 2023 Country and Regional Operational Plan Guidance, Section 4.2 states that data should be reported by implementing partners with integrity in a timely manner, and greater investigation, increased oversight, and corrective action and mitigation are needed when there are indicators of significant data problems. Inaccurate reporting makes it difficult for PEPFAR to properly identify key populations for enhanced engagement to continue improving epidemic control. Furthermore, high rates of errors in lab data are indicators of possible fraud and should be reviewed to ensure program integrity.

Recommendation 8: Embassy Lilongwe, in coordination with the Bureau for Global Health Security and Diplomacy, should implement a corrective action plan to investigate and mitigate data integrity problems for the President's Emergency Program for AIDS Relief. (Action: Embassy Lilongwe, in coordination with GHSD)

RESOURCE MANAGEMENT

OIG reviewed Embassy Lilongwe's operations and internal controls in facility management, general services, human resource management, the Health Unit, financial management, and the Community Liaison Office. During the inspection, the embassy corrected some internal control issues identified by OIG. Specifically, the embassy:

- Updated and re-issued its LE staff handbook (3 FAM 7155a).
- Adjusted timekeepers' access permissions in the Department's time and attendance system to prevent timekeepers from editing their own records (4 FAH-3 H-525.3-4a).
- Started using the Integrated Logistics Management System (ILMS)²⁴ loanable property module to track nonexpendable personal protective equipment (14 FAM 446.1c).
- Updated its pharmaceutical inventory and reduced the percentage of medications without cost information from more than 30 percent to less than 1 percent, below the 2 percent target maximum established in ILMS.
- Published a gifts policy to ensure embassy employees observe gift rules and improve gift controls and accountability (2 FAM 963b and c).
- Aligned the composition of its International Cooperative Administrative Support Services (ICASS)²⁵ Council with Department standards (6 FAH-5 H-012.6).

²⁴ The Integrated Logistics Management System (ILMS) is an integrated web-based system that encompasses all Department supply chain functions in one system. ILMS is designed to upgrade Department supply chain management by improving operations in areas such as purchasing, procurement, warehousing, transportation, property management, personal effects, and diplomatic pouch and mail.

²⁵ The International Cooperative Administrative Support Services, or ICASS, is the principal means by which U.S. government agencies share the cost of common administrative support services at most diplomatic and consular posts overseas. Through the ICASS working capital fund, service providers recover the cost of delivering administrative support services to other agencies at overseas missions.

Management Section staff told OIG that the above internal control deficiencies, as well as others described later in this report, were attributed to insufficient staff, inexperience, lack of training, and missing or outdated policies and documented procedures. U.S. direct-hire staff acknowledged they did not prioritize their oversight responsibilities above the work necessary to keep the embassy's support platform operational. OIG noted the embassy had repeatedly requested the addition of two U.S. direct-hire positions for the Management Section (a human resource officer and a second general services officer). Despite these challenges, OIG found the embassy's Management Section generally implemented processes and procedures in accordance with Department guidance, with the exceptions described below.

Facility Management

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

OIG found the embassy's safety, health, and environmental management program did not fully comply with Department standards. Specifically, OIG found:

- Approximately 93 percent (37 of 40) of the embassy's non-residential properties were not certified in the Post Occupational Health and Safety Officer (POSHO) Certification Application.²⁶ According to 15 FAM 971b and c, the POSHO must inspect all properties for safety, health, and environmental hazards and certify in the POSHO Certification Application that those hazards have been effectively controlled or eliminated prior to occupancy.
- Pool safety deficiencies identified by embassy staff in March 2023 remained unresolved in the four residences with pools that OIG assessed; the pools were not compliant with the Department's 15 FAM 412.1d(3) requirements.
- The embassy's POSHO records were incomplete and did not comply with the 15 FAM 966 requirements for recordkeeping. Notably, material safety data sheets were not available for review in the POSHO records (as required by 15 FAM 966(7)) and at the warehouse where the hazardous materials were stored (as required by 14 FAH-1 H-313.6-1j). Additionally, policies, procedures, and other safety and health directives disseminated by OBO and post (required by 15 FAM 966(10) and (11)) were also unavailable.
- The electric forklift charging area at the warehouse did not comply with Department standards for safety, as outlined in 14 FAH-1 H-313.1-2g.

OIG determined these deficiencies accumulated over time due to procedures not being institutionalized, staff being unaware of requirements, and a lack of oversight. Failure to comply with the Department's safety, health, and environmental management standards increases the risk of injury and loss of life.

²⁶ The POSHO Certification is used by the Post Occupational Safety and Health Officers to certify that leased and owned residential and nonresidential properties are safe for employees, family members, and visitors to occupy.

Recommendation 9: Embassy Lilongwe should bring its safety, health, and environmental management program into compliance with Department standards. (Action: Embassy Lilongwe)

Fire Protection Program Did Not Fully Comply With Department Standards

OIG found the embassy's fire protection program did not fully comply with Department standards. Specifically, OIG found:

- Approximately 67 percent (32 of 48) of the recommendations from OBO's fire and life safety inspection, which was conducted in March 2020, remained unaddressed. According to 15 FAM 813.3c and d, embassy personnel must correct deficiencies on a priority basis and submit all results to OBO's Office of Fire Protection no later than 1 year from the date of the fire and life safety inspection.
- Residential occupants did not document that they conducted monthly residential fire extinguisher inspections, as required by 15 FAM 843d.
- The embassy's fire protection system had not been inspected since 2020, despite the 15 FAM 841e requirement for annual inspection and testing by a certified subject matter expert.
- Embassy staff did not perform monthly tests of the emergency exit lighting as required by 15 FAM 844a.
- Embassy staff did not conduct the required annual survey of exit doors in accordance with 15 FAM 846.4.

OIG attributed these issues to a lack of knowledge and the failure to track and oversee the embassy's fire protection program. Failure to comply with the Department's fire protection standards increases the risk of injury, loss of life, and damage to property.

Recommendation 10: Embassy Lilongwe should bring its fire protection program into compliance with Department standards. (Action: Embassy Lilongwe)

Embassy Did Not Perform an Annual Review of Zomba Mountain Cottage

Embassy Lilongwe did not perform an annual review of Zomba Mountain Cottage.²⁷ In accordance with 15 FAM 512.1a, the embassy must annually review all U.S. government-owned properties to identify excess properties and properties that are either not fully used or are uneconomical to retain. Any properties identified as excess or uneconomical must be reported

²⁷ Zomba Mountain Cottage is a U.S. government-owned property located in the Zomba district of Malawi, approximately 5 hours southeast of Lilongwe. The U.S. government leases 1.48 acres of land from the Malawi government on which is a main cottage (built in 1951, purchased in 1965) and staff quarters. The property is used as a rental cottage for Embassy Lilongwe employees for both official and personal use. The embassy employs a caretaker who oversees the day-to-day management of the property, while the embassy's facilities management team is responsible for routine maintenance and repairs.

to OBO through the Real Property Application.²⁸ OIG could not find evidence that the embassy conducted such an annual review. Embassy staff told OIG they were unaware of the requirement to assess the utility and economy of maintaining the property and noted it had not been used in a few years, first due to the pandemic and then due to required roof repairs. Without a comprehensive assessment of the property, Embassy Lilongwe will not have the information needed to determine the optimal use of the property and the effective use of U.S. government funds.

Recommendation 11: Embassy Lilongwe, in coordination with the Bureau of Overseas Buildings Operations, should conduct the required annual review of the Zomba Mountain Cottage to determine whether the property is economical to retain and if continued U.S. government ownership of the property is justified. (Action: Embassy Lilongwe, in coordination with OBO)

General Services

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

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

- Approximately 28 percent of motor vehicle operators (30 of 108) had expired or missing medical certifications, contrary to guidance in 14 FAM 433.4a-c.
- Approximately 39 percent of motor vehicle operators (42 of 108) had expired or no record of driver safety training, as required in 14 FAM 433.5a-b.
- Slightly more than 15 percent of motor vehicle operators (17 of 108) had expired or no record of a valid driver's license, as required in 14 FAM 433.3c.
- Chauffeurs exceeded the 10-hour per day limit on driving shifts, contrary to 14 FAM 433.8a. OIG reviewed mission time and attendance records over 14 pay periods²⁹ from January to July 2023 and found that the embassy's full-time, non-motor pool drivers exceeded 10 hours on duty on at least 54 occasions, often on consecutive days.

OIG determined the insufficient tracking of medical clearances and driver safety training requirements and chauffeurs exceeding the 10-hour per day limit on driving shifts occurred because of lack of oversight and enforcement of the Department's motor vehicle safety standards. Failure to enforce these standards increases the risk of injury to drivers, passengers, and the public, as well as damage to U.S. government property.

²⁸ The Real Property Application is the Department's single comprehensive database for all real property abroad and serves as a sub-ledger to the Department's financial system. It contains the records of U.S. government-owned and leased land and buildings, office and residential units, and occupant information.

²⁹ OIG reviewed overtime records for embassy chauffeurs for pay periods 2 through 15, including adjustments recorded from previous pay periods.

Recommendation 12: Embassy Lilongwe should comply with applicable Department overseas motor vehicle safety requirements for chauffeurs and incidental drivers under chief of mission authority. (Action: Embassy Lilongwe)

Embassy Did Not Manage Bulk Fuel Operation in Accordance With Department Standards

OIG found the embassy did not manage its bulk fuel operation in accordance with Department standards. Specifically, OIG found:

- Periodic inventories were not reconciled with property records contrary to guidance in Section 3a and 3.5e of the Department's Motor Pool Procedures Overseas Guide.
- Fuel tank levels were not gauged before and after delivery, contrary to guidance in Section 3.1c(2) of the Department's Motor Pool Procedures Overseas Guide.
- The fuel pumps were not calibrated annually, as required by Section 3.3b of the Department's Motor Pool Procedures Guide. Similarly, the last known fuel tank calibration occurred in 2015, despite guidance in Section 3.3c(1) stating the need for periodic calibration of that equipment.
- Access to fuel pumps was not restricted to authorized personnel and pumps were not properly secured when unattended contrary to guidance in Section 3b and 3.3d(2) of the Motor Pool Procedures Guide. It is unknown when the fuel pump lock combination was last changed or who has the combination to the lock at this time; OIG observed a period of at least 20 minutes in which the fuel pump was unattended and left unlocked.

Additionally, as noted in the finding on property management below, fuel deliveries were not received by appropriate personnel to ensure separation of duties. Finally, OIG observed similar issues with the generator fuel program, such as the lack of a reconciliation of receiving records and a lack of separation of duties for residential generator deliveries.

Embassy staff told OIG these issues occurred because of a lack of management oversight and inadequate training and staffing in the section. Failure to implement adequate management controls over bulk fuel operations increases the risk of mismanagement and theft.³⁰

Recommendation 13: Embassy Lilongwe should manage its bulk fuel operation in accordance with Department standards. (Action: Embassy Lilongwe)

Embassy Used Unapproved Shipping Containers for Storing Property

OIG found Embassy Lilongwe used 11 shipping containers at U.S. government-owned or leased properties to store embassy property. Some containers had been stacked and had external staircases added for accessing the upper containers and roofs. The containers stored property such as furniture and appliance pool assets, furniture for the designated representational

³⁰ See OIG's *Information Report: Systemic Deficiencies Related to the Department of State's Fuel Management From FY 2016 to FY 2020* (AUD-MERO-22-20, March 2022), for additional information on Department-wide challenges and risks associated with fuel management deficiencies.

residence, and expendable supplies. The Department issued guidance in September 2018 and October 2021 stating that it did not support using shipping containers as structures to accommodate functional space needs.³¹ According to 15 FAM 643e and 15 FAM 644c(11), embassies must obtain prior approval from OBO to construct nonpermanent structures and conduct structural alterations or improvement activities, including converting a shipping container for use for functional purposes such as additional storage space. Staff stated containers were used for storage due to the lack of a climate-controlled warehouse and limited storage space both at the warehouse and the chancery compound. Using unapproved shipping containers that do not meet the required building and fire codes for permanent storage and functional space increases the risk of damage to U.S. government property and puts employee safety at risk.

Recommendation 14: Embassy Lilongwe should obtain authorization from the Bureau of Overseas Buildings Operations to use shipping containers for storage or remove them in accordance with Department standards. (Action: Embassy Lilongwe)

Embassy's Furniture and Appliance Pool Did Not Fully Comply With Department's Standards

OIG determined the embassy's furniture and appliance pool (FAP)³² did not fully comply with Department standards. In particular:

- In the embassy's FAP policy, the list of standard FAP items that may be provided includes personal safes and vacuums, both of which are an employee's personal responsibility and should not be included in FAP, as noted in 6 FAH-5 H-513.2-2c. Additionally, the inventory included in the embassy's FAP policy allows six residential transformers per residence, whereas 6 FAH-5 H-513.2-2e establishes three as the maximum number of FAP transformers in a residence.
- According to ILMS data, approximately \$675,000 of the embassy's \$3 million of FAP assets (23 percent) were flagged as potentially misclassified in the system.
- OIG's review of ILMS data, along with physical observations showed the embassy had more than 360 FAP assets valued at approximately \$186,000 in unapproved locations such as offices and official residences, contrary to guidance in 6 FAH-5 H-512.3-1b and 6 FAH-5 H-512.5e(1), (2), and (5).
- OIG's review also showed approximately \$428,000 of assets identified as FAP in ILMS that were likely not FAP assets due to their asset class (e.g., office furniture, televisions, dishware).

³¹ Cable 18 STATE 98976, "Shipping Containers and Portable Structure Use and Occupancy Requirements," September 27, 2018. Cable 21 STATE 103606, "FY 2022 Bureau of Overseas Buildings Operations Financial and Operational Guidance," October 8, 2021. For additional information on Department-wide challenges managing temporary structures, including the unauthorized use of shipping containers, see OIG's *Audit of Physical Security Standards for Department of State Temporary Structures at Selected Overseas Posts* (AUD-SI-23-30, September 2023).

³² The primary goal of the furniture and appliance pool is to ensure the equitable and cost-effective provision of adequate furniture, furnishings, and appliances and equipment to all subscribing agencies at a post.

- Conversely, over 900 assets valued at approximately \$60,000 should have been classified as FAP but were classified under a different agency code³³ in ILMS.

Management staff told OIG this occurred due to insufficient staffing and oversight of the FAP program and the need for additional training. However, Department guidance issued in a 2017 cable³⁴ stated overseas posts must take responsibility for their ILMS data, and general services officers must ensure the data is accurate and up to date. Not managing FAP assets in accordance with Department standards risks incorrectly charging agencies for the cost of participating in the program.

Recommendation 15: Embassy Lilongwe, in coordination with the Bureau of Administration, should bring its furniture and appliance pool program into compliance with Department standards. (Action: Embassy Lilongwe, in coordination with A)

Embassy Lilongwe Did Not Manage Property in Accordance With Department Standards

OIG identified the following internal control deficiencies related to the embassy's management of personal property:

- The embassy did not maintain proper separation of duties. For example, the receiving clerk did not receive fuel deliveries. Instead, fuel deliveries were received by other General Services Office employees, including one employee who also was assigned record keeping duties, contrary to guidance in 14 FAH-1 H-112.2j(4)(c). Additionally, staff responsible for maintaining property records participated in the annual physical inventory count, contrary to requirements in 14 FAM 416.2c. In the case where separation of duties is not possible, a management review is required twice a year according to 14 FAM 411.2c, but the embassy did not conduct such reviews.
- Some items acquired locally or with petty cash were delivered directly to the requestor without being entered into inventory as required by 14 FAM 413.3a.
- The embassy's Accountable Property Officer did not conduct periodic, unannounced spot counts of expendable and nonexpendable property to verify the accuracy of property records in ILMS and reconcile appropriate discrepancies, as required by 14 FAM 411.2-2b(8).
- The embassy did not consistently require residents to sign an inventory or maintain individual residential custodial files as required by 14 FAM 416.3 and did not hold employees financially liable for the loss, damage, or destruction of property under their custody in accordance with 14 FAM 416.5-1(A).
- The embassy conducted its annual inventory for FY 2022 and identified more than 6 percent (\$320,000) of its expendable and nonexpendable property as missing, compared to the Department standard of less than 1 percent as described in 14 FAM 416.5-1(B)c.

³³ Agency codes identify ownership of assets in ILMS. According to 6 FAH-5 H-512.3a, all residential inventory assets must be identified in ILMS with the agency code "FAP."

³⁴ Cable 17 STATE 58544, "Furniture and Appliance Pool (FAP) and Budget Realities," June 8, 2017.

Staff told OIG that the embassy did not comply with Department guidance and best practices for management controls of expendable and nonexpendable personal property because of a lack of staff and training, as well as competing priorities. Failure to ensure sound management controls, separation of duties, and proper documentation of receipt, issuance, transfer, and disposal of all expendable and nonexpendable property increases the risk of fraud, waste, and mismanagement of resources.

Recommendation 16: Embassy Lilongwe should bring its property management procedures into compliance with Department standards. (Action: Embassy Lilongwe)

Embassy Did Not Comply With Some Department Contract Administration Guidelines

OIG found the embassy did not comply with some Department contract administration guidelines. Specifically, OIG found:

- The embassy did not have at least two contracting officers (CO) as required in 14 FAM 214c(4).
- The CO did not review contract files for completeness at the time of award and after the exercise of each option year, in accordance with the Department's Procurement Information Bulletin No. 2014-10.
- The CO did not prepare delegation memos for all contracting officer's representatives (COR) in accordance with 14 FAH-2 H-143.2.
- Some CORs did not have current certification issued by the Department's Office of the Procurement Executive, as required by 14 FAH-2 H-143.1a.
- Some CORs did not maintain their working files in accordance with Department standards or certify to the CO that their files were maintained properly, contrary to guidance in 14-FAH-2 H-142b(16) and 14 FAH-2 H-517.
- Some CORs did not complete annual ethics training and file a financial disclosure report in accordance with the Department's Procurement Information Bulletin No. 2012-15.
- Neither the CORs nor the CO completed the mandatory contractor's performance review in the Contractor Performance Assessment Reporting System,³⁵ as required by 14 FAH-2 H-572a-f and 48 Code of Federal Regulations 42.1502(a) for the embassy's contracts over the simplified acquisition threshold of \$250,000.

Embassy staff told OIG the issues in contract administration occurred because of a lack of procurement training, lack of staff, and the embassy's only CO being the sole General Services Officer. The lack of file documentation and CO reviews increase the risk of fraud, abuse, and loss of U.S. government resources.

³⁵ The Contractor Performance Assessment Reporting System is the government-wide evaluation reporting tool for all past performance reports on contracts and orders. An annual performance assessment must be done in the system for each contract above the simplified acquisition threshold of \$250,000, according to 48 Code of Federal Regulations (CFR) § 42.1502(b) and 48 CFR § 2.101.

Recommendation 17: Embassy Lilongwe should administer its contracts in accordance with Department standards. (Action: Embassy Lilongwe)

Embassy Did Not Close Out Procurement Files in Required Timeframes

Embassy Lilongwe did not close out its procurement files in ILMS in the required timeframe. Specifically, OIG found the embassy had not closed 246 procurement files from FY 2016 to FY 2022. In addition, a backlog of 6,909 files could not be closed out until procurement staff completed all required steps. Guidance in 14 FAH-2 H-573.2b³⁶ states that contracts awarded under simplified acquisition procedures should be closed out immediately after the CO receives evidence of receipt of property and final payment. Embassy staff told OIG this issue occurred because of lack of staff to close out the large backlog of files. Failure to close out procurement files in the required timeframe increases the risk of inaccuracies in procurement records and of internal control issues in procurement operations.

Recommendation 18: Embassy Lilongwe should close out procurement files in accordance with Department standards. (Action: Embassy Lilongwe)

Human Resources

Some Locally Employed Staff Benefits Were Not Aligned With Department Authorizations

OIG determined some of the embassy's LE staff benefits were not aligned with Department authorizations. Specifically, OIG found:

- In November 2019, Embassy Lilongwe contracted for medical insurance coverage for its LE staff; however, the embassy did not include all approvals in its contract file. OIG found no record of the final authorization from the Office of Overseas Employment, which was required by 3 FAM 7525.1, the 2018 cable³⁷ authorizing medical insurance benefit levels for Embassy Lilongwe, and the 2019 conditional award approval memo from the Bureau of Administration's Office of the Procurement Executive.
- The embassy did not implement changes to its severance pay plan, authorized by the Department in a January 2019 cable,³⁸ which also included the requirement that the embassy submit the revised and signed local compensation plan as soon as possible.
- The embassy provided housing to an LE staff member, despite this benefit not being authorized in the local compensation plan, contrary to both 3 FAM 7521 and 3 FAM 7541c that require prior Department and interagency approval of all LE staff benefits.

OIG attributed these problems to insufficient staffing and a lack of oversight. Not maintaining the local compensation plan in accordance with Department standards and authorizations risks

³⁶ Guidance in 14 FAH-2 H-573.2b also cites 48 CFR. § 4.804-1.

³⁷ Cable 18 STATE 100656, "LE Staff: Malawi: Authorization of Medical Insurance Benefit Levels," October 3, 2018.

³⁸ Cable 19 STATE 542, "LE Staff: Malawi: Authorization to Revise LCP Severance Pay Plan," January 4, 2019.

employees being over- or under-compensated, which could lead to litigation, costly settlements, and damage to the U.S. government's reputation.

Recommendation 19: Embassy Lilongwe should bring its local compensation plan and practices into alignment with Department authorizations. (Action: Embassy Lilongwe)

Embassy's Performance Management Program Did Not Fully Comply With Department Standards

OIG found the embassy's performance management program did not fully comply with Department standards for LE staff and eligible family members. As of mid-November 2023, at least 24 percent of the LE staff performance evaluations for the calendar year (46 of 191)³⁹ had not been submitted on time, as required in the Department's Locally Employed Staff Performance Management Policy Guidebook. Additionally, the Department's policy on performance management for eligible family members establishes a regular rating period of March 15 through March 14 of the following year and requires form JF-57-EPR be used to document the performance reviews. OIG's review of 11 electronic files for eligible family members found 5 (45 percent) were missing a required performance evaluation. Of the six performance evaluation reports reviewed, 67 percent (4 of 6) did not comply with the established annual cycle for eligible family member performance evaluations, and one was completed on the wrong form. Although performance management is the responsibility of the employee and their supervisor, OIG determined the lack of human resource staff and training also contributed to these issues. Not having a strong performance management program increases the risk that performance issues will go unaddressed and employee morale will suffer due to lack of recognition and feedback.

Recommendation 20: Embassy Lilongwe should bring its performance management program into compliance with Department standards. (Action: Embassy Lilongwe)

Various Human Resources Processes Were Not Aligned With Department Standards

OIG found various human resources processes were not aligned with Department standards. Specifically, OIG found:

- There were multiple issues with the embassy's time and attendance records. Of the 123 of 247 records reviewed,⁴⁰ 96 (78 percent) had one or more problems, including incomplete, unsigned, or missing documentation, contrary to 4 FAH-3 H-523.3; lack of documented prior approval for leave or overtime, as required by 4 FAH-3 H-525.4-1b and 4 FAH-3 H-523.2; and use of non-standard forms for documenting premium compensation approvals, contrary to 4 FAH-3 H-518b. Failure to adhere to Department

³⁹ The regular rating period for LE staff is one year from the date of the last performance evaluation. The annual cycle usually matches the anniversary date of the employee's original employment or recruitment into a higher or lower graded position.

⁴⁰ OIG reviewed time and attendance data for March 26, 2023, to September 23, 2023.

standards for time and attendance could result in waste, fraud, and mismanagement of Department resources.

- Only 8 percent (2 of 26) of the required training repayment agreements from the prior two fiscal years were completed and included in the LE staffs' files. Embassy policy requires an employee sign a repayment agreement when participating in any course, workshop, seminar, conference, or on-the-job training involving post funding of more than \$500 cumulative in any fiscal year. Inconsistent policy application could lead to claims of discrimination or bias.
- Of the seven LE staff files reviewed, only one contained a completed and signed pay plan and hiring mechanism form, and none of the eligible family member files reviewed contained this form. The Department's policy on pay plan and hiring mechanisms for overseas employees requires the form be completed and signed by the candidate and hiring official prior to extending an offer of employment.⁴¹ Failure to complete this required form prior to extending an employment offer could result in employees being hired and paid incorrectly.
- The embassy had not developed an anti-nepotism review process and was not consistently conducting anti-nepotism reviews for LE staff in accordance with the Department's Overseas Recruitment Policy. Nor was the embassy annually reviewing the circumstances of employment of each relative of an employee to ensure compliance with anti-nepotism rules, as required by 3 FAM 8314. Not complying with the Department's anti-nepotism policy and procedures may create the appearance of favoritism or preferential treatment.
- Only the chairperson of the embassy's employment committee attended the hiring interviews and was listed on the selection memo for the Community Liaison Office Coordinator position, whereas 3 FAM 8111.2e requires the position be selected by the entire committee or a majority of its members. Not involving the majority of the embassy's employment committee could result in an opaque process that appears biased to the workforce.
- The embassy was not tracking U.S. direct-hire absences from Lilongwe and requesting the suspension and resumption of hardship differential, as required by Department of State Standardized Regulations, section 532. Failure to adjust employees' hardship differential could result in overpayment of benefits and create a financial burden for the employee when they are required to repay the overage.

OIG attributed these issues to the lack of oversight, training, and standard operating procedures.

Recommendation 21: Embassy Lilongwe should bring its human resource procedures into compliance with Department standards. (Action: Embassy Lilongwe)

⁴¹ Bureau of Global Talent Management Office of Overseas Employment, "Policy Aid: Pay Plan and Hiring Mechanisms for Overseas Employees," revised date April 2021.

INFORMATION MANAGEMENT

OIG reviewed Embassy Lilongwe's information management (IM) operations, including Sensitive But Unclassified, classified, and non-enterprise network⁴² computer operations; physical protection of information technology resources; classified communications security; emergency communications preparedness; telephone programs; and mail services. The IM unit was managed by a second-tour Information Management Specialist, with a recently hired personal services contractor serving as the Information Management Officer due to difficulties finding Information Management Specialists to bid on that position. OIG determined the unit implemented most required IM controls in accordance with Department standards and applicable laws, except as described below and in the companion classified report.

Embassy Did Not Have Operational Satellite Phones

The embassy did not have any operational satellite phones at the time of the inspection. Department guidance in 5 FAH-2 H-651 states that satellite phones are an essential component of contingency planning, and 5 FAH-2 H-655 states that IM personnel must report testing of satellite phones to their respective regional bureaus. Embassy Lilongwe had seven satellite phones on-hand, but they were not operational because the subscriber identity module (SIM) cards on the phones were deactivated due to payment delays from the embassy to the service provider. IM personnel were aware of the issue and were in the process of procuring new SIM cards for the phones, but the timeline for receiving and activating the SIM cards was unclear at the time of the inspection. Failure to properly maintain contingency communications systems reduces the redundancy of the embassy's communications networks.

Recommendation 22: Embassy Lilongwe should activate and test its satellite phones in accordance with Department standards. (Action: Embassy Lilongwe)

Embassy Records Management Program Did Not Comply With Department Standards

Embassy Lilongwe did not implement an active records disposition program in accordance with Department standards. Department guidance in 5 FAH-4 H-312.1b requires posts abroad to carry out an active records disposition program, including assigning a person to manage the disposition of records by applying the appropriate records disposition schedules for their organization. Additionally, Department standards in 5 FAM 418.9-3c require the post records coordinator to liaise with embassy sections on records management requirements and the implementation of internal policies and procedures. OIG reviews of the Department's records disposition tracking systems found that Embassy Lilongwe retired some electronic records but did not retire any paper records within the last 3 years. Furthermore, OIG found that personnel responsible for overseeing records disposition at the embassy were not actively liaising with the embassy's sections as required. OIG determined that the cause for the inactive records

⁴² The Department defines a non-enterprise network as an internet connection from a commercial or government internet service provider on a Department-owned and operated discrete non-sensitive unclassified local area network that is not connected to any other Department system.

disposition program was because Embassy Lilongwe had not implemented a process for the post records coordinator to liaise with all sections on records management requirements. The absence of an active records disposition program led to the embassy's non-compliance with records disposition schedules which increases the risk of losing critical documentation.

Recommendation 23: Embassy Lilongwe should implement a procedure for the post records coordinator to coordinate with the embassy's sections on implementing records management requirements. (Action: Embassy Lilongwe)

The Information Systems Security Officer Did Not Perform Duties in Accordance With Department Standards

Embassy Lilongwe's Information Systems Security Officer (ISSO)⁴³ did not perform required ISSO duties in accordance with Department standards. According to 12 FAM 613.4 and 5 FAH-11 H-116a, ISSOs are responsible for implementing security policies and procedures for information systems and using the ISSO checklist to document all required duties. OIG determined this issue occurred because the ISSO was focused on remediating issues identified in Embassy Lilongwe's most recent Regional Computer Security Officer Cybersecurity Assessment, rather than the required tasks on the ISSO checklist. Failure to perform required ISSO responsibilities leaves Department networks vulnerable to potential unauthorized access and malicious activity.

Recommendation 24: Embassy Lilongwe should complete all information systems security officer responsibilities in accordance with Department standards. (Action: Embassy Lilongwe)

Embassy's Physical IT Infrastructure Did Not Comply With Department Information Management Standards

OIG identified several deficiencies with the embassy's physical IT infrastructure that did not comply with Department IM standards, such as:

- The network and telephone cabling infrastructure in the embassy's telecommunications rooms and server rooms did not comply with Department standards in 5 FAH-9 H-111.1.
- The embassy's telecommunications demarcation point⁴⁴ was located in a limited access area contrary to 12 FAH-6 H-651.5-2a(1) and (2).
- One of the embassy's telecommunications closets that stored active sensitive, but unclassified networking equipment did not have a lock on the door contrary to 5 FAH-2 H-621.1(8).

⁴³ The Information Management Specialist served as the embassy's ISSO.

⁴⁴ A demarcation marks the point where communications facilities owned by one organization interface with that of another organization. In telecommunications terminology, this is the interface between customer-premises equipment and network service provider equipment.

OIG determined that these deficiencies existed for several years, and IM personnel did not take the time to correct them due to competing priorities. Deficiencies in the embassy's physical IT infrastructure increase the risk of unauthorized access to the Department's Sensitive But Unclassified networks. However, OIG did not make recommendations to correct the deficiencies due to the embassy's planned move to a new embassy compound that is currently under construction. OIG's interviews with stakeholders who would be involved in correcting the physical IT infrastructure deficiencies revealed that the time to plan and implement fixes to the deficiencies would most likely exceed the time to complete construction of the new embassy compound.

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 Lilongwe. The embassy's complete responses can be found in Appendix B. The embassy also provided technical comments that were incorporated into the report, as appropriate.

Recommendation 1: Embassy Lilongwe should comply with Department guidance for consular cashier operations. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe complied with Department guidance for consular cashier operations.

Recommendation 2: Embassy Lilongwe should comply with Department standards for consular crisis preparedness. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe complied with Department standards for consular crisis preparedness.

Recommendation 3: Embassy Lilongwe should conduct its fraud prevention program in accordance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe conducted its fraud prevention program in accordance with Department standards.

Recommendation 4: Embassy Lilongwe should bring its nonimmigrant visa application process into compliance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe's nonimmigrant visa application process complied with Department standards.

Recommendation 5: Embassy Lilongwe should bring its panel physician program into compliance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation. The embassy noted an estimated completion date of July 7, 2024.

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

Recommendation 6: Embassy Lilongwe should establish a comprehensive foreign assistance coordination and collaboration mechanism in accordance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe established a comprehensive foreign assistance coordination and collaboration mechanism in accordance with Department standards.

Recommendation 7: Embassy Lilongwe should implement standard operating procedures for management of federal assistance awards to ensure compliance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe implemented standard operating procedures for management of federal assistance awards to ensure compliance with Department standards.

Recommendation 8: Embassy Lilongwe, in coordination with the Bureau for Global Health Security and Diplomacy, should implement a corrective action plan to investigate and mitigate data integrity problems for the President's Emergency Program for AIDS Relief. (Action: Embassy Lilongwe, in coordination with GHSD)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe implemented a corrective action plan to investigate and mitigate data integrity problems for the President's Emergency Program for AIDS Relief.

Recommendation 9: Embassy Lilongwe should bring its safety, health, and environmental management program into compliance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation. The embassy noted an estimated completion date of December 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe's safety, health, and environmental management program complied with Department standards.

Recommendation 10: Embassy Lilongwe should bring its fire protection program into compliance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation. The embassy noted an estimated completion date of December 2025.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe's fire protection program complied with Department standards.

Recommendation 11: Embassy Lilongwe, in coordination with the Bureau of Overseas Buildings Operations, should conduct the required annual review of the Zomba Mountain Cottage to determine whether the property is economical to retain and if continued U.S. government ownership of the property is justified. (Action: Embassy Lilongwe, in coordination with OBO)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe conducted the required annual review of the Zomba Mountain Cottage to determine whether the property is economical to retain and if continued U.S. government ownership of the property is justified.

Recommendation 12: Embassy Lilongwe should comply with applicable Department overseas motor vehicle safety requirements for chauffeurs and incidental drivers under chief of mission authority. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

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

Recommendation 13: Embassy Lilongwe should manage its bulk fuel operation in accordance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe managed its bulk fuel operation in accordance with Department standards.

Recommendation 14: Embassy Lilongwe should obtain authorization from the Bureau of Overseas Buildings Operations to use shipping containers for storage or remove them in accordance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe obtained authorization from the Bureau of Overseas Buildings Operations to use shipping containers for storage or remove them in accordance with Department standards.

Recommendation 15: Embassy Lilongwe, in coordination with the Bureau of Administration, should bring its furniture and appliance pool program into compliance with Department standards. (Action: Embassy Lilongwe, in coordination with A)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe's furniture and appliance pool program complied with Department standards.

Recommendation 16: Embassy Lilongwe should bring its property management procedures into compliance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe's property management procedures complied with Department standards.

Recommendation 17: Embassy Lilongwe should administer its contracts in accordance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe administered its contracts in accordance with Department standards.

Recommendation 18: Embassy Lilongwe should close out procurement files in accordance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

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

Recommendation 19: Embassy Lilongwe should bring its local compensation plan and practices into alignment with Department authorizations. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe's local compensation plan and practices aligned with Department authorizations.

Recommendation 20: Embassy Lilongwe should bring its performance management program into compliance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe's performance management program complied with Department standards.

Recommendation 21: Embassy Lilongwe should bring its human resource procedures into compliance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe's human resource procedures complied with Department standards.

Recommendation 22: Embassy Lilongwe should activate and test its satellite phones in accordance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe activated and tested its satellite phones in accordance with Department standards.

Recommendation 23: Embassy Lilongwe should implement a procedure for the post records coordinator to coordinate with the embassy's sections on implementing records management requirements. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Lilongwe implemented a procedure for the post records coordinator to coordinate with the embassy's sections on implementing records management requirements.

Recommendation 24: Embassy Lilongwe should complete all information systems security officer responsibilities in accordance with Department standards. (Action: Embassy Lilongwe)

Management Response: In its March 8, 2024, response, Embassy Lilongwe concurred with this recommendation.

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

PRINCIPAL OFFICIALS

Agency/Section/Title	Name	Arrival Date
Chiefs of Mission:		
Ambassador	David J. Young	4/2022
Deputy Chief of Mission	Amy W. Diaz	8/2022
Chiefs of Sections:		
Consular	Tina Takagi	8/2023
Management	Heidi J. Schellenger	7/2022
Political-Economic	Andrew Winkelman	8/2023
Public Affairs	Namita Biggins	7/2021
Regional Security	Christopher Doggett	8/2023
Other Agency Representatives:		
Centers for Disease Control and Prevention	Kelsey Mirkovic	9/2021
Office of Defense Cooperation	Benjamin Snider	8/2023
Millenium Challenge Corporation	Joel Wiegert	8/2022
Peace Corps	Amber Lucero-Dwyer	8/2017
U.S. Agency for International Development	Pamela Fessenden	8/2023

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

APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

This inspection was conducted from September 5, 2023, to January 8, 2024, 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.

Methodology

OIG used a risk-based approach to prepare for this inspection. OIG conducted portions of the inspection remotely and relied on audio- and video-conferencing tools in addition to in-person interviews with Department and other personnel. 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.

APPENDIX B: MANAGEMENT RESPONSE



*Embassy of the United States of America
Lilongwe, Malawi*

March 8, 2024

UNCLASSIFIED

THRU: John Parker, Acting Executive Director, Bureau of African Affairs

TO: OIG – Arne Baker, Acting Assistant Inspector General for Inspections

FROM: Amy W. Diaz, Chargé d’Affaires, a.i., Embassy Lilongwe

SUBJECT: Response to Draft OIG Report – Inspection of Embassy Lilongwe, Malawi

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

OIG Recommendation 1: Embassy Lilongwe should comply with Department guidance for consular cashier operations. (Action: Embassy Lilongwe)

Consular Officer Response: Embassy Lilongwe concurs with the recommendation. Combination lock boxes for each consular cashier have been included in the Consular budget request, both consular cashiers will be given access to the safe to store their cash advance overnight (there has been a staffing change since the OIG visit), and we will ensure the cashier booth is not left unattended. These changes have been implemented.

OIG Recommendation 2: Embassy Lilongwe should comply with Department standards for consular crisis preparedness. (Action: Embassy Lilongwe)

Consular Officer Response: Embassy Lilongwe concurs with the recommendation. As noted in the OIG report, the inadequate staffing in the Consular Section limits the amount of time available to develop SOPs for staff roles and responsibilities in a crisis, especially as staffing gaps continue to occur due to parental leave and resignations. The items for the Disaster Assistance Kits were included in the Consular Budget request. The embassy continues its efforts to recruit American Liaison volunteers.

OIG Recommendation 3: Embassy Lilongwe should conduct its fraud prevention program in accordance with Department standards. (Action: Embassy Lilongwe)

Consular Officer Response: Embassy Lilongwe concurs with the recommendation; however as noted, limited Consular staff have no opportunity to conduct fraud prevention activities or develop policies or standard operating procedures. Fraud prevention is ad hoc, depending on the circumstances and will continue as such until the section is more adequately staffed.

OIG Recommendation 4: Embassy Lilongwe should bring its nonimmigrant visa application process into compliance with Department standards. (Action: Embassy Lilongwe)

Consular Officer Response: Embassy Lilongwe concurs with the recommendation and has discontinued the policy of making applicants wait at least 6 months between non-immigrant visa interviews. A nonimmigrant visa applicant who has been refused may reapply at any time.

OIG Recommendation 5: Embassy Lilongwe should bring its panel physician program into compliance with Department standards. (Action: Embassy Lilongwe)

Consular Officer Response: Embassy Lilongwe concurs with the recommendation. The consular officer will visit the panel physician and conduct this annual inspection and renew the annual agreement by July 7, 2024.

OIG Recommendation 6: Embassy Lilongwe should establish a comprehensive foreign assistance coordination and collaboration mechanism in accordance with Department standards. (Action: Embassy Lilongwe)

Foreign Assistance Response: Embassy Lilongwe concurs with this recommendation and plans to initiate an interagency Foreign Assistance coordination committee to meet on a quarterly basis starting in the April – June 2024 timeframe.

OIG Recommendation 7: Embassy Lilongwe should implement standard operating procedures for management of federal assistance awards to ensure compliance with Department standards. (Action: Embassy Lilongwe)

Foreign Assistance Response: Embassy Lilongwe concurs with the recommendation. PEPFAR Malawi and the Pol-Econ small grants team identified examples from other countries (e.g. Namibia), developed, and finalized a 2024 Standard Operating Procedure. This SOP includes requirements in the management of foreign assistance awards from pre-award, post-award, and close out. The SOP involved inputs from PEPFAR, Pol-Econ, and PDS and included lessons learned following recent trainings of the assigned Grants Officer(s) to ensure alignment and compliance with best practice and DoS standards.

OIG Recommendation 8: Embassy Lilongwe, in coordination with the Bureau for Global Health Security and Diplomacy, should implement a corrective action plan to investigate and mitigate data integrity problems for the President's Emergency Program for AIDS Relief. (Action: Embassy Lilongwe, in coordination with GHSD)

Foreign Assistance Response: Embassy Lilongwe and the Bureau of Global Health Security and Diplomacy concur with the recommendation. PEPFAR Malawi and the Ministry of Health are aware of the irregularities with reporting on the current number of Malawian on treatment. Part of the issue stems from the absence of a unique identifier (such as biometrics or use of a National ID) which may lead to some double counting when clients “silently” transfer from one facility to another. Other issues in the form of reporting integrity have recently been identified at a small subset of sites, which was brought to the attention of the PEPFAR team in January 2024. It is projected to take three to four months for the interagency corrective action plan and data audit activity to commence, May to June 2024, pending agreement and availability of MOH.

OIG Recommendation 9: Embassy Lilongwe should bring its safety, health, and environmental management program into compliance with Department standards. (Action: Embassy Lilongwe)

Management Response: Embassy Lilongwe concurs with the recommendation. The embassy is addressing POSHO certification discrepancies including grounding deficiencies. The pool deficiencies have already been addressed and the MSDS records and forklift charging will be addressing sequentially. The expected completion date is December 2024.

OIG Recommendation 10: Embassy Lilongwe should bring its fire protection program into compliance with Department standards. (Action: Embassy Lilongwe)

Management Response: Embassy Lilongwe concurs with the recommendation. The embassy is addressing the recommendations from the January 2024 Fire and Life safety visit. Residential fire extinguisher inspections have already been addressed as well as the fire protection systems during the January 2024 visit by the OBO fire protection contractor. Emergency exit lights await inventory as well as exit doors. The expected completion date is December 2025.

OIG Recommendation 11: Embassy Lilongwe, in coordination with the Bureau of Overseas Buildings Operations, should conduct the required annual review of the Zomba Mountain Cottage to determine whether the property is economical to retain and if continued U.S. government ownership of the property is justified. (Action: Embassy Lilongwe, in coordination with OBO)

Management Response: Embassy Lilongwe concurs with the recommendation. We will plan a comprehensive assessment of the utility and economy of maintaining the property within the next four months. The property has been used in the past as lodging and meeting center for employees in Zomba, the former capital of Lilongwe. Many USAID and CDC projects are located in close proximity to the Zomba cottage. Management will try to prioritize completing this assessment, but it will take time given limited staffing in the section and the staffing gaps.

OIG Recommendation 12: Embassy Lilongwe should comply with applicable Department overseas motor vehicle safety requirements for chauffeurs and incidental drivers under chief of mission authority. (Action: Embassy Lilongwe)

Management Response: Embassy Lilongwe concurs with the recommendation. The embassy health unit is tracking medical certifications, and they are now 100% in compliance with government standards. Motor pool will work with each driver to ensure their driver licenses are valid as the Government of Malawi's policies and resourcing permit and continue to work to bring driver safety training into compliance.

OIG Recommendation 13: Embassy Lilongwe should manage its bulk fuel operation in accordance with Department standards. (Action: Embassy Lilongwe)

Management Response: Embassy Lilongwe concurs with the recommendation. The embassy has already begun implementing changes to the bulk fuel receiving procedure including gauging tank levels immediately prior to and after bulk fuel delivery and having receiving personnel on site at the time of delivery to confirm fuel received. These new procedures will be tested several times before they are captured in an SOP document. The fuel pumps were calibrated by the fuel pump supplier in February 2024. Additional steps need to be taken to address other aspects of bulk-fuel operations. This is one of several areas where the lack of an Assistant GSO hampers our ability to implement and sustain proper management controls.

Recommendation 14: Embassy Lilongwe should obtain authorization from the Bureau of Overseas Buildings Operations to use shipping containers for storage or remove them in accordance with Department standards. (Action: Embassy Lilongwe)

Management Response: Embassy Lilongwe concurs with the recommendation and will work to register these containers in RPA as required by OBO.

OIG Recommendation 15: Embassy Lilongwe, in coordination with the Bureau of Administration, should bring its furniture and appliance pool program into compliance with Department standards. (Action: Embassy Lilongwe, in coordination with A)

Management Response: Embassy Lilongwe concurs with the recommendation and is making incremental progress improving ILMS data and FAP management, but current staffing levels and training are grossly inadequate to correct years of deficient practices.

OIG Recommendation 16: Embassy Lilongwe should bring its property management procedures into compliance with Department standards. (Action: Embassy Lilongwe)

Management Response: Embassy Lilongwe concurs with the recommendation and has already taken steps to address many of the specific issues cited. Receiving clerks are now on site for all fuel deliveries. Since August 2023, prior to the OIG visit, we have required all acquisitions including petty cash purchases to be received by a receiving clerk before being delivered to a requestor, and those receiving reports are attached to the petty cash vouchers. Starting in the summer 2023 transfer season Post required newly arrived officers to sign a FAP inventory and conditions report. The 2022 annual inventory was the first conducted by the current management team and required correcting numerous errors and omissions, many of which stemmed from COVID era operating limitations. The 2023 annual inventory showed total shortages of expendable and non-expendable property of just 0.48% -- well below the Department standard of 1%. Post will struggle to address other property management deficiencies

including inventory spot counts and conducting twice-yearly reviews of property and property records until we have an Assistant GSO.

OIG Recommendation 17: Embassy Lilongwe should administer its contracts in accordance with Department standards. (Action: Embassy Lilongwe)

Management Response: Embassy Lilongwe concurs with the recommendation. As the OIG report notes, the embassy's sole CO is also the embassy's sole GSO. Multiple staffing reviews have determined the embassy's GSO position is impossibly over-stretched. We are making incremental progress to improve contract administration, but this is one of several areas where the lack of an Assistant GSO hampers our ability to implement and sustain proper management controls.

OIG Recommendation 18: Embassy Lilongwe should close out procurement files in accordance with Department standards. (Action: Embassy Lilongwe)

Management Response: Embassy Lilongwe concurs with the recommendation. Our ability to address this rapidly is constrained by current staffing levels and training which are grossly inadequate to correct nearly a decade of deficient closeout practices.

OIG Recommendation 19: Embassy Lilongwe should bring its local compensation plan and practices into alignment with Department authorizations. (Action: Embassy Lilongwe)

Management Response: Embassy Lilongwe concurs with the recommendation. Two of the three bullets in this recommendation occurred before the current dual hatted MO/HRO arrived at post in what was apparently a time of transition between officers. The responsibility for soliciting and signing the previous medical insurance contract was passed from one officer to another as transitions, medevacs, and curtailments occurred, and the contract was finally signed by a retiring TDY facility manager who held a CO warrant. The current MO/HRO is working closely with GTM/OE, the HE specialist, the GSO, and the procurement team to be sure everything is done properly to solicit the new contract as the current one expires in November 2024. In the past week, the embassy has updated its local compensation plan to reflect the recently authorized two percent salary increase, and all authorized changes are now included in the document. As the OIG report notes, the embassy has a dual-hatted MO/HRO. We have asked GTM/OE for advice on how to fix the housing allowance issue for the LE staff member and we are pending a response.

Recommendation 20: Embassy Lilongwe should bring its performance management program into compliance with Department standards. (Action: Embassy Lilongwe)

Management Response: Embassy Lilongwe concurs with the recommendation. The embassy will transition to Merit Based Compensation in February of 2025. MO and HR specialist are attending the training in May and have solicited both an Overseas Seasonal Hire Position and an EFM position to assist with the work necessary to accomplish this transition. Converting the embassy to the MBC system will bring the performance management program into compliance with Department standards.

OIG Recommendation 21: Embassy Lilongwe should bring its human resource procedures into alignment with Department standards. (Action: Embassy Lilongwe)

Management Response: Embassy Lilongwe concurs with the recommendation. The embassy now uses only the appropriate forms to log time and attendance, and all T&A approvers use the adobe tool for certifying signatures rather than just signing. We have begun having all employees who are sent to training sign the training repayment agreement prior to departing and adding these documents in the LE staff files. We are working on making sure that each LE Staff has a completed and signed pay plan and hiring mechanism form in their personnel file. This recommendation may take several months, as we remain understaffed in the HR section. We have begun tabulating the anti-nepotism arrangements that exist within the mission and will have the COM conduct the required annual review by the end of May 2024. Going forward, all members of the Post Employment Committee will attend any interviews for a new CLO. Finally, HR has begun tracking USDH absences from post greater than 30 days and stopping and restarting the differential allowance as necessary.

OIG Recommendation 22: Embassy Lilongwe should activate and test its satellite phones in accordance with Department standards. (Action: Embassy Lilongwe)

Management Response: Embassy Lilongwe concurs with the recommendation. The embassy has received SIM cards for the satellite phones which were ordered in June 2023 and has tested all devices.

OIG Recommendation 23: Embassy Lilongwe should implement a procedure for the post records coordinator to coordinate with the embassy's sections on implementing records management requirements. (Action: Embassy Lilongwe)

Management Response: Embassy Lilongwe concurs with the recommendation. The embassy now has a Management Policy on Records Management and will send out quarterly reminders to pertinent offices.

OIG Recommendation 24: Embassy Lilongwe should complete all information systems security officer responsibilities in accordance with Department standards. (Action: Embassy Lilongwe)

Management Response: Embassy Lilongwe concurs with the recommendation. Our ISSO completed the required training in January and our backup ISSO will complete the training in April. The ISSO has completed all items on the ISSO checklist, and we believe we are now in compliance with Department standards for ISSO responsibilities.

The point of contact for this memorandum is Heidi J. Schellenger.

CC: Bureau of African Affairs – Molly Phee, Assistant Secretary
Bureau of Administration – Alaina Teplitz, Assistant Secretary
Bureau of Global Health Security and Diplomacy – Dr. John N. Nkengasong, Ambassador-at-Large
Bureau of Overseas Buildings Operations – William Moser, Director

ABBREVIATIONS

CDC	Centers for Disease Control and Prevention
CO	Contracting Officer
COR	Contracting Officer's Representatives
DCM	Deputy Chief of Mission
EEO	Employment Opportunity
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
FAP	Furniture and Appliance Pool
FAST	First and Second Tour
ICASS	International Cooperative Administrative Support Services
ILMS	Integrated Logistics Management System
IM	Information Management
ICS	Integrated Country Strategy
ISSO	Information Systems Security Officer
LE	Locally Employed
OBO	Bureau of Overseas Buildings Operations
PEPFAR	President's Emergency Plan for AIDS Relief
POSHO	Post Occupational Health and Safety Officer
SIM	Subscriber Identity Module
USAID	U.S. Agency for International Development

OIG INSPECTION TEAM MEMBERS

Bruce Williamson, Team Leader

Timothy Wildy, Team Manager

Colleen Ayers

Wylita Bell

Robert David

Jill Derderian

Lisa Derrickson

Brett Fegley

Darren Felsburg

Matthew Lunn

Kathryn Schlieper

Joseph Talsma

Other Contributors

Dolores Adams

Leslie Gerson

Rebecca Sawyer



HELP FIGHT

FRAUD, WASTE, AND ABUSE

1-800-409-9926

www.stateoig.gov/HOTLINE

If you fear reprisal, contact the
OIG Whistleblower Coordinator to learn more about your rights.

WPEAOmbuds@stateoig.gov