

UNCLASSIFIED



**Office of Inspector General**  
**United States Department of State**

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ISP-I-20-32

Office of Inspections

September 2020

# **Inspection of Embassy Windhoek, Namibia**

BUREAU OF AFRICAN AFFAIRS

UNCLASSIFIED



# HIGHLIGHTS

Office of Inspector General  
United States Department of State

ISP-I-20-32

## What OIG Inspected

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

## What OIG Recommends

OIG made 11 recommendations: 10 recommendations to Embassy Windhoek and 1 recommendation to the Bureau of African Affairs.

In its comments on the draft report, the Department concurred with all 11 recommendations. OIG considers all 11 recommendations resolved. The Department's response to each recommendation, and OIG's reply, can be found in the Recommendations section of this report. The Department's formal written responses are reprinted in their entirety in Appendix B.

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OFFICE OF INSPECTIONS

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## Inspection of Embassy Windhoek, Namibia

### What OIG Found

- The Ambassador and Deputy Chief of Mission set a positive leadership tone and led Embassy Windhoek in a professional and collaborative manner consistent with the Department of State's leadership principles.
- Although the embassy submitted the required Statement of Assurance on internal controls, it did not identify and report long-standing deficiencies.
- The memorandum of understanding for the American Corner in Keetmanshoop expired in 2017 and had not been renewed to address current Department standards.
- The embassy did not properly award, execute, and administer contracts in accordance with Department and Federal acquisition standards, and it had at least \$1.37 million in unauthorized commitments.
- Although the embassy conducted considerable consular crisis management planning, the program did not fully comply with Department guidance.
- Spotlight on Success: The Information Management Section installed a solar- and wind-powered repeater for the ultra-high frequency radio emergency and evacuation system to address service disruption resulting from frequent power outages. This action resulted in access to uninterrupted emergency and evacuation radio communication and saved \$18,000 in electricity bills.

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## CONTEXT



**Figure 1:** Map of Namibia (Source: CIA World Factbook)

A former German colony that was later occupied by South Africa, Namibia gained independence in 1990. Namibia is a stable democracy, with a history of respect for human rights. Sparsely populated, it is a desert country of 2.5 million people in southern Africa that is approximately twice the size of California.

According to the World Bank, Namibia is an upper middle income country with a 2018 gross domestic product of \$14.52 billion. However, it faces significant income inequality, with 33.4 percent of the population unemployed. The economy is also vulnerable to world commodity price fluctuations and drought. It is heavily dependent on the extraction and processing of minerals for export, which accounts for about 12.5 percent of gross

domestic product. Rich diamond deposits make Namibia a primary source for gem-quality diamonds, and it is also one of the world's largest producers of uranium.

Embassy Windhoek's 2019 Integrated Country Strategy (ICS) focuses on three goals:

- Strengthening Namibia's ability to build on its good governance to promote opportunity and sustainability for the country and its people.
- Increasing U.S.-Namibia trade and investment to promote prosperity in both countries.
- Further strengthening the U.S.-Namibia partnership.

Since 2004, Namibia has received more than \$1 billion in funding through the President's Emergency Plan for AIDS Relief (PEPFAR). PEPFAR constitutes the primary source of U.S. foreign assistance to Namibia and accounted for more than 99 percent of the FY 2019 \$89.6 million assistance budget for Namibia.

The embassy comprises five buildings located in different areas of Windhoek. In November 2018, the Department of State (Department) purchased property for the construction of a new embassy compound.

At the time of the inspection, Embassy Windhoek's authorized staff included 46 U.S. direct-hire employees, 8 eligible family member employees, and 166 locally employed (LE) staff. Of the 46 U.S. employees, 26 worked for the Department and 20 worked for other U.S. Government agencies, including the U.S. Agency for International Development (USAID), the Peace Corps, and the Departments of Defense and Health and Human Services.

OIG evaluated the embassy's policy implementation, resource management, and management controls consistent with Section 209 of the Foreign Service Act of 1980.<sup>1</sup> A companion classified inspection report discusses the embassy's security program, including issues affecting the safety of embassy personnel and facilities, as well as several Sensitive But Unclassified findings related to the embassy's information management program.

## EXECUTIVE DIRECTION

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OIG assessed leadership on the basis of interviews, staff questionnaires, and OIG's review of documents and observations of meetings and other activities during the course of the on-site portion of the inspection.

### **Tone at the Top and Standards of Conduct**

The Ambassador, a career member of the Senior Foreign Service, arrived in February 2018 after serving as the Chargé d'Affaires at Embassy Nassau, The Bahamas, from 2014 to 2017. From 2012 to 2014, she was the Director of the Office of Africa and the Middle East in the Bureau of International Narcotics and Law Enforcement Affairs. The Deputy Chief of Mission (DCM) arrived in July 2017 after serving as the Deputy Director and then acting Director of the Office of East African Affairs.

OIG found the Ambassador and DCM set a positive leadership tone and led the embassy in a professional and collaborative manner consistent with the Department's leadership principles in 3 Foreign Affairs Manual (FAM) 1214. Embassy staff told OIG that the Ambassador and DCM complemented each other's management style and communicated a consistent message. Numerous staff told OIG that the Ambassador and DCM were the best team with which they had worked. The Ambassador focused on the embassy's strategic direction and engagement, and the DCM took the lead on internal management and mentoring. During the inspection, OIG observed that both the Ambassador and DCM encouraged coordination and teamwork in Country Team meetings and internal working group meetings.

Embassy staff told OIG that the Ambassador and DCM promoted and modeled high ethical standards. Staff viewed both the Ambassador and DCM as open to divergent views and accessible to employees. Staff credited the Ambassador as being strategic, well informed on key issues, and interested in staff morale. For example, she visited embassy annexes to attend staff meetings and invited American and LE staff for lunch at her residence. During the inspection, the Ambassador hosted eligible family member employees at an event, "2020 State of the Embassy," to discuss security concerns. The DCM was credited by staff as being a clear and timely decision-maker who was engaged and an excellent mentor. OIG noted that the DCM provided embassy staff with developmental opportunities and feedback.

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<sup>1</sup> See Appendix A.

## **Execution of Foreign Policy Goals and Objectives**

The Department approved Embassy Windhoek's ICS in May 2019. In January 2020, the DCM began a review of the embassy's strategic priorities in accordance with Department instructions.<sup>2</sup> In both instances, embassy staff reported to OIG that the DCM actively sought their input and views and that they found the process to be inclusive.

Namibia's PEPFAR program is close to meeting the embassy objective to attain HIV epidemic control through sustainable health systems. As a result, according to Department officials, embassy leadership successfully advocated to begin planning the next phase of the program: transition to Namibian-led program implementation. Embassy staff informed OIG that the Ambassador and DCM worked closely with PEPFAR implementing agencies and the host government to develop and implement plans for a sustainable transition to Namibian ownership of the program.

OIG found the Ambassador used her extensive contacts within the Namibian Government and civil society organizations and with international organizations located in Namibia to promote U.S. priorities, including successfully advocating for Namibia to end commercial ties with the Democratic People's Republic of Korea. OIG reviewed the Ambassador's calendar for November 2019 to January 2020 and noted that it included several meetings with Namibian officials and representatives of international organizations, PEPFAR events, and other initiatives. For example, in January 2020, the Ambassador met with the President of Namibia to discuss \$8.7 million in U.S. food assistance for drought relief efforts and to highlight U.S. efforts to promote the early detection of cervical cancer in Namibia. The meeting received positive coverage in the Namibian press and social media.

## **Adherence to Internal Controls**

The Ambassador and DCM completed the FY 2019 Chief of Mission Annual Management Control Statement of Assurance process in accordance with Department standards in 2 FAM 022.7 and 2 FAM 021.1. The DCM led the process to develop the Statement of Assurance and included all sections of the embassy. The Consular and Management Sections reported internal control deficiencies. During the inspection, OIG found additional internal control deficiencies, which are described throughout this report. For example, OIG found that the embassy did not follow required management internal controls in contracting, which led to unauthorized commitments. OIG advised the Ambassador and DCM that a more rigorous and regular review of the Department's internal control checklists, which are to be used in preparing the Statement of Assurance, could help to identify and resolve deficiencies. The Ambassador and DCM agreed.

The DCM carried out regular reviews of the Consular Section chief's nonimmigrant visa adjudications, as required by 9 FAM 403.12-1a.

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<sup>2</sup> Cable 19 STATE 126874, "Annual Strategy Reviews: Demonstrate Impact and Policy Alignment," December 4, 2019.

## **Security and Emergency Planning**

OIG found that the Ambassador's leadership of the embassy's security program was consistent with the President's Letter of Instruction to Chiefs of Mission, which requires the Ambassador to take full and direct responsibility for the security of the embassy and its personnel. Staff told OIG that the Ambassador and DCM led by example when it came to security. Both met with the Regional Security Officer regularly and participated in emergency drills and radio checks. For example, the Ambassador reviewed radio checks and followed up with those who did not participate. The DCM chaired the embassy's Emergency Action Committee, which reviewed potential risks that could affect the health, safety, and security of embassy employees and resident U.S. citizens in accordance with 12 Foreign Affairs Handbook (FAH)-1 H-232. The embassy's emergency action plan was certified by the Department and published in February 2020.

OIG confirmed that the embassy submitted to the Department its annual review of the security memorandum of agreement between the Chief of Mission and the Department of Defense geographic combatant commander, as required by 2 FAH-2 H-116.4b.<sup>3</sup>

## **Equal Employment Opportunity**

OIG found the embassy's Equal Employment Opportunity (EEO) program met Department requirements in 3 FAM 1514.2.<sup>4</sup> OIG observed that the embassy posted on bulletin boards in the chancery information about the EEO program and instructions about how to contact the EEO counselor and LE staff liaisons. Additionally, embassy staff told OIG that the Ambassador and DCM supported EEO principles and that the Ambassador raised the importance of EEO principles at Country Team meetings.

## **Developing and Mentoring Foreign Service Professionals**

The DCM oversaw a development program for the embassy's two First- and Second-Tour (FAST) employees in accordance with 3 FAM 2242.4. He met with each employee twice a month to offer individual mentoring and to draw up development goals linked to work goals. The two FAST employees spoke highly of these sessions with the DCM. In addition, because many section and agency chiefs were serving in their roles for the first time, the DCM instituted an

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<sup>3</sup> In December 1997, the Secretaries of Defense and State signed an agreement to address the security of Department of Defense personnel located overseas. The Secretary of State agreed, pursuant to 22 U.S.C. 4805(a), to delegate operational control of security functions for certain Department of Defense personnel to the Secretary of Defense. This agreement is implemented through country-level memoranda of agreement between the chief of mission and relevant geographic combatant commander. See 2 FAH-2 H-116.4a, "COM Security Responsibility and the Department of Defense."

<sup>4</sup> Department standards in 3 FAM 1514.2, which were current at the time of the inspection, stated that chiefs of mission shall nominate one or more EEO counselors, with a goal of ensuring one certified counselor for overseas posts with less than 50 employees, and it was "strongly encouraged" that chiefs of mission nominate more than one counselor at overseas posts with more than 50 employees. The Department updated the standards in 3 FAM 1514 in March 2020.

expanded professional development program for all embassy staff, which occurred once a month. Topics included the ICS, working with Washington, and records management.

## **POLICY AND PROGRAM IMPLEMENTATION**

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OIG assessed Embassy Windhoek's policy and program implementation through a review of the advocacy and analysis work of the Political-Economic Section, the public diplomacy efforts of the Public Diplomacy Section, the oversight of interagency partners implementing the PEPFAR program, grants administration, and the provision of American citizen and visa services by the Consular Section. OIG found the embassy generally met Department requirements for policy and program implementation, with the exceptions discussed below.

### **Political-Economic**

OIG reviewed the Political-Economic Section's leadership and management, policy implementation, reporting and advocacy, Leahy vetting, commercial promotion, and end-use monitoring functions. OIG found these functions to be in compliance with Department standards.

OIG concluded that the embassy's reporting and advocacy work supported ICS goals and other U.S. national interests. Department offices praised the embassy's reporting for its quality and relevance, highlighting reporting on national elections and the 30th anniversary of Namibian independence. OIG reviewed 104 cables sent by the embassy from July 2019 to January 2020 and found the reporting to be relevant to embassy strategic objectives. OIG also found that the embassy's Leahy vetting<sup>5</sup> standard operating procedure was current and that the embassy implemented the program in accordance with Department standards.<sup>6</sup> The embassy vetted 230 cases in 2019.

### **Public Diplomacy**

OIG reviewed Embassy Namibia's public diplomacy operations, including strategic planning, reporting, section leadership, resource management, American Spaces, educational and cultural programs, and outreach to the public. OIG found that the Public Diplomacy Section effectively managed a broad range of public diplomacy resources and activities in line with ICS goals, incorporating priorities from many of the embassy's other sections and agencies. OIG found the embassy's public diplomacy activities met Department standards and guidance, with the exceptions noted below.

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<sup>5</sup> The Leahy Amendment to the Foreign Assistance Act of 1961 prohibits the Department from furnishing assistance to foreign security forces if the Department receives credible information that such forces have committed gross violations of human rights. See 22 U.S.C. § 2378d.

<sup>6</sup> Bureau of Democracy, Human Rights, and Labor, 2017 Leahy Vetting Guide.



### ***Regional Bureau Did Not Implement Key Staffing Initiative for Embassy Windhoek Locally Employed Staff***

The Public Diplomacy Section was unable to implement the Public Diplomacy Staffing Modernization Initiative<sup>7</sup> because of regional bureau delays. As a result, the section was unable to update obsolete LE staff position descriptions or undertake staffing realignments required by Department guidance. Section staff reported that they were working under position descriptions that failed to capture new or changed duties or contained other inaccuracies. Bureau of African Affairs staff told OIG that the bureau delayed implementation of the initiative because of competing priorities and the bureau's own staffing limitations. However, 3 FAM 7313.1(4) states that section supervisors are responsible for ensuring that LE position descriptions adequately and accurately reflect currently assigned duties and responsibilities. Invalid, incorrect, or outdated position descriptions may cause unnecessary burdens on staff, cause staff to work on issues unrelated to organizational goals, overburden section workloads, and result in inequitable compensation for employees.

**Recommendation 1:** The Bureau of African Affairs, in coordination with the Office of Policy, Planning, and Resources for Public Diplomacy and Public Affairs and Embassy Windhoek, should implement the Public Diplomacy Staffing Modernization Initiative at Embassy Windhoek. (Action: AF, in coordination with R/PPR and Embassy Windhoek)

### ***American Corner in Keetmanshoop Did Not Meet Department Standards***

OIG determined that the embassy's American Corner<sup>8</sup> in Keetmanshoop did not meet Department standards.<sup>9</sup> The embassy's memorandum of understanding (MOU) with the host institution, the Ministry of Education, Arts, and Culture, expired in 2017 and had not been renewed to address current requirements. Because American Corners are, by definition, partnerships with host country institutions, the facility cannot be considered an "American Space" without a current MOU.<sup>10</sup> In addition, the American Corner contained outdated, non-functioning computer equipment and lacked resources and programming necessary to effectively advance public diplomacy goals.<sup>11</sup> This problem occurred, in part, because Embassy Windhoek had not successfully worked with the host institution to address them. Moreover, resolution of these issues would be a precondition to signing a new MOU. Department standards state that American Spaces should offer a welcoming and inspiring environment, trained staff, and modern technologies necessary to connect with foreign publics. The

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<sup>7</sup> The Public Diplomacy Staffing Modernization Initiative is a holistic review and realignment of the organizational structure of public diplomacy sections globally by the Department. It is centered on the revision of all LE staff position descriptions to align them with the Public Diplomacy Strategic Framework.

<sup>8</sup> American Corners are partnerships with host country institutions and are governed by a memorandum of understanding between the institution and a U.S. embassy or consulate. See 10 FAM 387.1c(1).

<sup>9</sup> The Bureau of International Information Programs' Office of American Spaces, "The Standards for American Spaces," January 1, 2016, contains guidance to embassies and consulates on the standards of services and programs that American Spaces should offer.

<sup>10</sup> 10 FAM 387.2, "Standards for American Spaces."

<sup>11</sup> Bureau of Educational and Cultural Affairs, "Vision of a Modern American Space."

deficiencies identified by OIG increased the risk that the American Corner in Keetmanshoop would not meet embassy priorities.

**Recommendation 2:** Embassy Windhoek should comply with Department standards in managing the American Corner in Keetmanshoop. (Action: Embassy Windhoek)

## **President's Emergency Plan for AIDS Relief**

The U.S. Government has invested more than \$1 billion since 2004 through PEPFAR in Namibia for testing, treatment, prevention, and comprehensive health and social services programs to combat HIV/AIDS, including \$89.1 million in FY 2019. OIG reviewed PEPFAR interagency coordination, program performance, grants administration, and planning for transition to local, Namibian-led program implementation. OIG did not identify issues that required corrective action, with the exception noted below in grants administration.

### ***Namibia Ahead of Schedule to Meet Key HIV/AIDS Goals***

OIG found that the PEPFAR Coordinator at Embassy Windhoek worked effectively with counterparts to advance PEPFAR's mission. The Department estimated that Namibia was close to achieving Joint United Nations Programme on HIV/AIDS goals<sup>12</sup> for HIV testing, treatment, and viral suppression. According to PEPFAR estimates,<sup>13</sup> 94 percent of persons living with HIV<sup>14</sup> in Namibia know their status, 96 percent of those who know their status are under antiretroviral drug treatment, and 95 percent of those treated are virally suppressed. As described below, PEPFAR Namibia is now turning its focus to achieving sustained epidemic control<sup>15</sup> by working with the Government of Namibia to optimize donor-funded healthcare functions and transition ownership of HIV/AIDS prevention and treatment programs to the host government.

### ***Long-Term Program Sustainability, Progress on Local Partner Transitions Requires Support***

To achieve full national ownership of HIV/AIDS healthcare in Namibia, the embassy's PEPFAR team prioritized certain development issues necessary to achieve sustainability, including strengthening the capacity of the host government's healthcare workforce and ensuring that reliable supply chains exist for health commodities procurement. PEPFAR Namibia also developed a sustainability framework with the Ministry of Health to guide the program's transition to host government ownership. In 2019, PEPFAR successfully realigned implementing agency responsibilities between USAID and the Centers for Disease Control and Prevention to

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<sup>12</sup> 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. Namibia has already surpassed the 2020 goals that set a 90 percent target for each indicator.

<sup>13</sup> U.S. President's Emergency Plan for AIDS Relief, PEPFAR Namibia Country Operational Plan 2019, April 5, 2019.

<sup>14</sup> PEPFAR's most recent epidemiological study estimates that 208,182 people are living with HIV in Namibia.

<sup>15</sup> HIV/AIDS epidemic control is defined as the point at which new HIV infections decrease and fall below the number of AIDS-related deaths.

reduce duplication of responsibility in several program areas, improve efficiency, and facilitate efforts to transition the programs to Namibian partners.

Despite these efforts to achieve sustainability, OIG found that PEPFAR Namibia had not created a strategy for local partner transitions that incorporated sustainability targets and anticipated resource requirements. PEPFAR Namibia staff stated that their greatest challenge is securing the resources necessary to build local capacity for these transitions. For example, the Office of the U.S. Global AIDS Coordinator and Health Diplomacy's FY 2020 budget guidance for Namibia directed that most of the \$84.2 million budget be used for existing prevention, care, and treatment programs, with only \$3 million left for discretionary uses, including efforts to build local partner capacity. OIG advised the embassy's PEPFAR team, and it agreed, to coordinate with the Office of the U.S. Global AIDS Coordinator and Health Diplomacy to more fully develop sustainability planning and resource requirements in future PEPFAR budget plans.

## **Grants Administration**

OIG found deficiencies in managing Federal assistance awards across the embassy, including grants and cooperative agreements managed by the Public Diplomacy and Political-Economic Sections and in the Office of the PEPFAR Coordinator.<sup>16</sup> These deficiencies included award notices that were missing recipient signatures and monitoring reports and incomplete close-out records. Embassy Windhoek corrected most of these deficiencies during OIG's inspection. The embassy also established new standard operating procedures to improve internal controls, and the DCM planned to schedule on-site training to certify additional grants officer representatives. OIG advised the embassy, and it agreed, to improve procedures primarily related to the close-out process and monitoring reports.

## **Consular Affairs**

OIG reviewed Embassy Windhoek's consular operations, including section leadership, American citizen services, crisis preparedness, management controls, visa services and processing, outreach, and fraud prevention programs. The Consular Section delivered American citizen services to a community that included an estimated 1,100 U.S. citizen residents and an estimated 2,600 American citizen visitors annually. The section processed 136 citizenship cases in FY 2019. In addition, the section adjudicated 2,354 nonimmigrant visas in FY 2019. Consulate General Johannesburg, South Africa, processed immigrant visas for citizens and residents of Namibia. With the exceptions described below, OIG found the Consular Section's operations generally complied with Department guidelines in 7 FAM, 8 FAM, 9 FAM, and 7 FAH.

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<sup>16</sup> OIG reviewed these awards in accordance with the Department of State Federal Assistance Directive, which establishes internal guidance, policies, and procedures for all domestic and overseas grant-making bureaus, offices, and posts within the Department that administer Federal financial assistance. This directive is effective as of May 20, 2017, and updates and replaces the previous Federal Assistance Policy Directive and the Procedural Guide issued by the Office of the Procurement Executive, Federal Assistance Division (A/OPE/FA).

### ***Embassy Completed Some Crisis Preparation, But Needed to Do More***

The Consular Section's crisis preparedness did not fully comply with Department guidance. The section had conducted considerable crisis management planning. For example, it expanded its contacts with Namibia's tourism sector to improve its ability to support U.S. citizens in emergencies and conducted training and exercises that included LE staff from other sections of the embassy. However, it did not have a disaster assistance kit filled with supplies, equipment, and information a consular officer might need to function offsite in an emergency situation, as required by 7 FAM 1814.3. In addition, the Consular Section did not take steps to plan and prepare for a crisis, in accordance with guidance in 7 FAH-1 H-292.3b-c and 7 FAM 1811c. Specifically, the section did not complete the Consular Crisis Preparedness Scorecard<sup>17</sup> or the Consular Risk Assessment Tool<sup>18</sup> to identify and mitigate country-specific risks to U.S. citizens. OIG found the problem occurred because the section had not focused on crisis preparedness guidance. Failure to comply with such guidance puts U.S. citizens and consular staff at risk in an emergency.

**Recommendation 3:** Embassy Windhoek should create and maintain a disaster assistance kit and prepare for potential disasters by completing the Consular Crisis Preparedness Scorecard and the Consular Risk Assessment Tool in accordance with Department guidance. (Action: Embassy Windhoek)

### ***Consular Cashiering Operations Did Not Fully Comply With Department Standards***

The embassy's consular cashiering operations did not fully comply with Department standards, as described below:

- Accountable officer and consular cashier files did not contain all records required by 7 FAH-1 H-746.1 and 7 FAH-1 H-746.2. Specifically, they did not contain records of random, unannounced cash verifications. In addition, consular cashier files did not contain copies of automated cash register end-of-day reports.
- A consular cashier did not follow procedures in 7 FAH-1 H-726.2-5a-d for end-of-day procedures, resulting in a fee discrepancy going unreported for several days.
- The Schedule of Fees posted in the consular waiting room was not current, as required by 7 FAH-1 H-713b. The schedule was dated April 2018, while the most current schedule was effective in July 2019.

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<sup>17</sup> As outlined in cable 14 STATE 60380, "Measuring Consular Crisis Preparedness: Announcing the First CA Metric," May 19, 2014, the Consular Crisis Preparedness Scorecard is an online tool developed by the Bureau of Consular Affairs to assist consular sections in assessing and improving their crisis readiness.

<sup>18</sup> The Consular Risk Assessment Tool is an online instrument developed by the Bureau of Consular Affairs to determine which hazards present the most critical threat to the safety and security of the U.S. citizen community within a post's consular district, as well as to provide a roadmap to mitigate these risks.

These discrepancies occurred because of the Consular Section's lack of attention to and familiarity with applicable regulations and disorganized record-keeping. Failure to adhere to Department standards increases the risk of theft or misuse of funds.

**Recommendation 4:** Embassy Windhoek should bring its consular cashiering operations into compliance with Department standards (Action: Embassy Windhoek)

## **RESOURCE MANAGEMENT**

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OIG reviewed Embassy Windhoek's internal control systems and processes in human resources, financial management, general services, and facilities management. During the inspection, the embassy corrected the following deficiencies:

- The Facility Manager updated the Post Occupational Safety and Health Officer certification application database to include previously missing property certifications for the Centers for Disease Control and Prevention, USAID, and Peace Corps offices, as required in 15 FAM 252.5c.
- The General Services Officer reviewed, updated, and released the embassy's motor vehicle and motor vehicle safety policies in accordance with 14 FAM 433.1a and b. In addition, the embassy readjusted the embassy's fee for other authorized motor vehicle use, as required by 14 FAM 432.9a.

OIG concluded that the Human Resources and Facility Management Offices generally implemented required processes and procedures in accordance with applicable laws and Department guidance. However, OIG found deficiencies in financial management, motor pool, property management, and contracting, as described below. OIG determined that many of the deficiencies noted in this report predated the arrival of the Management and General Services Officers in summer 2019 and the arrival of the Financial Management Officer in December 2019, which ended a 7-month gap in that position. Although the new Management Officer was aware of most of the deficiencies and had developed a comprehensive tracker to monitor them, the embassy still had work to do to fully resolve the deficiencies.

### **Financial Management**

#### ***Financial Management Operations Did Not Comply With Department Standards***

OIG identified the following internal control deficiencies in the embassy's financial management operations:

- Deposits for value-added tax reimbursements were held in the suspense deposits abroad account for over 30 days, contrary to guidance in 4 FAH-3 H-326.2-7, and the embassy had not taken action to clear them.
- The section had approximately 54 occasional money holders, many of whom lacked the designation required by 4 FAH-3 H-394.2-8a.

- One of the alternate cashiers had not taken cashier-related training in more than 9 years, contrary to guidance in the Cashier Users Guide 3.3.6 M, which requires alternate cashiers to be “well trained and competent in subcashiering regulations, and guidelines.”
- Monthly consular collection reconciliations were missing supporting documentation and Financial Management Officer verifications, as required by 4 FAH-3 H-397.1-4.

As mentioned above, the Financial Management Officer position was vacant from May to December 2019. Although four different temporary duty staff filled this position for periods of 2 to 3 weeks each, the lack of continuity resulted in insufficient oversight and supervision of the embassy’s financial management operations. Although the embassy made progress in identifying, tracking, and resolving these internal control deficiencies, OIG determined that there was still more to be done to fully meet Department standards. Unaddressed, these internal control deficiencies in financial management increase the possibility of theft and misappropriation of Department funds.

**Recommendation 5:** Embassy Windhoek should resolve financial management internal controls deficiencies to meet Department standards. (Action: Embassy Windhoek)

## General Services

### ***Failure to Manage Contracts in Accordance With Department Standards Increased the Risk of Improperly Awarded Contracts***

The embassy did not properly award, execute, and administer contracts in accordance with Department and Federal acquisition standards. Of the embassy’s 49 contracts totaling \$2.26 million, OIG examined 5 contracts totaling \$1.37 million and found the following deficiencies:

- The embassy did not correctly use Department standard solicitations. As a result, solicitations did not have terms, conditions, and provisions, as called for in 14 FAH-2 H-414a.
- The required contract clauses were not included in the final awards, as required by 14 FAH-2 H-414.1.
- The embassy signed initial awards without base and option years, yet exercised option years without any formal agreement, documentation, or justification, as required by Federal Acquisition Regulation (FAR) 17.205.
- Contract files lacked key documentation, such as solicitation documents, scopes of work, pricing for additional services, and letters to unsuccessful bidders, as required by Department of State Acquisition Regulation 604.803-70(a).
- The embassy did not justify decisions to contract without full and open competition by citing the appropriate statutory authorities, in accordance with 14 FAH-2 H-225a-b, and the justifications did not follow the correct content as called for in FAR 6.303-2.
- Contracting officer’s representatives did not consistently complete their contracting performance assessments, as required by 14 FAH-2 H-142b(21) and FAR 42.1502(a).

These deficiencies occurred because the embassy's contracting staff lacked knowledge of contract execution and administration. In addition, a lack of direct supervision and oversight of the LE staff exacerbated these deficiencies. Inadequate oversight of contracts can result in excessive costs, misuse of U.S. Government resources, and substandard contractor performance.

Based on the lack of required contract supporting documentation, OIG could not verify whether Department funds were appropriately obligated. As a result, OIG questioned whether the contracts were properly awarded and valid. The failure of the General Services Office to administer contracts in accordance with Department standards increases the risk of fraud or misuse of U.S. Government funds. Given the significant issues with the contracts OIG reviewed, OIG determined that a full review of the embassy's contract files, totaling \$2.26 million, was needed. OIG also advised the embassy to seek the Bureau of Administration's Office of Procurement Executive's assistance in addressing the contract deficiencies because of the significance of these deficiencies and inadequate contract administration.

**Recommendation 6:** Embassy Windhoek, in coordination with the Bureau of Administration, should verify and document that all of the embassy's contracts, valued at \$2.26 million, were properly awarded and that the funds were used for their intended purpose. If not, Embassy Windhoek should recover any funds that were not used properly. (Action: Embassy Windhoek, in coordination with A)

### ***Embassy Incurred Unauthorized Commitments***

In addition to the contract award and execution issues listed above, OIG found the embassy incurred unauthorized commitments, totaling \$1.37 million, for the five contracts that OIG reviewed. According to 14 FAM 215a, an unauthorized commitment occurs when a contractual agreement is made that is not binding to the U.S. Government because the official who made the agreement lacked the requisite authority to do so. Generally, only warranted contracting officers, acting within the limits of their warrants or acting upon specific authorization from the Bureau of Administration's Office of the Procurement Executive, may sign acquisition agreements. OIG determined that the unauthorized commitments for four of the contracts occurred because the embassy's contracting officer signed awards with a total value that exceeded the contracting officer's warrant of \$250,000 when the option years were included. Any contract exceeding the contracting officer's warrant should be submitted for approval to the Bureau of Administration's Office of the Procurement Executive, according to guidance in the Overseas Contracting and Simplified Acquisition Guidebook.<sup>19</sup> For the fifth contract reviewed by OIG, the embassy exercised option years on the contract despite the fact the contract did not contain option year provisions.

Unauthorized commitments can create personal liability for the individual who made the commitment; moreover, vendors may be at risk of not receiving payment for services

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<sup>19</sup> Department of State Office of the Procurement Executive, Overseas Contracting and Simplified Acquisition Guidebook, 21st edition, January 2020. See chapter 1, section IV, "A/OPE Contract Review."



performed and goods delivered under a contract that constitutes an unauthorized commitment. Department guidance permits the conversion of unauthorized commitments to legal contracts by ratifying the commitments in question. Actions exceeding \$1,000 must be ratified by the Bureau of Administration's Office of the Procurement Executive.

**Recommendation 7:** Embassy Windhoek, in coordination with the Bureaus of African Affairs and Administration, should review unauthorized commitments totaling \$1.37 million to determine whether they should be ratified in accordance with Department standards. (Action: Embassy Windhoek, in coordination with AF and A)

### ***Embassy's Property Management Did Not Comply With Department Standards***

OIG identified five internal control deficiencies related to the embassy's management of \$4 million in nonexpendable property and \$380,000 in expendable property.<sup>20</sup> OIG noted that the embassy's last two annual inventories showed shortages in nonexpendable property of over 1 percent.<sup>21</sup> The embassy had a shortage of 2 percent in 2018 and 3.2 percent in 2019. Internal control and process issues in FY 2019 led to the deficiencies noted below:

- **Embassy disposed of nonexpendable property prior to end of life cycle.** The embassy disposed of \$276,000 of nonexpendable property items prior to the end of their life cycle in FY 2019. This amounted to 53.7 percent of all disposals. Of the 656 items disposed of early, 581 items were household furniture. In addition, another 197 items, with a total value of \$82,900, were disposed of without ever being used. Guidance in 14 FAM 412.3a requires that all agencies use U.S. Government-wide minimum replacement standards for furniture, and 14 FAM 412.3b and 14 FAH-1 H-213c establish Department minimum replacement standards for different types of property.
- **Property transfers lacked documentation.** The embassy did not document all nonexpendable property transfers or record them in the Department's Integrated Logistics Management System (ILMS).<sup>22</sup> OIG found that 33.6 percent of all property transfers to residential locations in FY 2019, amounting to \$110,913, did not have the

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<sup>20</sup> In 14 FAM 411.4, the Department defines expendable property as, "[p]roperty which, when put in use, is consumed, loses its identity, or becomes an integral part of another item of property. Examples are office supplies, automobile tires, machine parts, and installed computer parts (regardless of cost)." In that same section of the FAM, the Department defines nonexpendable property as, "[p]roperty such as furniture, office machines, information technology (IT) equipment, and communications equipment, which is:(1) [c]omplete in itself; (2) [d]oes not lose its identity or become a component part of another item when used; and (3) [i]s of a durable nature with anticipated useful life of over 2 years."

<sup>21</sup> Nonexpendable inventory shortages over 1 percent must be reported to the Department's Property Management Branch, as well as the embassy's property survey board for further investigation.

<sup>22</sup> ILMS is an integrated web-based system that encompasses all of the Department supply chain functions in one system. It is designed to upgrade Department supply chain management by improving operations in purchasing, procurement, warehousing, transportation, property management, personal effects, and diplomatic pouch and mail.



appropriate documentation. Department standards in 14 FAM 425.3-6 require the use of a specific form (DS-584) to authorize and document the relocation, reutilization, or redistribution of nonexpendable property. This information also must be recorded in ILMS.

- **Residential inventories were not validated by occupants.** The embassy did not require occupants of embassy residences to sign inventories of furniture and equipment assigned to the residence. Guidance in 14 FAM 416.3a requires a physical inventory of property assigned to the residence to be taken at the time of a change in occupancy, and all parties must sign the inventory. Although the embassy conducted residential inventories regularly, the property staff did not obtain the necessary signatures from the occupants to verify that the inventory was correct.
- **Facilities management expendable supplies were not controlled or accounted for in expendables inventory.** The embassy lacked adequate internal controls over the management of facilities maintenance expendable supplies (maintenance stock, materials, and spare parts). Department standards in 14 FAM 414.4(1-2) require the embassy to maintain control of stock inventory and establish adequate safeguards and controls to ensure that supplies are issued for official use. The embassy did not, however, control access to these expendable supplies, allowing all facilities maintenance staff to access the inventory storage area as needed. In addition, the embassy did not inventory and enter the facilities expendable supplies into ILMS, the system of record according to 14 FAM 414.2-1a(2).

OIG found these deficiencies occurred because of a lack of documented property management processes and procedures and insufficient oversight and supervision of the property management unit. OIG noted that the embassy was aware of these deficiencies and was working to address them. Nonetheless, poor oversight of property management, combined with a failure to adhere to Department guidance, increases the risk of waste, fraud, and abuse of resources.

**Recommendation 8:** Embassy Windhoek, in coordination with the Bureau of Administration, should implement and enforce property management internal controls and standard operating procedures in accordance with Department standards. (Action: Embassy Windhoek, in coordination with A)

### ***Embassy's Motor Vehicle Fleet Operations Did Not Comply With Department Standards***

The embassy's motor pool fleet did not comply with Department standards. Specifically, the embassy included six vehicles from USAID in its fleet without proper authorization or approval. In 2015 and 2016, the embassy, on behalf of USAID, scheduled these vehicles for disposal. However, rather than disposing of these vehicles, the embassy added them to its fleet but did

not obtain approval from either USAID or the Department<sup>23</sup> for the transfer of the vehicles into the embassy's Department and International Cooperative Administrative Support Services (ICASS)<sup>24</sup> fleets, as required by 14 FAM 436.3-3b. In addition, the embassy did not submit a justification to approve the increase in its fleet as required in 14 FAM 436.3-3b. Because these vehicles were never accounted for in the embassy's motor vehicle inventory, in accordance with 14 FAM 436.5a, the embassy did not capture key operational data on vehicle dispatch, maintenance, and fuel, as required by 14 FAM 431.6-2b(7). Embassy staff told OIG that they were not sure why the vehicle transfer had not been approved or authorized. Without correctly accounting for its motor vehicle fleet and not having reliable fleet composition data and costs, the embassy cannot effectively manage the efficiency of its fleet operations.

**Recommendation 9:** Embassy Windhoek should bring its motor vehicle fleet operations into compliance with Department standards. (Action: Embassy Windhoek)

### ***Marine Security Guard Drivers Exceeded the Daily 10-Hour Duty Time Maximum***

The Marine Security Guard (MSG) drivers regularly exceeded the Department's 10-hour daily duty maximum, as set forth in the Department's Motor Vehicle Safety Management Program and 14 FAM 433.8a. Standards in 14 FAM 433.8e allow for MSG drivers to operate on a 12-hour shift if certain conditions are met, such as having an alternate work schedule in place (e.g., one day off and one day on) or not driving more than 10 hours in a 12-hour shift. However, OIG noted that the embassy was not aware of these standards and, therefore, did not adhere to these conditions. OIG found that in six consecutive pay periods (October 27, 2019, to January 18, 2020), the drivers, collectively, exceeded the 10-hour daily limit 45 times. This occurred because the MSG detachment commander, who was not aware of the duty limits, made the drivers' schedule instead of the motor pool supervisor, who has responsibility for assigning drivers per 14 FAM 431.6-4a(1). Failure to enforce Department motor vehicle safety standards increases the risk of injury to drivers, passengers, and the public as well as damage to U.S. Government property.

**Recommendation 10:** Embassy Windhoek should bring the Marine Security Guard driver schedule into compliance with Department standards. (Action: Embassy Windhoek)

## **INFORMATION MANAGEMENT**

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OIG reviewed the embassy's information management (IM) operations, including classified, unclassified, and dedicated internet network computer operations; classified communications security; emergency communications preparedness; radio and telephone programs; mail and

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<sup>23</sup> According to email correspondence between USAID personnel and Embassy Windhoek, dated January 21, 2020, USAID required a signed memorandum of understanding between the Department and USAID prior to officially transferring the vehicles.

<sup>24</sup> ICASS, established in 1997, is the principal means by which U.S. Government agencies share the cost of common administrative support services at more than 250 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, in accordance with 6 FAM 911 and 6 FAH-5 H-013.2.

pouch services; and records management. Despite the challenges of supporting customers in five buildings, the IM staff received scores above the regional average in the 2019 Department customer satisfaction survey. During the course of the inspection, OIG advised IM staff on issues related to mandatory information assurance training, classified and unclassified computer operations and telephone system password management, dedicated internet network management, classified and unclassified shared folder access control, and spare information technology equipment storage. OIG found the section implemented most required information management and security controls in accordance with Department policies and applicable laws throughout the embassy, with the exceptions noted below and in the companion classified report.

***Records Management Program Did Not Comply With Department Standards***

Embassy Windhoek did not comply with Department standards for records organization, oversight, and retirement, as detailed in 5 FAH-4 H-215.3-2b and 5 FAM 433. OIG found that principal and program records were not retired or destroyed on schedule. Furthermore, personally identifiable electronic and paper records were stored without proper controls to limit access to information. Although embassy management, since January 2020, had started taking corrective steps, such as designating records coordinators, publishing a records management policy, and training key personnel from each section on their records coordination responsibilities, more work remained to bring the program into compliance with standards. Without a records management program that complies with standards, the embassy is vulnerable to inefficient information retrieval and the potential loss of critical documentation.

**Recommendation 11:** Embassy Windhoek should implement a records management program that complies with Department standards. (Action: Embassy Windhoek)

## Spotlight on Success: Embassy Installed Solar- and Wind-Powered Repeater to Address Service Disruptions for Emergency Radio System



**Figure 2:** Embassy Windhoek's solar-powered repeater  
(Source: OIG).

Embassy Windhoek's IM staff installed a solar- and wind-powered repeater for the ultra-high frequency radio emergency and evacuation (E&E) system to address service disruption due to frequent power outages. Before installing the repeater, the embassy relied on the local electricity power supply, which was inconsistent and made the repeater unusable. By implementing a solar- and wind-turbine-powered solution, the embassy had access to uninterrupted E&E radio communication and saved \$18,000 in electricity bills. Furthermore, this project advanced the Department's Greening Diplomacy Initiative.<sup>25</sup>

<sup>25</sup> The Department's Greening Diplomacy Initiative "is driven by the concept of eco-diplomacy, a term the Department coined to reflect the importance of leveraging the Department's facilities and operations as a strategic platform to advance the conservation of natural resources and highlight U.S. environmental technological and policy successes." See "Sustainability at the U.S. Department of State," <https://www.state.gov/sustainability-at-the-u-s-department-of-state/>.

## RECOMMENDATIONS

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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 Windhoek and the Bureau of African Affairs. The Department's complete responses can be found in Appendix B.<sup>1</sup> The Department also provided technical comments that were incorporated into this report, as appropriate.

**Recommendation 1:** The Bureau of African Affairs, in coordination with the Office of Policy, Planning, and Resources for Public Diplomacy and Public Affairs and Embassy Windhoek, should implement the Public Diplomacy Staffing Modernization Initiative at Embassy Windhoek. (Action: AF, in coordination with R/PPR and Embassy Windhoek)

**Management Response:** In its September 8, 2020, response coordinated with Embassy Windhoek,<sup>2</sup> the Bureau of African Affairs concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of African Affairs implemented the Public Diplomacy Staffing Modernization Initiative at Embassy Windhoek.

**Recommendation 2:** Embassy Windhoek should comply with Department standards in managing the American Corner in Keetmanshoop. (Action: Embassy Windhoek)

**Management Response:** In its September 8, 2020, response, Embassy Windhoek concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Windhoek complied with Department standards in managing the American Corner in Keetmanshoop.

**Recommendation 3:** Embassy Windhoek should create and maintain a disaster assistance kit and prepare for potential disasters by completing the Consular Crisis Preparedness Scorecard and the Consular Risk Assessment Tool in accordance with Department guidance. (Action: Embassy Windhoek)

**Management Response:** In its September 8, 2020, response, Embassy Windhoek concurred with this recommendation. The embassy noted an expected completion date of December 31, 2020.

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

<sup>2</sup> In a September 15, 2020, email to OIG, the Bureau of African Affairs indicated that the embassy's response was coordinated with the bureau.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Windhoek created and maintained a disaster assistance kit and prepared for potential disasters by completing the Consular Crisis Preparedness Scorecard and the Consular Risk Assessment Tool in accordance with Department guidance.

**Recommendation 4:** Embassy Windhoek should bring its consular cashiering operations into compliance with Department standards (Action: Embassy Windhoek)

**Management Response:** In its September 8, 2020, response, Embassy Windhoek concurred with this recommendation. The embassy noted an expected completion date of September 30, 2020.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Windhoek's consular cashiering operations comply with Department standards.

**Recommendation 5:** Embassy Windhoek should resolve financial management internal controls deficiencies to meet Department standards. (Action: Embassy Windhoek)

**Management Response:** In its September 8, 2020, response, Embassy Windhoek concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Windhoek resolved financial management internal controls deficiencies to meet Department standards.

**Recommendation 6:** Embassy Windhoek, in coordination with the Bureau of Administration, should verify and document that all of the embassy's contracts, valued at \$2.26 million, were properly awarded and that the funds were used for their intended purpose. If not, Embassy Windhoek should recover any funds that were not used properly. (Action: Embassy Windhoek, in coordination with A)

**Management Response:** In its September 8, 2020, response, Embassy Windhoek concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Windhoek verified and documented that all of its contracts were properly awarded and that the funds were used for their intended purpose.

**Recommendation 7:** Embassy Windhoek, in coordination with the Bureaus of African Affairs and Administration, should review unauthorized commitments totaling \$1.37 million to

determine whether they should be ratified in accordance with Department standards. (Action: Embassy Windhoek, in coordination with AF and A)

**Management Response:** In its September 8, 2020, response, Embassy Windhoek concurred with this recommendation. The embassy noted an expected completion date of September 30, 2020.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Windhoek reviewed unauthorized commitments totaling \$1.37 million to determine whether they should be ratified in accordance with Department standards.

**Recommendation 8:** Embassy Windhoek, in coordination with the Bureau of Administration, should implement and enforce property management internal controls and standard operating procedures in accordance with Department standards. (Action: Embassy Windhoek, in coordination with A)

**Management Response:** In its September 8, 2020, response, Embassy Windhoek concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Windhoek implemented and enforced property management internal controls and standard operating procedures in accordance with Department standards.

**Recommendation 9:** Embassy Windhoek should bring its motor vehicle fleet operations into compliance with Department standards. (Action: Embassy Windhoek)

**Management Response:** In its September 8, 2020, response, Embassy Windhoek concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Windhoek's motor vehicle fleet operations comply with Department standards.

**Recommendation 10:** Embassy Windhoek should bring the Marine Security Guard driver schedule into compliance with Department standards. (Action: Embassy Windhoek)

**Management Response:** In its September 8, 2020, response, Embassy Windhoek concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Windhoek's Marine Security Guard driver schedule complies with Department standards.

**Recommendation 11:** Embassy Windhoek should implement a records management program that complies with Department standards. (Action: Embassy Windhoek)

**Management Response:** In its September 8, 2020, response, Embassy Windhoek concurred with this recommendation. The embassy noted an expected completion date of December 31, 2020.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Windhoek implemented a records management program that complies with Department standards.



## PRINCIPAL OFFICIALS

Title	Name	Arrival Date
<b>Chiefs of Mission:</b>		
Ambassador	Lisa A. Johnson	2/2018
Deputy Chief of Mission	Peter W. Lord	7/2017
<b>Chiefs of Sections:</b>		
Management	Nathan D. Austin	8/2019
Consular	Katherine E. Cantrell	9/2018
Political/Economic/Commercial	Mark J. Hitchcock	7/2018
Public Affairs	Walter Parrs III	8/2019
Regional Security	Denis G. O'Sullivan JR	8/2018
PEPFAR Coordinator	Carey A. Spear	8/2018
<b>Other Agencies:</b>		
Centers for Disease Control and Prevention	Eric J. Dziuban	4/2018
Department of Defense	John A. Lacy	10/2017
Peace Corps	Dennis R. McMahan	1/2020
U.S. Agency for International Development	Paul R. Kolstad	6/2018

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

## APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

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This inspection was conducted from January 2 to March 10, 2020, in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2012 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

In conducting inspections, OIG uses a risk-based approach to prepare for each inspection; reviews pertinent records; circulates surveys and compiles the results, as appropriate; conducts interviews with Department and on-site personnel; observes daily operations; and reviews the substance of the report and its findings and recommendations with offices, individuals, and organizations affected by the review. OIG uses professional judgment, along with physical, documentary, testimonial, and analytical evidence collected or generated, to develop findings, conclusions, and actionable recommendations.

## APPENDIX B: MANAGEMENT RESPONSES

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**Embassy of the United States of America**

*Windhoek, Namibia*

September 8, 2020

UNCLASSIFIED

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

FROM: Embassy Windhoek – Lisa A. Johnson, Ambassador

SUBJECT: Response to Draft OIG Report – Inspection of Embassy Windhoek

Embassy Windhoek has reviewed the draft OIG inspection report. We provide the following comments in response to the recommendations provided by OIG, noting that our expected completion dates may be affected by the ongoing COVID-19 crisis:

**OIG Recommendation 1:**

*The Bureau of African Affairs, in coordination with the Office of Policy, Planning, and Resources for Public Diplomacy and Public Affairs and Embassy Windhoek, should implement the Public Diplomacy Staffing Modernization Initiative at Embassy Windhoek. (Action: AF, in coordination with R/PPR and Embassy Windhoek)*

**Management Response:** Embassy Windhoek concurs with the recommendation and will continue to coordinate with AF and R/PPR on implementation of the initiative.

**OIG Recommendation 2:**

*Embassy Windhoek should comply with Department standards in managing the American Corner in Keetmanshoop. (Action: Embassy Windhoek)*

**Management Response:** Embassy Windhoek concurs with the recommendation. Embassy Windhoek's Public Affairs section modified the partnership in Keetmanshoop, changing the American Corner to an American Shelf, which complies with Department standards. This action has been completed.

**OIG Recommendation 3:**

*Embassy Windhoek should create and maintain a disaster assistance kit and prepare for potential disasters by completing the Consular Crisis Preparedness Scorecard and the Consular Risk Assessment Tool in accordance with Department guidance. (Action: Embassy Windhoek)*

**Management Response:** Embassy Windhoek concurs with the recommendation. The Consular Section Chief completed the Consular Crisis Preparedness Scorecard in August 2020 and next will work through the Consular Risk Assessment Tool with Consular staff. The expected completion date for this action is September 30, 2020. The Consular Section Chief has several sample lists of items necessary to stock a disaster assistance kit. Per guidance from the Regional Consular Officer, the Consular Section Chief will attempt to source items from the list that are little to no-cost and will request funds for larger items in the next fiscal year's budget. The expected completion date for this action is December 31, 2020.

**OIG Recommendation 4:**

*Embassy Windhoek should bring its consular cashiering operations into compliance with Department standards (Action: Embassy Windhoek)*

**Management Response:** Embassy Windhoek concurs with the recommendation. As of July 30, 2020, both consular cashiers have re-taken *PC419 - Collecting Consular Fees: Training for the Consular Cashier*. The Consular Section Chief has reviewed End of Day procedures and discrepancy reporting procedures with the cashiers. Since February 2020, both consular cashiers have been printing an additional copy of ACRS End-of-Day reports and retaining them for their records. Accountable Consular Officers have completed and documented unannounced cash counts with both consular cashiers. The Consular Section Chief has sent the current schedule of fees poster to procurement to obtain a quote for printing two copies – one for the waiting room and one for the cashier booth. The expected completion date for this action is September 30, 2020.

**OIG Recommendation 5:**

*Embassy Windhoek should resolve financial management internal controls deficiencies to meet Department standards. (Action: Embassy Windhoek)*

**Management Response:** Embassy Windhoek concurs with the recommendation. Post identified reconciliation of the suspense deposits aboard (SDA) account as a deficiency prior to the inspection and included it on the "Management Controls Corrective Actions" tracker it shared with the inspection team upon its arrival in Windhoek. Post completed correcting the deficiency of deposits for overweight collection charges that were held in the SDA account on April 8, 2020. The number of occasional money holders has been reduced from 54 to 36. All designations have been updated and are on file with the Class B Cashier. The Financial Management Officer, in coordination with the Consular Section Chief, reconciled monthly consular collections, and supporting documentation is on file in the Consular and Financial Management offices. Both of Post's alternate cashiers completed all required training and hold permanent designations as overseas cashiers in accordance with 4 FAH-3 H-393.1-1. The

alternate cashier who has not taken cashier-related training in more than nine years will re-take *GFS41 - Basic Overseas Cashiering* once conditions permit her to travel overseas to attend the in-person training course.

**OIG Recommendation 6:**

*Embassy Windhoek, in coordination with the Bureau of Administration, should verify and document that all of the embassy's contracts, valued at \$2.26 million, were properly awarded and that the funds were used for their intended purpose. If not, Embassy Windhoek should recover any funds that were not used properly. (Action: Embassy Windhoek, in coordination with A)*

**Management Response:** Embassy Windhoek concurs with the recommendation. Post identified contract administration problems rooted in inadequate staff training and oversight as a deficiency prior to the inspection and listed the deficiency on the "Management Controls Corrective Actions" tracker it shared with the inspection team upon its arrival in Windhoek. At the direction of the current General Services Officer, Post's procurement supervisor submitted a request to enroll in *PA394 - ILMS Overseas Ariba Contracts* training in December 2019 and completed the training in March 2020. Following the inspection, the General Services Officer reviewed Post's 49 contracts and determined that while all funds were used for their intended purposes, 21 of the contracts exceeded the warrant of the previous General Services Officer or had been established without valid option year provisions. All problematic contracts have been resolicited and properly awarded using standard Office of the Procurement Executive solicitation templates. This action has been completed.

**OIG Recommendation 7:**

*Embassy Windhoek, in coordination with the Bureaus of African Affairs and Administration, should review unauthorized commitments totaling \$1.37 million to determine whether they should be ratified in accordance with Department standards. (Action: Embassy Windhoek, in coordination with AF and A)*

**Management Response:** Embassy Windhoek concurs with the recommendation. In coordination with the Office of the Procurement Executive, Post is preparing a comprehensive, class ratification package covering all of Post's unauthorized commitments, including the additional unauthorized commitments the current General Services Officer discovered during his comprehensive review of Post's 49 contracts. The expected completion date for this action is September 30, 2020.

**Recommendation 8:**

*Embassy Windhoek, in coordination with the Bureau of Administration, should implement and enforce property management internal controls and standard operating procedures in accordance with Department standards. (Action: Embassy Windhoek, in coordination with A)*

**Management Response:** Embassy Windhoek concurs with the recommendation. Post identified this deficiency prior to the inspection and included it on the “Management Controls Corrective Actions” tracker it shared with the inspection team upon its arrival in Windhoek. Between October and December 2019, Post implemented new property receipt and disposal standard operating procedures (SOPs). Between February and March 2020, Post implemented additional property transfer and residential inventory SOPs. Consequently, when the annual inventory that followed the inspection was completed in March 2020, only 0.24% of non-expendable property was unaccounted for. Facilities management expendable supplies have been moved to a controlled access area that was completed in July 2020, and supply records have been entered into ILMS. Residential inventories are now routinely validated by occupants and documentation is uploaded to the embassy’s shared drive. This action has been completed.

**Recommendation 9:**

*Embassy Windhoek should bring its motor vehicle fleet operations into compliance with Department standards. (Action: Embassy Windhoek)*

**Management Response:** Embassy Windhoek concurs with the recommendation. Post identified this deficiency prior to the inspection and included it on the “Management Controls Corrective Actions” tracker it shared with the inspection team upon its arrival in Windhoek. Post reported the six USAID vehicles to the Overseas Fleet Division (A/LM/PMP/OF) in December 2019 and sought guidance on formally transferring them to its ICASS fleet. In March 2020, USAID signed a document to officially transfer the vehicles to Post, and they were then added to the Fleet Management Information System. Additionally, to accommodate the former USAID vehicles, which had become an indispensable part of Post’s fleet, A/LM/PMP/OF increased Post’s target fleet size (TFS) by four. Post then disposed of two vehicles to meet its new TFS. This action has been completed.

**OIG Recommendation 10:**

*Embassy Windhoek should bring the Marine Security Guard driver schedule into compliance with Department standards. (Action: Embassy Windhoek)*

**Management Response:** Embassy Windhoek concurs with the recommendation. Post identified this deficiency prior to the inspection and included it on the “Management Controls Corrective Actions” tracker it shared with the inspection team upon its arrival in Windhoek. In February 2020, the General Services Office (GSO) signed a memorandum of agreement with the Marine Security Guard (MSG) detachment that brought the MSG chauffeurs under the GSO’s administrative direction. To ensure that the MSG chauffeurs do not exceed the 10-hour daily limit, all MSG chauffeur schedules are now approved by the motor pool supervisor, and motor pool drivers perform back-up MSG detachment driving duties. This action has been completed.

**OIG Recommendation 11:**

*Embassy Windhoek should implement a records management program that complies with Department standards. (Action: Embassy Windhoek)*

**Management Response:** Embassy Windhoek concurs with the recommendation. Post identified this deficiency prior to the inspection and included it on the “Management Controls Corrective Actions” tracker it shared with the inspection team upon its arrival in Windhoek. Post issued a comprehensive records management policy on January 10, 2020, organized a paper records clean-up exercise on January 17, 2020, designated records managers for each section on January 31, 2020, and conducted comprehensive records management training for embassy personnel on February 4, 2020. Since the inspection, Post has worked to fully implement proper records management practices. The Political-Economic Section has conducted a complete review of its electronic file management and reorganized its shared electronic files by TAGS to ensure the section's ability to appropriately store and efficiently retrieve critical documentation. While reviews and updates remain ongoing in other sections, Post expects to complete them by December 31, 2020.

The point of contact for this memorandum is Deputy Chief of Mission Jessica Long.

## ABBREVIATIONS

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DCM	Deputy Chief of Mission
E&E	Emergency and Evacuation
EEO	Equal Employment Opportunity
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
FAR	Federal Acquisition Regulation
ICASS	International Cooperative Administrative Support Services
ICS	Integrated Country Strategy
ILMS	Integrated Logistics Management System
IM	Information Management
LE	Locally Employed
MOU	Memorandum of Understanding
MSG	Marine Security Guard
PEPFAR	President's Emergency Plan for AIDS Relief
USAID	U.S. Agency for International Development



## OIG INSPECTION TEAM MEMBERS

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