



OIG

Office of Inspector General

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

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ISP-I-17-02

Office of Inspections

October 2016

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# Inspection of Embassy Zagreb, Croatia

## BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

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# OIG HIGHLIGHTS

October 2016  
OFFICE OF INSPECTIONS  
Bureau of European and Eurasian Affairs

Inspection of Embassy Zagreb, Croatia

ISP-I-17-02

## What OIG Found

### What OIG Inspected

OIG inspected Embassy Zagreb from May 31 through June 15, 2016.

### What OIG Recommended

OIG recommended funding for an additional ambassadorial driver position to comply with Department guidance limiting the number of hours a driver can be on duty. OIG made one recommendation on grants management and one on compliance with record email guidance.

- Embassy Zagreb operated well and pursued the Integrated Country Strategy's major policy objectives.
- The Bureau of European and Eurasian Affairs had not funded an additional ambassadorial driver position. Ambassadorial drivers were regularly on duty more than 10 hours per day.
- The embassy had not consistently completed risk assessments or developed monitoring plans for all federal assistance awards using Department-approved formats.

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## CONTEXT

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Croatia is a nation of 4.46 million bordering the Adriatic Sea. It declared independence from communist Yugoslavia in 1991, which sparked 4 years of ethnic warfare, forced migrations, economic collapse, and widespread introduction of landmines. By the time the U.S.-brokered Dayton Accords ended open hostilities in 1995, the country's formerly diverse population had become 90 percent Croat.

Croatia joined NATO in 2009. It has since been a close partner of the United States, contributing to regional stability and international efforts to address global security challenges. It currently participates in 11 peacekeeping missions. It has provided troops and logistical support in Afghanistan and Kosovo, observers for the Organization for Security and Cooperation in Europe in Crimea, and monitors in eastern Ukraine.

Croatia joined the European Union in 2013. However, it has not implemented structural reforms necessary to transition completely to a fully functioning market economy. Saddled with high public debt, pervasive corruption, and underperforming state enterprises, Croatia fared poorly in the global financial crisis of 2008. The country faces high unemployment, declining foreign investment, and sluggish economic growth. In addition, post-war disputes with neighboring Slovenia, Serbia, Montenegro, and Bosnia and Herzegovina impede regional economic cooperation.

Embassy Zagreb's FY 2016 Integrated Country Strategy (ICS) focuses on:

- Reinforcing U.S.-Croatian security partnership and strengthening Croatia's capacity to participate in international peacekeeping missions.
- Encouraging Croatia to improve its infrastructure and implement economic reforms that could develop it into a regional energy hub and diversify energy transit routes to Europe.
- Urging Croatia to remain committed to democratic principles, enforce the rule of law, and help its neighbors resolve issues that hinder them from entering Euro-Atlantic institutions.

Completed in 2003, the embassy is 30–45 minutes away from government, commercial, and cultural centers, as well as from the American school and most employee residences, which affects how the staff conducts its public outreach and contact work. At the time of the inspection, the embassy employed 48 U.S. direct hires, 150 locally employed (LE) staff members (including 6 U.S. citizens and legal permanent residents), and 11 eligible family members. Non-Department of State (Department) agencies included the Departments of Agriculture, Commerce, Defense, Homeland Security, and Justice. The embassy was preparing space for a regional Drug Enforcement Administration office. U.S. Government foreign assistance to Croatia totaled \$4,450,000 in FY 2015.

The inspection team also assessed security, which the annex to this inspection report covers. The classified annex discusses the security program and issues affecting the safety of mission personnel and facilities.

## EXECUTIVE DIRECTION

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

Embassy Zagreb operated well. OIG assessed embassy leadership on the basis of more than 60 on-site interviews, half of which included comments on the Ambassador and the Deputy Chief of Mission (DCM); 54 interviews in Washington; 84 questionnaires that U.S. and LE staff members completed; a review of more than 400 documents; and observation of embassy meetings and activities. Interviewees consistently described the Ambassador and the DCM as engaged, approachable, and proactive about soliciting input, feedback, and differing points of view. Those are attributes of leadership in 3 Foreign Affairs Manual (FAM) 1214.

In OIG's survey of the American staff, the Ambassador scored higher than the average seen in embassy inspections in the past 5 years in 6 of the key leadership attributes the survey evaluated, including vision, engagement, communication, and problem solving. In OIG interviews, staff members consistently described the Ambassador as dynamic, energetic, hardworking, and effective. The DCM's scores were within the range normally seen. LE staff members rated their satisfaction with Front Office leadership within the average seen in inspections in the past 5 years.

The Ambassador and the DCM worked together to guide and support the staff, visited personnel in their work spaces, and were available to meet with any staff member. Chiefs of other agencies gave the Ambassador high marks for her direction and assistance. The Ambassador invited all American and LE staff members to a get-to-know-you event at her residence shortly after she arrived, and, in her first 8 months in Zagreb, she led 2 town hall meetings.

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

The leadership team pursued the ICS major policy objectives of reinforcing the U.S. security partnership with Croatia and strengthening its capacity to participate in international peacekeeping missions. It encouraged Croatia to improve its infrastructure and implement economic reforms that could develop it into a regional energy hub. It also urged Croatia to remain committed to democratic principles, enforce the rule of law, and help its neighbors resolve issues that hinder them from entering Euro-Atlantic institutions.

OIG observations and employee interviews indicated a hard-working embassy. The Ambassador cultivated cooperative relationships with Croatia's senior leaders. She arrived in September 2015, and, in her first months, met Croatia's President three times, the Prime Minister six times, and the Foreign Minister five times. During the same period, she hosted 25 representational events at her residence. Ready access to the highest levels of the Croatia Government, coupled with her and her staff's good access to all levels and facets of society, enabled them to advocate U.S. Government interests effectively.

The Ambassador regularly used public diplomacy to promote U.S. interests. Since her arrival in September 2015, she spoke publicly on 27 occasions and gave 5 scheduled print and broadcast interviews. She briefed groups of Croatian visitors to the embassy almost weekly. She created a Twitter account in February 2016 and by the time of the inspection had posted more than 300 tweets and attracted almost 600 followers.

## **Internal Control**

The most recent Annual Chief of Mission Management Controls Statement of Assurance, dated July 2015, stated that the embassy completed all required internal management control reviews. The embassy's evaluation of the systems of management control reasonably assured that the embassy achieved the management control objectives. However, the Policy and Program Implementation and Resource Management sections of this report details seven areas where the embassy did not comply with Department management control procedures. The embassy began to correct five of the seven during the inspection. The two remaining issues involved official residence expenses and ambassadorial driver overtime, which the Resource Management section discusses.

The DCM complied consistently with 9 FAM 403.9-2(D)e and 9 FAM 403.10-3(D)(1)a requirements to review a percentage of the Consular Section chief's visa adjudications.

## **Security of the Mission**

OIG surveys and interviews confirmed that the Ambassador and the DCM supported the embassy security program, as the President's Letter of Instruction and 2 FAM 113.1c(5) require. The Ambassador and the DCM approved all embassy security directives. The embassy was up to date on all drills, and the Ambassador and the DCM participated in them.

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

The Ambassador and the DCM counseled and evaluated the mission's four First- and Second-Tour (FAST) employees, as 3 FAM 2242.4 requires. FAST employees credited the Ambassador and the DCM with attending to their professional development. The Ambassador met with the FAST group shortly after she arrived and at the time of the inspection had met with them twice more. In the past year, the DCM met with each FAST employee individually and attended all brown bag luncheons. FAST employees attended country team meetings on a rotating basis and took notes that they distributed to all cleared American staff.

## POLICY AND PROGRAM IMPLEMENTATION

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### Grants Management

#### *Public Affairs Grant Files Lacked Risk Assessments and Monitoring Plans*

Of the Public Affairs Section's 14 grants of \$10,000 or more awarded in FY 2015 and FY 2016 (totaling \$277,675), only 2 had risk assessments and 4 had monitoring plans. The Department's Federal Assistance Policy Directive mandates both of these internal controls for all grants. The section also used its own risk assessment and monitoring checklists without Department authorization. The Bureau of Administration's Procedural Guide for Grants and Cooperative Agreements requires approval to adapt the Department's risk assessment and monitoring worksheet. The two warranted Grants Officers did not obtain this approval from the Office of the Procurement Executive or verify that all grants files included risk assessments and monitoring plans. Inadequate oversight increases the risk that Federal funds will be lost or misused. OIG interviews and review of grants files indicated the section otherwise followed Department guidance and employed embassy-specific procedures to manage the life cycle of its grants.

**Recommendation 1:** Embassy Zagreb, in coordination with the Bureau of Administration's Office of the Procurement Executive, should complete risk assessments and develop monitoring plans for all Federal assistance awards using Department-approved formats. (Action: Embassy Zagreb, in coordination with A)

#### *Political/Economic Section Grants Administered In Accordance With Standards But Grants Officer Representative Training Encouraged*

OIG reviewed the Political/Economic Section's two 2015 grants files<sup>1</sup> and found the section awarded and monitored those grants in accordance with the Department's Federal Assistance Policy Directive and the Bureau of Administration's Procedural Guide for Grants and Cooperative Agreements. OIG noted minor omissions of documents in the award files and advised section personnel how to correct them. Although a Public Affairs Officer acted as Grants Officer for the 2015 grants, Political/Economic Section staff members understood the January 1, 2016, Department requirement that Public Affairs staff members no longer act as Grants Officers or Grants Officer Representatives for grants outside their "intrinsic" duties.<sup>2</sup> In addition, although a Political Officer obtained his grant warrant on May 26, 2016, thus qualifying him to act as a Grants Officer, the section had no trained Grants Officer Representative. The Department requires Grants Officer Representatives for grants over \$100,000; they are optional for lesser amounts. OIG advised leadership to seek training and certification for one or two LE staff members as Grants Officer Representatives. OIG also advised the section to consider training a second officer as a Grants Officer to back up the primary Grants Officer.

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<sup>1</sup> These grants included a refugee grant for \$24,990 and a young women entrepreneur grant for \$34,000.

<sup>2</sup> Cable 2015 State 22048 "Message from Under Secretary Stengel Regarding New Grants Policies for Public Diplomacy Officers," March 3, 2015

## Advocacy and Analysis

### *Political/Economic Section Met Reporting and Advocacy Responsibilities*

OIG found officers in the Political/Economic Section met their reporting and advocacy responsibilities in accordance with ICS goals. Their contacts included government officials, the business community, members of the governing coalition and opposition parties, and non-governmental organizations. Outreach to these groups informed embassy reporting on political and economic issues. Department and other agency readers consistently described embassy reporting as strong, singling out cabled Croatia Daily reports as particularly useful. OIG reviewed 6 months of reporting cables and found them to be properly sourced, timely, addressed to key issues, and relevant to ICS goals.

### *Leahy Vetting Conducted In Accordance with Department Guidance*

In 2015, Embassy Zagreb vetted 408 individuals and security units for potential gross human rights abuses in accordance with Department requirements.<sup>3</sup> Because Croatia is a Bureau of Democracy, Human Rights and Labor Fast Track Country, the embassy could approve security force candidates for training on its own authority. Employees from several embassy sections participated in the INVEST Leahy vetting software program, a sharing of Leahy duties that the bureau noted as a best practice. During the inspection, the Bureau of Democracy, Human Rights and Labor cleared updated Leahy standard operating procedures, and the embassy published them on its SharePoint site.

### *Embassy Did Not Consistently Use Record Emails*

Employees did not consistently use record emails to document activities and operations. As 5 FAM 1214.3, 5 FAM 443.1, and 5 FAM 443.2 require, employees must use record emails to preserve information. From March to June 2016, embassy personnel sent nearly 45,000 emails, only 9 of which were designated as record emails. Employees had not received training on how to use record emails and were unfamiliar with or confused by existing guidance. Failure to use record emails risks the loss of information useful to successors, for policy formulation and review, and for the preservation of historical records.

**Recommendation 2:** Embassy Zagreb should require and train employees to transmit official record correspondence using State Messaging and Archive Retrieval Toolset archive record emails, in accordance with Department guidance. (Action: Embassy Zagreb)

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<sup>3</sup> The Leahy Amendment to the Foreign Assistance Act of 1961 prohibits the Department of State 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 USC 2378d.

## Public Diplomacy

### *Public Affairs Programs Supported Integrated Country Strategy*

The Public Affairs Section's programs supported ICS goals and emphasized youth audiences, entrepreneurship, and Croatia's contribution to Euro-Atlantic security and prosperity. In collaboration with other sections and agencies, it used media engagement, outreach events, exchanges, grants, and online platforms to inform public understanding of U.S. policy priorities and the bilateral relationship.

### *American Spaces Network Met Department Standards<sup>4</sup>*

The embassy's Information Resource Center and four American Corners<sup>5</sup> reached key audiences throughout the country and conducted policy-relevant programs to advance ICS goals. All five locations used partnerships with local institutions and recruited embassy personnel to diversify and extend their outreach. From October 2014 through May 2016, they reported 62,990 visitors and 29,255 participants in 709 programs that covered all 5 core areas prescribed for American Spaces,<sup>6</sup> OIG inspected the Information Resource Center as well as the American Corners in Zagreb, Vukovar, and Osijek and found all 4 locations complied with the Bureau of International Information Programs Standards for American Spaces. OIG interviews and a review of documents indicated the Zadar location also met Department standards.

## Consular Affairs

### *Programs Were Well Run; Leadership Was Proactive*

OIG reviewed how Embassy Zagreb's Consular Section implemented and oversaw 16 consular programs and found that procedures complied with 7 FAM, 7 Foreign Affairs Handbook, and 9 FAM guidance. OIG examined immigrant and nonimmigrant visa processing; passport and nationality adjudication; cashiering and offsite fee collection; fraud prevention; customer service, communication, and outreach; controlled equipment inventories; duty officer guidance; visa referrals; and the Visas Viper program. OIG observed a lack of management oversight of routine correspondence. OIG also observed that the staff routinely performed telephone and visa pass back services that the Bureau of Consular Affairs pays a contractor<sup>7</sup> to perform. Management corrected or began to correct these issues during the inspection.

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<sup>4</sup> American Spaces (American Centers, Information Resource Centers, Binational Centers, and American Corners) are open-access facilities used to engage foreign audiences overseas.

<sup>5</sup> The section had current memoranda of understanding with partner institutions that host American Corners in Osijek, Vukovar, Zadar, and Zagreb.

<sup>6</sup> To qualify for embassy funding support, American Spaces must provide accurate information about the United States and its foreign policies; offer opportunities for English-language learning; promote study at U.S. universities; involve alumni of U.S. exchange programs; and present cultural programs.

<sup>7</sup> The Global Support Strategy is a worldwide contract that provides a combination of information and appointment services, fee collection, document delivery, and greeters for the visa application process. It replaced all previous user pay services to provide better accountability, transparency, and customer service in the visa process.

Consular management began several new processes for nonimmigrant visa intake in early 2016. OIG reviewed those processes and suggested ways to increase efficiency and quality.

### *Consular-Focused Emergency Preparedness Exercise Advisable*

The section had trained staff to handle emergencies but had not made time for regular emergency preparedness exercises. It participated in an embassy-wide crisis management exercise in May 2015 and had an updated Consular Crisis Preparedness Scorecard. The section increased the number and quality of its mobile emergency response kits. The 19-person warden network focused on the tourist centers along Croatia's long coastline. In 2014, the section disseminated a warden guide as the primary warden training tool. Consular staff met with wardens during regular outreach trips outside the capital. OIG suggested that the section partner with the Bureau of Consular Affairs in a consular-focused crisis exercise involving the wardens, Croatian amateur radio operators, and local officials to reinforce emergency response capabilities.

### **U.S. Citizen Wardens Partner with Croatian Amateur Radio Operators**

As a result of lessons learned in the 2010 Haiti earthquake, the Consular Section set up an alternate communications network. The network paired U.S. citizen wardens with Croatian amateur radio operators living nearby in case a natural disaster affects normal communications. The embassy had its own radio set, nine newly licensed radio operators among the LE staff to anchor the Croatian amateur radio network, and a mechanism to link the radio system to emergency email service even if other embassy communications fail. At the time of the inspection, the Consular Section was preparing a network-wide exercise to test response capability.

## **RESOURCE MANAGEMENT**

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### **Management Operations**

The embassy's scores in the 2016 survey of International Cooperative Administrative Support Services equaled or exceeded 4.0 on a 1–5 scale for 27 of 29 administrative services. Information Management Technology Support Services scored slightly below 4.0. Scores for Human Resources Services–LE staff fell below 4.0 because of complaints about the position classification process, lack of transparency, minimal information sharing, and implementation of a wage increase based on grade level rather than across the board to all staff members. Complaints about the wage increase and position classification process, however, were beyond the control of the Human Resources Unit.

Historically, the embassy had good customer service scores. From 2011 to 2015, International Cooperative Administrative Support Services scores exceeded 4.0 on a 1–5 scale for 20 of 30 administrative services surveyed. During that same period, the scores for the remaining 10 services fluctuated but remained above 4.0 most of the time.

OIG reviewed all management operations, including financial management, facilities management, general services operations, and human resources. As described below, OIG found one area of non-compliance in financial management and one in general services operations.

## **Cost Containment**

In accordance with Department cost containment initiatives,<sup>8</sup> the embassy outsources its position and grade classification processing to the Frankfurt Regional Support Center. It outsources travel voucher processing to the Department's regional voucher processing centers in Sofia and Bangkok.

In 2014, the embassy implemented an Overseas Cost Containment Initiative<sup>9</sup> to reduce administrative costs. The embassy reported that it saved \$17,068 by renegotiating its energy contract, monitoring residential utility costs, and using strategic sourcing.

## **Financial Management**

### ***Embassy Directly Paid Official Residence Expenses***

The embassy directly paid five members of the official residence expenses staff using electronic funds transfer. This practice violated 3 FAM 3257, which requires the principal representative or the household manager to pay official residence staff members. In 2014, OIG issued a Management Assistance Report<sup>10</sup> that addressed this improper practice and recommended that the Department issue a directive that prohibits an embassy's direct payment to official residence expenses staff members. Pending issuance of this directive, OIG did not make a recommendation in this report.

## **General Services Operations**

### ***Ambassador's Drivers Exceeded The Daily 10-Hour Duty Time Maximum***

The Ambassador's drivers regularly exceeded the 10-hour daily duty maximum. The Department's Motor Vehicle Safety Management Program, 14 FAM 432.4 c(3), and 15 FAM 957.3(4) limit the daily duty time for drivers of U.S. Government-owned or leased vehicles to 10

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<sup>8</sup> The Department's Regional Initiatives Council selected the "Top 8 Global Management Priorities" for 2012 to reduce administrative cost in the following areas: voucher-processing, regionalization of support services, warehousing, furniture pool, expendable supplies, utilities, local transportation, and temporary duty International Cooperative Administrative Support Services cost management. The Department asked posts to examine each of these priorities, implement them when possible, and proactively report on their progress.

<sup>9</sup> The Department's Regional Initiatives Council developed the overseas cost containment initiative to provide a strategic, collaborative, and measurable program for containing diplomatic platform support costs. It is an evolution of the "Top 8" Global Management Priorities based on lessons learned since FY 2012 and focuses on building operations and general services. Results will be measured year-on-year using readily available data.

<sup>10</sup> OIG, *Management Assistance Report-Direct Payment of Official Residence Expenses Staff Salaries* (ISP-I-14-08, April 3, 2014).

hours per day (total work shift duration, not driving time). In FY 2015, two drivers exceeded the 10-hour daily limit a total of 92 days. Embassy staff members told OIG that insufficient funding for a third driver to provide weekend coverage was the main cause for this violation. Exceeding maximum duty hours increases the risk of driver fatigue and preventable accidents.

**Recommendation 3:** Embassy Zagreb, in coordination with the Bureau of European and Eurasian Affairs, should identify funding to hire an additional driver and implement procedures to limit ambassadorial driver's duty time to the 10-hour daily maximum. (Action: Embassy Zagreb, in coordination with EUR)

## Information Management

OIG validated that most Information Management programs and services met customer needs and complied with 5 FAM 120. OIG reviewed the Information Management Unit's physical, environmental, and technical security protection of classified and sensitive computer networks and dedicated internet networks. OIG reviewed the radio and telephone systems, diplomatic post office and mail, classified and unclassified pouch, mobile computing, communications security, records management, equipment inventories, and emergency operations. OIG identified administrative deficiencies in server maintenance documentation and project tracking. As detailed below, OIG found three procedural deficiencies. The staff corrected all deficiencies during the inspection.

### *Outdated Local Configuration Control Board Charter*

The Information Management Unit had not updated the local IT configuration control board charter, as 5 FAM 862.2 requires. The charter defines the scope and authority of the local IT change control board that manages changes to the Department's local technology environment. The embassy updated the charter during the inspection.

### *Unrestricted Universal Serial Devices on the Network*

The staff had not restricted universal serial devices on 194 computers that connect into the unclassified network, as 12 FAM 623-6 mandates. OIG advised the staff to address this vulnerability. By the end of the inspection, the staff restricted universal serial devices on 168 computers on the network, with plans to complete the project by July 4, 2016.

### *Unregistered Dedicated Internet Network*

The unit had not registered the dedicated internet network at the Ambassador's residence with the Bureau of Information Resource Management, as 5 FAM 872.1b requires. Following OIG's advice, the staff registered the dedicated internet network during the inspection.

### *Unresolved myServices Issues*

The unit faced challenges with “myServices,”<sup>11</sup> an internet-based application that the Department selected to replace eServices. The unit was unable to import contact lists from the contacts database management program into “myServices.” In OIG questionnaires, customers expressed dissatisfaction with the fact that “myServices” closed out service requests before the help desk acted. OIG observed the section working with the Department to resolve “myServices” issues.

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<sup>11</sup> myServices is a cloud-based service management system that allows customers to submit service requests and service providers to receive, manage, and complete customer requests.

## RECOMMENDATIONS

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**Recommendation 1:** Embassy Zagreb, in coordination with the Bureau of Administration's Office of the Procurement Executive, should complete risk assessments and develop monitoring plans for all Federal assistance awards using Department-approved formats. (Action: Embassy Zagreb, in coordination with A)

**Recommendation 2:** Embassy Zagreb should require and train employees to transmit official record correspondence using State Messaging and Archive Retrieval Toolset archive record emails, in accordance with Department guidance. (Action: Embassy Zagreb)

**Recommendation 3:** Embassy Zagreb, in coordination with the Bureau of European and Eurasian Affairs, should identify funding to hire an additional driver and implement procedures to limit ambassadorial driver's duty time to the 10-hour daily maximum. (Action: Embassy Zagreb, in coordination with EUR)

## PRINCIPAL OFFICIALS

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Title	Name	Arrival Date
<b>Chiefs of Mission:</b>		
Ambassador	Julieta Valls Noyes	9/2015
Deputy Chief of Mission	Margaret H. Nardi	8/2013
<b>Chiefs of Sections:</b>		
Management	Matthew J. Garrett	1/2016
Consular	Elizabeth J. Harris	8/2015
Political/Economic	Mark L. Fleming	6/2013
Public Affairs	Christian M. Wright	7/2014
Regional Security	Colin P. Bucknor	8/2014
<b>Other Agencies:</b>		
Defense Attaché Office	Douglas M. Faherty	9/2013
Office of Defense Cooperation	Ryan J. Fayrweather	7/2014
Department of Justice	Charene E. Sreenan	4/2013

**Source:** Embassy Zagreb

## 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

In conducting inspections, OIG reviews pertinent records; as appropriate, circulates, reviews, and compiles the results of survey instruments; conducts onsite interviews; and reviews the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by the review.

OIG used risk-based models to prepare for the onsite inspection. During the survey phase of this inspection, most team members interviewed embassy staff by phone, requested and reviewed supplemental documents, and identified minor deficiencies that the embassy resolved prior to the team's arrival. For this inspection, OIG conducted 54 documented interviews in the survey phase and 68 documented interviews in Zagreb. OIG also reviewed 411 documents and responses in 28 U.S. direct-hire Personal Questionnaires, 27 Workplace and Quality of Life Questionnaires, and 56 LE Staff Questionnaires.

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

Agency	U.S. Direct- hire Staff	U.S. Locally Employed Staff	Foreign National Staff	Total Staff <sup>12</sup>	Funding (\$)
<b>Department of State</b>					
Diplomatic & Consular Programs	21	3	15	39	1,591,100
Consular					678,846
International Cooperative Administrative Support Services	4	6	105	115	8,057,608
Public Diplomacy	2	0	8	10	1,056,970
Diplomatic Security	2	2	9	13	521,327
Marine Security	8	0	3	11	199,000
Representation	0	0	0	0	31,600
Overseas Buildings Operations	0	0	0	0	1,448,640
Bureau of International Narcotics and Law Enforcement Affairs (supports Department of Justice)*	0	0	1	1	1,720,000
<b>Subtotal</b>	<b>37</b>	<b>11</b>	<b>141</b>	<b>189</b>	<b>15,398,925</b>
<b>Department of Agriculture</b>					
Foreign Agriculture Service	0	0	1	1	93,834
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>93,834</b>
<b>Department of Defense</b>					
Defense Attaché Office	6	0	1	7	409,751
Office of Defense Cooperation	3	0	2	5	
Navy-Marine Corps/Olmstead Scholar	1	0	0	1	
<b>Subtotal</b>	<b>10</b>	<b>0</b>	<b>3</b>	<b>13</b>	<b>409.751</b>
<b>Department of Justice</b>					
Office of Overseas Prosecutorial Development, Assistance, and Training*	1	0	0	1	
<b>Subtotal</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>Department of Homeland Security</b>					
Customs and Border Protection	0	0	1	1	
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>

<sup>12</sup> Authorized staff.

Agency	U.S. Direct-hire Staff	U.S. Locally Employed Staff	Foreign National Staff	Total Staff <sup>12</sup>	Funding (\$)
<b>Department of Commerce</b>					
Foreign Commercial Service	0	0	4	4	327,025
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>327,025</b>
<b>Total</b>	<b>48</b>	<b>11</b>	<b>150</b>	<b>209</b>	<b>16,135,701</b>

\*The Department of Justice and the Bureau of International Narcotics and Law Enforcement Affairs fund the program in alternating years.

**Source:** Generated by OIG from data provided by Embassy Zagreb.

## ABBREVIATIONS

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DCM	Deputy Chief of Mission
Department	Department of State
FAM	Foreign Affairs Manual
FAST	First- and Second-Tour
ICS	Integrated Country Strategy
LE	Locally Employed

## OIG INSPECTION TEAM MEMBERS

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John Dinger, Team Leader  
Leslie Gerson, Deputy Team Leader  
Paul Houge  
Dolores Hylander  
Richard Kaminski  
Shawn O'Reilly  
Timothy Wildy



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