



# OIG HIGHLIGHTS

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## What OIG Inspected

OIG inspected the U.S. Embassy in Ashgabat from October 28 to November 17, 2015.

## What OIG Recommended

OIG made 15 recommendations to U.S. Embassy Ashgabat to improve management operations and internal controls.

OIG also made one recommendation to the Department's Bureau of Overseas Buildings Operations to address seismic vulnerability.

~~SENSITIVE BUT UNCLASSIFIED~~

March 2016

OFFICE OF INSPECTIONS

Bureau of South and Central Asian Affairs

Inspection of Embassy Ashgabat, Turkmenistan

## What OIG Found

- Washington end-users cite the embassy's resourcefulness and ability to convey useful reporting from Turkmenistan's repressive environment.
- Embassy leadership explicitly sets high standards for ethics and standards of conduct.
- Despite the Ambassador's emphasis on strong internal controls, OIG found several areas of embassy operations where internal controls need to be strengthened. These include IT contingency planning, information system security officer duties, and overtime use.
- The embassy stresses the importance of emergency preparedness in this seismically active area, but U.S. Government personnel occupy housing that has not been evaluated for seismic adequacy.
- Innovative Practice: The embassy includes embassy children in the Emergency and Evacuation Radio program to ensure everyone in the household understands radio equipment and network procedures.



OIG

Office of Inspector General

U.S. Department of State • Broadcasting Board of Governors

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ISP-I-16-13A

Office of Inspections

March 2016

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# Inspection of Embassy Ashgabat, Turkmenistan

## BUREAU OF SOUTH AND CENTRAL ASIAN AFFAIRS

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# CONTENTS

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CONTEXT .....	1
EXECUTIVE DIRECTION .....	2
Tone at the Top and Standards of Conduct.....	2
Execution of Foreign Policy Goals and Objectives.....	3
Internal Controls .....	3
Security of the Mission .....	4
Developing and Mentoring Future Foreign Service Leadership.....	5
POLICY AND PROGRAM IMPLEMENTATION.....	6
Political/Economic Reporting.....	6
Consular Affairs .....	7
Public Diplomacy .....	8
RESOURCE MANAGEMENT .....	10
Financial Management .....	10
Human Resources.....	10
General Services Office.....	11
Facilities Maintenance.....	13
Information Management .....	13
MISSION SUPPORT SERVICES .....	15
RECOMMENDATIONS .....	16
PRINCIPAL OFFICIALS.....	18
APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY .....	19
Purpose and Scope .....	19
Methodology.....	19
APPENDIX B: FY 2015 STAFFING AND FUNDING, BY AGENCY .....	20
ABBREVIATIONS .....	21
OIG INSPECTION TEAM MEMBERS .....	22

## CONTEXT

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Turkmenistan is a Central Asian country of more than 5 million people that borders Afghanistan, Uzbekistan, Iran, and Kazakhstan. Turkmenistan is a closed society with a centralized economy and an authoritarian political system. Power is concentrated in the presidential administration of President Gurbanguly Berdimuhamedov, who was re-elected in 2012 with 97 percent of the vote. Transparency International rated Turkmenistan as 169 out of 175 countries in its 2014 Corruption Perceptions Index. Freedom House rated the country among the 10 "worst of the worst" in its 2015 Freedom of the Press report—a list that included Iran, Eritrea, Sudan, North Korea, and Uzbekistan. The U.S. Country Report on Human Rights for 2014 states that the most important human rights problems were arbitrary arrest; torture; disregard for civil liberties, including restrictions on religious freedom, speech, press, assembly, and movement; and citizens' inability to change the government through free and fair elections. The U.S. Secretary of State designated Turkmenistan as a Country of Particular Concern in 2014 for having "engaged in or tolerated particularly severe violations of religious freedom."

According to the embassy Integrated Country Strategy, the United States seeks to help the Government of Turkmenistan strengthen its border controls, grow the economy through increased regional and global trade, and improve governance. U.S. foreign assistance objectives include strengthening Turkmenistan's capacity to manage its international borders and cooperate on regional security issues, encouraging citizens to play a greater role in civil society, increasing access to quality higher education and health, and promoting private-sector development and economic reforms. However, the Government of Turkmenistan's policy of "positive neutrality" limits the government's engagement with the United States and other bilateral partners. Weak human capacity and poor governance constrain Turkmenistan's ability to expand trade, build ties with its neighbors, and contribute to regional stability. The Government of Turkmenistan imposes bureaucratic obstacles that further hamper bilateral cooperation and international business activity.

The Department, the U.S. Department of Defense, and the U.S. Agency for International Development (USAID) are represented in the embassy. The Mission has a total staff of 313 with 44 U.S. direct-hire positions, 8 locally employed (LE) Americans and eligible family members, and 261 LE staff members. In FY 2015, the Mission's total budget was \$15 million. Total foreign assistance for FY 2015 was \$3.4 million, of which \$2.7 million was for economic support.

Construction of a \$265 million new embassy compound began in June 2015 and has required the relocation of some mission housing and functions. Embassy housing consists of 31 leased residences.

OIG also conducted an assessment of embassy security, which is covered in a classified annex to this inspection report. The annex contains a discussion of the conduct of the security program and issues affecting the safety of mission personnel and facilities.

## EXECUTIVE DIRECTION

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OIG based the following assessments of the embassy's leadership on the results of 97 documented interviews of embassy staff members, 46 of which elicited comments on the Ambassador and the Deputy Chief of Mission (DCM), 158 questionnaires completed by American and LE staff members that included comments on front office performance, and OIG's review of documents and observations of embassy activities during the course of the on-site inspection.

### Tone at the Top and Standards of Conduct

#### **Embassy Ashgabat Initiative Worthy of Emulation**

The Ambassador issued a six-page "Ambassador's Intent" on arrival in January 2015 to establish his goals and expectations regarding customer service, ethics, and performance. He posted this statement in English and Russian on the embassy website and repeated its message in embassy town halls. American and LE staff members told OIG of the positive effect of this message.

American and LE embassy staff members describe both the Ambassador and the DCM as knowledgeable, supportive, and decisive—attributes of leadership emphasized in 3 Foreign Affairs Manual (FAM) 1214. Embassy staff members stated that the Ambassador and the DCM work together seamlessly and that staff members feel free to bring to them problems and differing opinions. Both the Ambassador and the DCM visit personnel in their work places and the lunchroom and host events for all Mission personnel, including spouses and Marines, to foster a sense of mission community. LE staff members told OIG that fluency in Russian has helped the Ambassador and the DCM in their interactions with the embassy staff as well as with the host government. The Ambassador has confronted the host government over its harassment of American and LE staff members, including entry into residences, theft of property, removal of satellite dishes, and false accusations of criminal activities.

The Ambassador required all American and LE staff members to complete online ethics training and asked a USAID legal advisor to deliver two training sessions on ethics. Embassy leadership has made it clear that it will take action in accordance with regulations against those who cannot meet ethical standards. Since August 2014, 17 LE staff members have been dismissed or asked to resign for fraud, theft, or serious misconduct. Others have received suspensions without pay for insubordination or lying to a supervisor. However, as described later in this report, the Equal Employment Opportunity program (EEO) has not received a similar level of leadership attention.

OIG's review of the Ambassador's and the DCM's claims for official residence and representational expenses and the embassy's gift records determined that they both adhered to

all applicable regulations and to the 3 FAM 1214 requirement for all employees to model integrity.

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

The Ambassador leads a unified country team in pursuit of U.S. foreign policy objectives, in accordance with his responsibilities under 2 FAM 113.1b. Representatives of non-Department agencies appreciate his public support for their programs and the inclusive manner in which he and the DCM led the recent review of the embassy Integrated Country Strategy. The review prompted strategic and tactical changes to the strategy to reflect the unanticipated downturn of Turkmenistan's economy due to lower world oil and gas prices.

The Ambassador's objections to the Government of Turkmenistan's efforts to restrict embassy operations were welcomed by embassy staff and are essential to the embassy's ability to conduct U.S. foreign policy. His extensive in-country travel and engagement on Russian-language social media show leadership by example in a country where authorities seek to limit embassy contact with local citizens. The Ambassador has expanded the areas, such as law enforcement training, where the embassy can work with Turkmen authorities while maintaining the embassy's ability to carry out foreign policy in areas in which the two governments disagree fundamentally, such as human rights and religious freedom.

## **Internal Controls**

American and LE staff members told OIG of the Ambassador's emphasis on internal controls, which he has communicated through a combination of town hall meetings, meetings with the Locally Employed Staff Committee, Front Office interaction with the LE staff, and daily reinforcement from the Management Section leadership. The Ambassador had each section complete OIG risk assessment questionnaires soon after his arrival in January 2015 and monitored the corrective actions that were taken. In fulfilling his chief of mission responsibilities, the Ambassador met with section heads and asked them to explain the vulnerabilities and controls in their sections and progress on outstanding action items prior to signing the 2015 Annual Chief of Mission Management Control Statement of Assurance. Despite these efforts, OIG found several areas of embassy operations that require stronger internal controls, as detailed later in the report. These include use of overtime; IT management; procurement; the Safety, Health, and Environmental Management Program; and employee association operations. The Ambassador and the DCM told OIG that they would work with the newly arrived management team to improve internal controls.

The DCM performed non-immigrant visa adjudication reviews, a required element of consular internal controls, prescribed by 9 FAM 41.113, for 100 percent of the adjudication days in FY 2015.

## Security of the Mission

Security personnel state that the Ambassador and the DCM both support the embassy security program as required by the President's Letter of Instruction and 2 FAM 113.1c(5). The Ambassador walks through the embassy during drills to ensure employee participation. Both the Ambassador and the DCM participate in embassy security training.

The embassy stresses the importance of emergency preparedness in this seismically active area and included the topic in the review of the Integrated Country Strategy. The Ambassador and the DCM have had town halls and receptions for American citizens resident in Turkmenistan in order to review emergency preparedness consistent with the 2 FAM 113.1c(14) requirement to advise, assist, and protect U.S citizens abroad. The embassy organized a crisis management training event held at the international school, which included sessions in fire fighting and map reading. At the time of the inspection, the Ambassador was planning to facilitate a post-earthquake crisis management exercise in December 2015 involving the embassy and the American and international diplomatic communities.

### *Emergency and Evacuation Radio Program is Well Managed and Innovative*

The Embassy Emergency and Evacuation Radio Program is well managed and innovative. The Ambassador takes a keen interest in the program, requiring employees who miss two weekly radio drills to report to him to explain their failure to participate. This results in high participation rates. The Security Office sends weekly reminders of upcoming radio checks and sends follow-up emails to those who miss the window to participate. Children, too, are encouraged to participate in the program, highlighting the need for everyone in the household to understand both radio equipment and network procedures. OIG considers the inclusion of children in this program to be an innovative practice.

## **Innovative Practice: Child Participation in Radio Checks**

**Issue/Challenge:** Participation in the Emergency and Evacuation Radio program is a management priority, especially in politically volatile regions and countries such as Turkmenistan that are prone to natural disasters. Children, however, rarely participate in the program. Who would call for help if parents are incapacitated during an earthquake or similar emergency when cell phones and landlines no longer work?

**Background:** Embassy Ashgabat is situated in an active seismic zone, and earthquakes in the region are common. For example, a 7.5-magnitude earthquake occurred on October 26, 2015, in neighboring Afghanistan. Moreover, the Department's Office of Overseas Buildings Operations has rated Ashgabat at "very high" seismic risk—its highest rating. Because of this, embassy leadership and the Security Office place great emphasis on participation in the embassy radio programs—both satellite and very high frequency radio networks.

**Innovative Practice:** The embassy encourages the extensive participation of Mission children in weekly radio checks to ensure to the greatest degree that employees will get timely assistance if adults in the home are injured and cannot call for help.

**Benefit:** The benefit of this innovative practice is that it provides a greater degree of certainty that embassy employees and their families will get help when they need it. No cost is associated with the practice, and Mission children reportedly love participating in the program—actually vying with siblings about who gets to call in during radio checks.

**Contact:** Regional Security Officer Brett Oestreich can be reached for details. He is listed in the Department's global email address list.

## **Developing and Mentoring Future Foreign Service Leadership**

The Ambassador and the DCM work together to develop the skills of Department First- and Second-Tour (FAST) staff members in the areas of writing, leadership, management, and organizing events—a responsibility they have under Volume 7-1 H252 of the Foreign Affairs Handbook. A FAST officer serves as the FAST Program Coordinator. The Ambassador developed and delivered a 9-hour leadership program for the FAST staff. The DCM will play a principal role in a second iteration of this program for the newly arrived FAST and other embassy staff members. The DCM spoke to the group on public affairs and writing cables. FAST staff members told OIG that they appreciated the Ambassador's and the DCM's support of the program, their availability and mentoring, and their interest in seeing that they were exposed to various aspects of embassy functions. OIG suggested that the FAST staff open the FAST program to officers and specialists from other agencies.

## POLICY AND PROGRAM IMPLEMENTATION

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### Political/Economic Reporting

Washington end-users expressed satisfaction with embassy reporting, citing the embassy resourcefulness and ability to convey unique aspects of living in, and reporting from, Turkmenistan's repressive environment. The Section fulfills its reporting obligations despite its lack of direct contact with Turkmenistan's citizenry. The Government of Turkmenistan severely restricts in-country travel, meetings with government officials, and interaction with local citizens. The embassy reporting plan is consistent with the Integrated Country Strategy, and the Section completed 21 (88 percent) of the analytical cables assigned to it in the FY 2015 reporting plan.

Political/Economic Section officers use the State Messaging and Archive Retrieval Toolset to preserve the daily official/informal email that the embassy sends to the Bureau of South and Central Asian Affairs and other end-users. This practice is in accordance with Department Notice 2014-02-169 (Explanation of the State Messaging and Archive Retrieval Toolset Record E-Mails). The Section first sends the same information as a non-record email to Washington end-users out of concern that many Washington end-users do not use record email.

#### *Assistance Programs Appropriately Focused on Training*

The Export Control and Related Border Security program and the International Narcotics and Law Enforcement Affairs (INL) program are overseen by the Political/Economic Section and focus on providing training to Government officials, rather than on providing equipment. This focus is prudent given the Government's refusal to allow embassy officials to conduct end-use monitoring of equipment already provided. Embassy officials believe Turkmenistan is ready to increase the number of INL-funded training courses that are implemented by the U.S. Drug Enforcement Administration. The INL program has \$330,000 in funds that expire at the end of FY 2016, including \$250,000 for U.S. Drug Enforcement Administration training. OIG advised that if the expected increase in training does not occur by mid-FY 2016, the embassy and INL should take appropriate steps to reprogram the remaining funds before they expire.

#### *Host Government Not Interested in U.S. Countering Violent Extremism Programs*

Turkmenistan and the United States do not cooperate on countering violent extremism. The Government of Turkmenistan denies any problems with violent extremism in the country and has rebuffed embassy efforts to engage on the issue. Embassy officials said the Government of Turkmenistan would not allow public diplomacy programs on countering violent extremism. The embassy believes few Turkmen citizens have been recruited into violent extremist movements but has little information on which to base this judgment.

#### *Leahy Vetting Managed Correctly*

The embassy has been following the requirements for Leahy human rights vetting. The embassy processed 734 vetting cases in accordance with Leahy laws and policies over the past 3 years

with no candidates rejected for training and three suspended from participating. The Leahy laws and the policies to implement them prohibit assistance to foreign security forces in the presence of credible information that such forces have committed a gross violation of human rights.<sup>1</sup> The Department's Leahy vetting process determines whether the Department has such information prior to providing training or assistance. Embassy standard operating procedures for Leahy vetting are up to date, and primary and back-up officers are trained to use the International Vetting and Security Tracking system, which is the official system for conducting vetting.

## Consular Affairs

### *Embassy Complies with Consular Internal Controls*

Consular management and operations were in compliance with laws, policies, and procedures. The Department's Office of Visa Services, Office of Overseas Citizen Services, Office of Fraud Prevention Programs Consular Integrity Division, and Executive Office of the Bureau of Consular Affairs all commented positively on consular management in Ashgabat. The Regional Consular Officer found no areas of concern during his November 2014 and June 2015 visits.

### *Consular Workload Includes Iranian Non-immigrant Visa Processing*

The American citizen services workload is low, averaging fewer than 30 passport and 2 Consular Report of Birth Abroad applications per year. These numbers have remained stable for the past 5 years. The Consular Section experienced an average annual growth of 33 percent in immigrant visa applications and 23 percent in non-immigrant visa applications over the period FY 2010 through FY 2014. Applications increased from 69 to 170 immigrant visas and from 1,651 to 3,072 non-immigrant visas during the same period. Iranian applicants make up the largest third country national non-immigrant visa applicant group, despite the absence of any resident Iranian community in Turkmenistan. The Section is not designated or staffed as a Farsi-speaking post but sets 100 appointments for English-speaking Iranian nationals each month.

### *Focus on Safety of American Citizens*

Approximately 120 American citizens reside in Turkmenistan, excluding those under chief of mission authority. Fewer than 10 reside outside Ashgabat. As Turkmenistan is seismically unstable, emergency preparedness is a focus of the Section. Consular staff members participated in a February 2015 crisis management exercise. The Section also evaluated its

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<sup>1</sup> The obligation to vet Department assistance and Department of Defense-funded training programs for foreign security forces units is in section 620M (a.k.a., the Leahy amendment) of the Foreign Assistance Act of 1961, as amended, and a comparable provision in the annual Defense Appropriations Act. See <http://www.humanrights.gov/dyn/an-overview-of-the-leahy-vetting-process.html>.

emergency response readiness on the Consular Crisis Preparedness Scorecard. The Consular Section hosted an American citizen town hall meeting in April 2015 to introduce the Ambassador, discuss emergency preparedness, and update the warden list.<sup>2</sup> The DCM hosted a second town hall on personal preparedness in September 2015, involving embassy and Ashgabat International School personnel and resident American citizens.

### *Consular Workspace Does Not Permit Adequate Line of Sight*

The Consular Section workspace does not comply with the "open and visible" work environment line of sight standard in 7 Foreign Affairs Handbook-1 H-281-282, "Space Management." Visibility between the cashier booth and the main workspace or the Consular Chief's office is nonexistent. The only line of sight to the cashier booth is from the adjacent interview window. The cashier window also serves as the applicant intake, fingerprint station, and passback window. Therefore, the American officer cannot monitor cashier activities, fee collections, applicant intake procedures, or passback processes to identify any occurrences of theft or malfeasance.

**Recommendation 1:** Embassy Ashgabat should configure the Consular Section in accordance with Department line-of-sight standards. (Action: Embassy Ashgabat )

## **Public Diplomacy**

The Ambassador considers public diplomacy central to the Mission's ability to achieve the Integrated Country Strategy objectives of building human capacity and showcasing U.S. culture and values. The Public Affairs Section informs, engages, and influences Turkmen audiences despite the restrictive public diplomacy environment imposed by the Government of Turkmenistan. These restrictions make it difficult for the embassy to engage priority audiences, including youth and Government employees. Officers must request Government permission to meet with Government officials or Turkmen citizens, to visit universities or the embassy's three American Corners, and to conduct other public diplomacy activities. Further, the embassy is restrained by Government regulations from easily making assistance grants to Turkmen organizations, although the embassy has awarded 23 grants from the Ambassador's Fund for Cultural Preservation since 2001, more than any other U.S. Embassy world-wide. These projects are highly regarded by the Government of Turkmenistan as a means for preserving its national treasures and training its cultural preservation professionals.

According to the Bureau of International Information Programs, the embassy runs one of the Department's busiest Information Resource Centers. Though subject to Government monitoring,

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<sup>2</sup> A warden system provides a way for an embassy or consulate to reach U.S. citizens in the event of an emergency, disaster, or threat and to distribute information of interest to the private U.S. community. The Consular Section recruits wardens and manages the warden system (7 FAM 071d).

more than 7,000 adults, students, and children visit the Center in Ashgabat each month to use its services or to attend daily programs and lectures on American culture. More than 300 students per semester are enrolled in 18 free English classes offered at the Center. Additionally, more than 100 Turkmen air traffic controllers and airport personnel and 300 university students who will be interpreters during the 2017 Asian Indoor Games are enrolled in English-language training programs. Two U.S.-funded English Language Teaching Fellows work in Turkmen universities.

Thousands of visitors each month visit the three American Corners outside Ashgabat despite Government monitoring of patrons and a ban on English-language teaching at the Corners.<sup>3</sup> The Corners are one of the Mission's only platforms to reach Turkmen citizens outside Ashgabat.

OIG suggested that the Section could consider these program and operational modifications to enhance its operations:

- Add English-language class students to the embassy alumni database.
- Incorporate input from the Political/Economic Section and USAID into annual program plans.
- Investigate ways to meet the Section's interpretation and translation needs.
- Better divide budgeting, procurement, petty cash, and grants management duties among the LE staff.

#### *Embassy Does Not Document Monitoring of its Grants*

The embassy does not have performance monitoring plans or document performance for all grants as required by the Federal Assistance Policy Directive Section 3.01-A, dated March 13, 2015. OIG reviewed all 24 FY 2015 federal assistance files for grants issued after the policy directive became effective. Only 2 of the 24 FY 2015 files contained the required grants monitoring plan. The embassy had documented grantee performance for only two FY 2015 grants. The Grants Officer and Grants Officer Representatives told OIG that the embassy monitors grantee performance but does not document that monitoring. Failure to develop a monitoring plan and document grantee performance leaves the embassy without the ability to verify that the grant is fulfilling its purpose, is achieving desired outcomes, and is putting taxpayer money to good use.

**Recommendation 2:** Embassy Ashgabat should develop monitoring plans and evaluate grant recipient performance in accordance with the Department's Federal Assistance Policy Directive. (Action: Embassy Ashgabat)

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<sup>3</sup> American Corners are dedicated information spaces located in host-country schools, libraries, or other local institutions. They offer print, internet, multimedia, and other materials and serve as platforms for public diplomacy programs.

## RESOURCE MANAGEMENT

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### Financial Management

The Mission had an International Cooperative Administrative Support Services budget carryover amount of more than \$2 million in FY 2015. More than \$714,000 will be applied to the FY 2016 budget.

The designated billing office at the embassy should be the Financial Management Office in accordance with 4 FAM 455.2 but many invoices continue to arrive addressed to the General Services Office. The Human Resources/Financial Management Officer has not taken the Foreign Service Institute's Purchase Card Designated Billing Official on-line course required by the Office of the Procurement Executive. OIG advised embassy management to correct these issues.

### Human Resources

#### *Embassy Lacks Separate Human Resource and Financial Management Officers*

One American employee administers the human resource and financial management functions for an embassy with more than 300 employees and a history of malfeasance among the LE staff. The embassy stated in its FY 2017 Mission Resource Request that it did not request any additional positions because it has no space for additional desk positions until construction of the new embassy compound is completed in 2018. Bureau of South and Central Asian Affairs officials told OIG that Ashgabat is the only mission remaining in the region that has one employee performing both human resource and financial management responsibilities. OIG suggested that the embassy request establishment of separate American officer positions for human resources and financial management in its FY 2018 Mission Resource Request. The Ambassador agreed that it should be included in the FY 2018 Mission Resource Request to coincide with the completion of the new embassy compound in 2018.

#### *No Controls Over Overtime Usage*

The embassy does not control use of overtime as required by 3 FAM 7552, which mandates that overtime work for LE staff members be authorized or approved as an emergency measure to avoid serious backlogging of regular work or to meet some temporary crisis. Overtime should be kept to a minimum except when necessary to protect life or Government property. The embassy has no overtime policy, does not preapprove overtime for LE staff members, and has not controlled overtime usage. In FY 2015, the LE staff recorded more than 25,000 hours of overtime at a cost of more than \$328,000. One LE staff member worked more than 900 hours of overtime in 1 year. (See additional details in the classified annex to this report.) U.S. Government resources are wasted if overtime controls are absent.

**Recommendation 3:** Embassy Ashgabat should establish an overtime policy with standard operating procedures to be followed by designated approving officials. (Action: Embassy Ashgabat)

#### *Post Language Program Lacks Evaluation*

The embassy does not evaluate the effectiveness of its Russian- and English-language training program as required by 18 FAM 301.1-2a. The embassy does not test LE staff members receiving English-language training or American staff members receiving Russian-language training to determine whether the students have improved their language skills. The embassy employs five language instructors who work between 5 and 8 hours a day at a total cost of \$55,000 for FY 2015. Staff time devoted to classroom instruction adds to the cost of the program by an amount that cannot be determined because the embassy only recently began maintaining attendance records. Without periodic testing, the financial and human resources invested in the language program could be wasted and employees may not acquire the language skills they need for their positions.

**Recommendation 4:** Embassy Ashgabat, in coordination with the Foreign Service Institute, should periodically evaluate the effectiveness of the Russian- and English-language training programs for its American and locally employed staff. (Action: Embassy Ashgabat, in coordination with FSI)

#### *Embassy Lacks Active EEO Program*

The embassy does not have an active EEO program as required by 3 FAM 1514.2. The embassy does not have a record of which Americans have taken the EEO training, the LE staff EEO liaisons have not been trained, no EEO-related meetings with the staff have occurred recently, and information about the program is not widespread. The embassy named an EEO counselor and five LE staff EEO liaisons in September 2015 in advance of the OIG inspection. The DCM stated that before these recent designations a program had not been activated. Without an EEO program, the embassy is unable to ensure that it offers equal opportunity and fair and equitable treatment to all employees and that employees understand their rights under the Department's EEO program.

**Recommendation 5:** Embassy Ashgabat should provide Equal Employment Opportunity training to all mission employees and keep records of who has completed the training. (Action: Embassy Ashgabat)

## **General Services Office**

#### *Procurement of Auto Repair Services Not in Compliance with Regulations*

The embassy spent approximately \$124,000 from FY 2013 through FY 2015 with one vendor to maintain the embassy vehicle fleet without determining whether the price is fair and reasonable, per Federal Acquisition Regulation (FAR) 13.106-3. The embassy relied on the

statement of a former Regional Security Officer that only this firm could maintain the embassy armored vehicles and extended this justification to the entire fleet of 40 vehicles. Without market research, the embassy risks paying more than a fair and reasonable price for parts and services.

**Recommendation 6:** Embassy Ashgabat should procure auto repair services in accordance with the Federal Acquisition Regulation. (Action: Embassy Ashgabat)

#### *Procurement of Internet Services Not in Compliance with Regulations*

The embassy spent \$544,001 from FY 2011 through FY 2015 on internet services from one commercial vendor without soliciting offers from as many potential sources as is practicable under the circumstances, per FAR 6.301d, or determining whether the price is fair and reasonable, per FAR 13.106-3. Procurements from this vendor grew each year from \$33,576 in FY 2011 to \$162,666 in FY 2015, exceeding the Department's Simplified Acquisition Threshold of \$150,000 that requires additional solicitation provisions, per FAR 4.607. The embassy risks paying more than market rates without full and open competition or a determination that the price is fair and reasonable.

**Recommendation 7:** Embassy Ashgabat, in coordination with the Office of the Procurement Executive, should procure internet services in accordance with the Federal Acquisition Regulation. (Action: Embassy Ashgabat, in coordination with A/OPE)

#### *American Personnel Have Not Taken Required Safe Driver Course*

None of the five American employees who are authorized to drive U.S. Government vehicles have received safe driving courses from instructors certified to teach the Smith System® Safe Driver Training® or other recognized safe driving courses approved by the Department's Office of Safety, Health and Environment Management. Such training is required of all operators by 14 FAM 432.4c(2) and by the Motor Vehicle Safety Management Program for Overseas Posts Chapter F Subchapter 4 (a) and (b). The embassy motor vehicle policy requires that all employees under chief of mission authority authorized to drive U.S. Government vehicles fulfill this requirement or the approved equivalent, but none of the five American personnel authorized to drive U.S. Government vehicles has received such training. Additionally, the embassy motor vehicle policy does not state that this requirement also applies to employees who operate their private vehicles on official business because the Department designated Turkmenistan as an "elevated risk" country for motor vehicle accidents and fatalities. Embassy staff members told OIG that they were not aware the requirements applied to Americans. The lack of safety training potentially increases the risk of vehicle accidents.

**Recommendation 8:** Embassy Ashgabat should revise its motor vehicle policy to comply with Department guidance. (Action: Embassy Ashgabat)

## Facilities Maintenance

### *Seismic Studies of Embassy Housing Needed*

U.S. Government personnel occupy 6 (of 26) apartments and 5 (of 5) residences (including the chief of mission and Marine residences) that have not been evaluated for seismic adequacy as required by 15 FAM 252.6. The Bureau of Overseas Buildings Operations, Natural Hazards program, categorizes Ashgabat as having a "very high" seismic risk. In accordance with 15 FAM 252.6d, embassies in high-risk seismic areas must address the seismic adequacy of residential units and seek housing that is seismically the best available. The embassy leases 20 apartments in buildings that were rated "fair" for seismic adequacy in a 2008 Bureau of Overseas Buildings Operations study but the embassy does not have the technical expertise to perform seismic studies for the more recent leases. Assignment of U.S. Government personnel to housing that has not been evaluated for seismic adequacy places lives at risk.

**Recommendation 9:** The Bureau of Overseas Buildings Operations, in coordination with Embassy Ashgabat, should conduct seismic risk assessments of its current inventory of residential properties in the Interagency Housing Pool. (Action: OBO, in coordination with Embassy Ashgabat)

### *Safety, Health and Environmental Management Program Not in Compliance*

The embassy has not yet completed 7 out of 12 Safety, Health, and Environmental Program reports required by 15 FAM 966. Neither the embassy nor the Bureau of Overseas Buildings Operations has conducted an annual fire inspection survey since 2013, required by 15 FAM 812.2, and the Embassy Safety, Health, and Environmental Management committee has not kept minutes of meetings, as required by 15 FAM 933.2. Embassy officials told OIG that the program had been neglected because facilities maintenance efforts had been directed at relocating residences and annexes to make way for construction of a new embassy compound. As a consequence, employee health and safety may be at risk.

**Recommendation 10:** Embassy Ashgabat should implement a safety health and environmental management program in accordance with Department policies. (Action: Embassy Ashgabat)

## Information Management

At the time of the inspection, the recently arrived Information Management Officer and Information System Officers were working to correct a number of outstanding deficiencies. OIG advised Section managers on requirements to sign system user access agreements; complete dedicated internet network registration; update the local configuration control board charter, mail room, and office site access lists; resolve the 2014 computer security assessment recommendations; prioritize workload; and monitor laptop cybersecurity. OIG suggested that the embassy request temporary duty support to correct outstanding deficiencies.

### *Information Security Officers Not Performing Their Duties*

Information System Security Officers do not perform information security duties as listed in 5 FAM 824 and 12 FAM 613.10-1. These duties include reviews and analysis of information systems audit logs, user libraries, emails, workstations, servers, and hard drives for indications of inappropriate or unusual activities. The officers told OIG that they perform information security duties only as time permits and focus instead on other projects. Failure to perform information security duties creates vulnerabilities on the Department's networks.

**Recommendation 11:** Embassy Ashgabat should implement standard operating procedures defining Information Systems Security Officer responsibilities that are to be performed regularly, as required by Department regulations. (Action: Embassy Ashgabat)

### *Information Technology Contingency Plan Untested*

The embassy has not tested the IT contingency plan for the unclassified computer network. Embassy officials told OIG that they had not done so because of staffing gaps and competing priorities. According to 12 FAM 622.3-2b, IT contingency plans must be complete, updated, and tested annually or in the case of any major systems modifications. An untested contingency plan poses risks to systems and services in the event of an unforeseen incident.

**Recommendation 12:** Embassy Ashgabat should update and test its IT contingency plan annually in accordance with Department regulations. (Action: Embassy Ashgabat)

### *Information Technology Contingency and Emergency Action Plans Not Coordinated*

The embassy has not coordinated the IT contingency plan with the mission's emergency action plan, as required in 12 FAM 622.3-2. Embassy staff members told OIG that it had not done so because of staffing gaps and competing priorities. An improperly coordinated emergency action plan affects the embassy's capacity to operate effectively in the event of an emergency or disaster.

**Recommendation 13:** Embassy Ashgabat should test the IT contingency plan with the Mission's emergency action plan. (Action: Embassy Ashgabat)

### *Information Management Documentation Inadequate*

Server and workstation maintenance logs and standard operating procedures for system administrators and users are missing or outdated. Section OV4.08 of the U.S Government Accountability Office "Standards for Internal Control in the Federal Government" (GAO-14-704G, September 2014) states that documentation is a necessary part of an effective internal control system. Embassy officials told OIG that staff members placed a lower priority on documentation in order to devote more time to immediate user requests. Lack of documentation weakens internal controls and undermines efficient operations.

**Recommendation 14:** Embassy Ashgabat should update information management documentation. (Action: Embassy Ashgabat)

### *Connectivity Problems Resolved*

Internet connectivity and website blockage were among the top priorities the Ambassador raised with the Government of Turkmenistan Ministry of Foreign Affairs. During the inspection, the Government of Turkmenistan approved faster internet service after years of negotiation, diplomatic notes, and a visit by the Secretary of State. Subsequent to these efforts, the Section, working with the Department's Bureau of Information Resource Management, successfully migrated from the Department's network to the local internet service provider. Embassy personnel told OIG the faster connection speed increased their productivity.

## MISSION SUPPORT SERVICES

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The Medical Office had no American medical provider at the time of the inspection. One is due to arrive in January 2016. The Office operates with one full-time local medical doctor. She has no administrative assistant, so when she is occupied with patients, no one is available to perform normal administrative duties, such as answering the phone or greeting employees seeking information. OIG suggested that the embassy advertise and hire an additional staff member in the health unit.

### *Employee Association Does Not Comply with Regulations*

The embassy employee association does not comply with the financial monitoring and reporting requirements of 6 FAM 531 and 6 FAM 550. The board of directors does not review monthly income statements or submit semi-annual financial reports, as required by 6 FAM 557a, prepare the annual budget at the beginning of the calendar year as required by 6 FAM 531e, or conduct a property inventory as required by 6 FAM 531d. The Department's Office of Commissary and Recreation Affairs told OIG that outstanding items also included the statement of auditor's independence from the last audit, as required by 6 FAM 557d(4), a revised charter and updated bylaws, as required by 6 FAM 550, and an insurance waiver. The Office of Commissary and Recreation Affairs advised the previous board of its concerns regarding missing or incomplete reports and "far less than adequate" internal controls. The association provides internet and Armed Forces Network Services to members and has a \$30,000 account balance. The failure of the board to exercise financial oversight places the association's assets at risk.

**Recommendation 15:** Embassy Ashgabat, in coordination with the Bureau of Administration, should require the Employee Association to institute internal fiscal controls in compliance with Department guidance. (Action: Embassy Ashgabat, in coordination with A)

## RECOMMENDATIONS

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**Recommendation 1:** Embassy Ashgabat should configure the Consular Section in accordance with Department line-of-sight standards. (Action: Embassy Ashgabat )

**Recommendation 2:** Embassy Ashgabat should develop monitoring plans and evaluate grant recipient performance in accordance with the Department's Federal Assistance Policy Directive. (Action: Embassy Ashgabat)

**Recommendation 3:** Embassy Ashgabat should establish an overtime policy with standard operating procedures to be followed by designated approving officials. (Action: Embassy Ashgabat)

**Recommendation 4:** Embassy Ashgabat, in coordination with the Foreign Service Institute, should periodically evaluate the effectiveness of the Russian- and English-language training programs for its American and locally employed staff. (Action: Embassy Ashgabat, in coordination with FSI)

**Recommendation 5:** Embassy Ashgabat should provide Equal Employment Opportunity training to all mission employees and keep records of who has completed the training. (Action: Embassy Ashgabat)

**Recommendation 6:** Embassy Ashgabat should procure auto repair services in accordance with the Federal Acquisition Regulation. (Action: Embassy Ashgabat)

**Recommendation 7:** Embassy Ashgabat, in coordination with the Office of the Procurement Executive, should procure internet services in accordance with the Federal Acquisition Regulation. (Action: Embassy Ashgabat, in coordination with A/OPE)

**Recommendation 8:** Embassy Ashgabat should revise its motor vehicle policy to comply with Department guidance. (Action: Embassy Ashgabat)

**Recommendation 9:** The Bureau of Overseas Buildings Operations, in coordination with Embassy Ashgabat, should conduct seismic risk assessments of its current inventory of residential properties in the Interagency Housing Pool. (Action: OBO, in coordination with Embassy Ashgabat)

**Recommendation 10:** Embassy Ashgabat should implement a safety health and environmental management program in accordance with Department policies. (Action: Embassy Ashgabat)

**Recommendation 11:** Embassy Ashgabat should implement standard operating procedures defining Information Systems Security Officer responsibilities that are to be performed regularly, as required by Department regulations. (Action: Embassy Ashgabat)

**Recommendation 12:** Embassy Ashgabat should update and test its IT contingency plan annually in accordance with Department regulations. (Action: Embassy Ashgabat)

**Recommendation 13:** Embassy Ashgabat should test the IT contingency plan with the Mission's emergency action plan. (Action: Embassy Ashgabat)

**Recommendation 14:** Embassy Ashgabat should update information management documentation. (Action: Embassy Ashgabat)

**Recommendation 15:** Embassy Ashgabat, in coordination with the Bureau of Administration, should require the Employee Association to institute internal fiscal controls in compliance with Department guidance. (Action: Embassy Ashgabat, in coordination with A)

## PRINCIPAL OFFICIALS

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Title	Name	Arrival Date
<b>Chief of Mission:</b>		
Ambassador	Allan P. Mustard	1/15
Deputy Chief of Mission	Paul Poletes	8/14
<b>Chiefs of Sections:</b>		
Management	Joseph Strzalka	9/14
Consular	Ivna Giaunque	8/14
Political/Economic	Jeffrey Giaunque	8/14
Public Affairs	Maren Payne-Holmes	10/15
Regional Security	Brett Oestreich	7/15
<b>Other Agencies:</b>		
Department of Defense	William Saba	5/14
U.S. Agency for International Development	Christopher Miller	6/15

## APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

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This inspection was conducted 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 Inspector's Handbook, as issued by OIG for the Department and the Broadcasting Board of Governors.

### **Purpose and Scope**

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

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

### **Methodology**

For this inspection, OIG conducted 166 interviews at Embassy Ashgabat and in Washington; reviewed and calculated the results of 158 questionnaires completed by American and LE embassy staff; and compiled, reviewed, and analyzed 527 documents from the embassy and State Department bureaus and offices. OIG reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.

## APPENDIX B: FY 2015 STAFFING AND FUNDING, BY AGENCY

Agency	U.S. Direct-Hire Staff (authorized)	U.S. Local-Hire Staff	Foreign National Staff	Total Staff	Total Funding FY 2015
Department					
Diplomatic & Consular Programs	16	1	15	32	\$1,274,979
International Cooperative Administrative Support Services	5	5	192	202	\$7,104,959
Public Diplomacy	3		12	15	\$941,321
Public Diplomacy Democracy Funds			2	2	\$768,000
Diplomatic Security	2	1		3	\$138,731
Marine Security	6		4	10	\$134,500
Representation				0	\$20,350
Overseas Buildings Operations	3		23	26	\$993,395
Gift and donation funding				0	\$37,404
Defense Attaché Office	4		1	5	\$136,781
Office of Defense Cooperation	2		1	3	\$62,000
Export Control and Related Border Security	1		1	2	250,000
INL			3	3	\$129,500
Consular	1	1	2	4	\$115,384
Commercial Service Fees				0	\$18,407
USAID	1		5	6	\$3,070,000
				0	
<b>Totals</b>	<b>44</b>	<b>8</b>	<b>261</b>	<b>313</b>	<b>\$15,195,711</b>

Source: Embassy Ashgabat

## ABBREVIATIONS

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DCM	Deputy Chief of Mission
EEO	Equal Employment Opportunity
FAM	Foreign Affairs Manual
FAR	Federal Acquisition Regulation
FAST	First- and Second-Tour
INL	Bureau of International Narcotics and Law Enforcement Affairs
LE	Locally Employed
USAID	U.S. Agency for International Development

## OIG INSPECTION TEAM MEMBERS

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