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Office of Inspector General
United States Department of State

ISP-I-24-13

Office of Inspections

May 2024

Inspection of Embassy Dili, Timor-Leste

BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS

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HIGHLIGHTS

Office of Inspector General
United States Department of State

ISP-I-24-13

What OIG Inspected

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

What OIG Recommends

OIG made 25 recommendations to Embassy Dili. In its comments on the draft report, the embassy concurred with all 25 recommendations. OIG considers all 25 recommendations resolved. The embassy's response to each recommendation, and OIG's reply, can be found in the Recommendations section of this report. The embassy's formal response is reprinted in its entirety in Appendix B.

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OFFICE OF INSPECTIONS

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What OIG Found

- The Chargé d'Affaires and acting Deputy Chief of Mission led Embassy Dili by example in a professional and collaborative manner which fostered employee morale and productivity.
- The embassy's interagency coordination was generally good, although the Front Office needed to improve coordination with the U.S. Agency for International Development.
- Embassy Dili suffered from chronic staffing gaps and difficulty in attracting Foreign Service bidders. Embassy staff demonstrated resilience despite these staffing issues.
- The embassy did not conduct joint progress evaluations with the government of Timor-Leste for projects funded by the Bureau of International Narcotics and Law Enforcement Affairs, as required by Article 4 of the 2010 Letter of Agreement between the U.S. and Timor-Leste.
- The embassy's consular space was inadequate and poorly configured and did not meet Department of State guidelines. The space issues precluded the embassy from fully delivering nonimmigrant visa services.
- The embassy did not seek Department permission to convert four shipping containers into functional spaces.
- Motor pool operations were not managed by the embassy in compliance with Department standards.
- The Department's Inventory and Logistics Management System loanable property module was not used by the embassy to issue and track information technology assets.
- The embassy's records retirement practices did not fully comply with Department standards.

CONTENTS

CONTEXT	1
OPERATING ENVIRONMENT.....	2
Chronic and Sustained Staffing Gaps and Frequent Turnover	2
Inadequate Embassy Facilities	3
EXECUTIVE DIRECTION	3
Tone at the Top and Standards of Conduct	4
Execution of Foreign Policy Goals and Objectives	4
Adherence to Internal Controls	5
Security and Emergency Planning.....	5
Equal Employment Opportunity and Diversity, Equity, Inclusion, and Accessibility	5
Developing and Mentoring Foreign Service Professionals.....	6
POLICY AND PROGRAM IMPLEMENTATION	6
Political-Economic-Consular Section	6
Political-Economic	6
Consular Operations.....	9
Public Diplomacy	10
Foreign Assistance	11
RESOURCE MANAGEMENT	12
General Services	13
Human Resources.....	17
Financial Management	18
Facility Management.....	19
General Management	20
INFORMATION MANAGEMENT	20
RECOMMENDATIONS.....	23
PRINCIPAL OFFICIALS	29
APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY.....	30
APPENDIX B: MANAGEMENT RESPONSE.....	31
ABBREVIATIONS	37
OIG INSPECTION TEAM MEMBERS.....	39

CONTEXT

Located in Southeast Asia, the Democratic Republic of Timor-Leste, which is almost half the size of Maryland, has a population of approximately 1.4 million. It occupies the eastern half of the island of Timor and is bordered by Indonesia to the west. The island of Timor has been actively



Figure 1: Map of Timor-Leste (Source: CIA World Factbook)

involved in Southeast Asian trading networks for centuries. Timor-Leste became an independent nation on May 20, 2002, following more than 400 years of Portuguese colonization, 24 years of Indonesian occupation, and 3 years of United Nations transitional administration. Timor-Leste is one of the world's poorest nations. It faces extreme rates of malnutrition and poor health outcomes, gender-based violence, an underdeveloped economy that is overly dependent on oil, political instability, and weak institutional checks on power. Despite these challenges, Timor-Leste has made important gains in strengthening its parliamentary democracy, which were highlighted by free and fair elections conducted in 2017 and 2018. Timor-Leste also has the highest press-freedom ranking in Southeast Asia. Timor-Leste officially applied to become a member of the Association of Southeast Asian Nations (ASEAN)¹ in 2011

and was accepted "in principle" as an observer in November 2022. In May 2023, the 42nd ASEAN Summit adopted a roadmap for Timor-Leste's full membership.

The United States established relations with Timor-Leste on the day the nation became independent in 2002. Since then, the bilateral relationship has continued to grow. U.S. assistance to Timor-Leste is focused on economic, health, security, governance, education, and human rights objectives. The United States supports Timor-Leste's top foreign policy priority – its efforts to join ASEAN. The government of Timor-Leste values U.S. assistance and partnership, and the United States is viewed positively by the Timorese people.

Embassy Dili's top three strategic objectives, as outlined in the embassy's Integrated Country Strategy (ICS) approved in June 2022, are to:

- Strengthen the U.S.-Timorese partnership to advance peace, security, and prosperity for the American people.
- Enhance good governance that strengthens Timor-Leste's democratic institutions and political processes.

¹ The Association of Southeast Asian Nations (more commonly known as ASEAN) is an intergovernmental organization aimed primarily at promoting economic growth and regional stability among its members. There are currently 10 member states: Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Laos, Burma (Myanmar), Cambodia, and Vietnam.

- Expand Timor-Leste's economic prosperity, opportunity, and U.S. economic engagement that advances sustainable, peaceful, and inclusive development.

At the time of the inspection, Embassy Dili had 14 authorized U.S. direct-hire positions, 187 locally employed (LE) staff, and 1 eligible family member position working for the Department of State (Department). Additionally, the embassy had 14 authorized U.S. direct-hire, 26 LE staff, and 2 eligible family member positions for the 4 other government agencies represented at the embassy: U.S. Agency for International Development (USAID), Office of Defense Cooperation, Millennium Challenge Corporation, and Peace Corps.

OIG evaluated Embassy Dili's operating environment, executive direction, policy and program implementation, resource management, and information management operations consistent with Section 209 of the Foreign Service Act of 1980.² A related classified inspection report includes discussion of the embassy's security program, issues affecting the safety of embassy personnel and facilities, and certain aspects of the information management program.

OPERATING ENVIRONMENT

Chronic and Sustained Staffing Gaps and Frequent Turnover

OIG found that staff at Embassy Dili faced operational challenges because of chronic and sustained staffing gaps and unusually frequent staff turnover. Additionally, some employees were serving in positions that required more experience than they had. As a 30 percent hardship differential post,³ Embassy Dili has historically attracted a small number of bidders for most of its U.S. direct-hire positions. At the time of the inspection, the chief of mission position had been vacant for 2 years. The acting Deputy Chief of Mission (DCM), who was dual-hatted as the Political-Economic-Consular Section Chief (an FS-02 position), was an FS-03 officer. Prior to the inspection, the acting DCM also served briefly as the acting Public Affairs Officer. Staffing challenges also impacted other parts of the embassy, as described below.

The Political-Economic-Consular Section included two subordinate officer positions under the Political-Economic-Consular Section Chief. One of these was an FS-03 economic officer position, which became vacant in September 2023. A lack of bidders for this FS-03 position led Embassy Dili to instead change it to an entry level position, which yielded results. A first-tour officer was expected to arrive sometime in 2024 to fill the position. The second subordinate position in the section was an entry level consular-political officer position. This position was vacant for 7 months until a first-tour officer arrived in May 2023. OIG determined that the Political-Economic-Consular Section had been fully staffed for just 3 months during 2023.

² See Appendix A.

³ Post hardship differential compensates employees for service in foreign areas where environmental conditions differ substantially from those in the continental United States and warrant additional compensation as a recruitment and retention incentive. The differential is paid as a percentage of basic compensation and can range from 5 to 35 percent.

Within the Management Section, the FS-02 Management Officer position was filled by a temporary duty employee to help cover a 1-year staffing gap in the position. The employee had been due to leave Dili by the end of 2023, but during the inspection the Department extended his assignment into the spring of 2024.

Finally, the Assistant Regional Security Officer position, which was filled in October 2023, had been vacant for 2 years. While the Information Management Officer (IMO) had been at the embassy for a year at the time of the inspection, the position had been vacant for a year prior to the incumbent's arrival. The IMO is the only U.S. direct-hire in that unit; when he goes on leave, the Front Office's Office Management Specialist is his only backup, but she does not have full IMO authorities.

OIG assessed that embassy staff demonstrated resilience in the face of these staffing issues, which strained their efforts to maintain internal controls and meet Department standards in operational matters. Staffing issues will continue to hamper embassy operations unless the Department can achieve full staffing in Dili for a sustained period.

Inadequate Embassy Facilities

OIG found that Embassy Dili's facilities were inadequate. The embassy was established in 2002 at the time of Timor-Leste's independence. The Department built an embassy building in 2005 on a compound with a pre-existing house serving as the Chief of Mission Residence. The embassy building was designed for embassy staffing levels that were considerably lower than they are now after U.S. relations with Timor-Leste have expanded.

OIG observed that the Country Team met in the dining room of the Chief of Mission Residence because there was no room in the embassy large enough for such meetings. The embassy planned to use shipping containers on the compound as additional functional spaces, an issue discussed in the Resource Management section of this report. The Consular Section could not become a full-service visa operation due to inadequate consular space, as discussed in the Consular Operations section of this report. The USAID mission is located 1 mile from the embassy as there was insufficient space in the embassy for that agency's staff.

To address these issues, the Department is planning to construct a new embassy compound beginning in FY 2025, with a projected completion date of 2035. The new embassy compound will consolidate all functional space in a modern, purpose-built facility to address the embassy's operational requirements. The facility will be built on the same property where the existing embassy is located.

EXECUTIVE DIRECTION

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

Tone at the Top and Standards of Conduct

The Chargé d’Affaires (Chargé), a career Foreign Service specialist, arrived in Dili in August 2023. His previous assignment was as the Regional Security Officer, acting DCM, and Chargé at U.S. Embassy Gaborone, Botswana. The acting DCM arrived in Dili in July 2022 as the Political-Economic-Consular Chief. He assumed duties as the acting DCM in June 2023. His previous assignment was as a political officer at U.S. Embassy Jakarta, Indonesia.

OIG found that the Chargé and acting DCM modeled integrity and ethical behavior in accordance with the Department’s leadership and management tenets in 3 Foreign Affairs Manual (FAM) 1214b.⁴ The Chargé modeled integrity and exhibited strong self-awareness in addressing an issue related to receiving an embassy-provided service that the Chargé’s family was eligible to receive, but another family in a similar situation at the embassy was not eligible for due to FAM guidelines. The Chargé issued instructions to cease the embassy’s provision of the service to anyone – including his family – rather than continue a situation that could be perceived by others as unfair. The Chargé also showed self-awareness in acknowledging to OIG that, while his background in security matters gave him a high level of comfort dealing with security and management issues, he relied heavily on the advice of the acting DCM and other Country Team members when addressing policy concerns and managing bilateral relations, where he had less experience.

OIG interviews with staff indicated they viewed the Chargé and acting DCM as open and accessible and willing to listen. They also saw them as leaders genuinely committed to advancing U.S. foreign policy goals and objectives while being sensitive to the welfare of all embassy staff. Country Team members commended the Chargé and acting DCM for their inclusive and collaborative style in Country Team meetings. OIG observed Country Team meetings characterized by open communication and clear guidance and staff told OIG they had no reservations about raising any issue at Country Team meetings.

Execution of Foreign Policy Goals and Objectives

OIG’s review of Embassy Dili’s accomplishment of U.S. foreign policy goals found the Chargé and acting DCM led the Country Team in accordance with guidance in 2 FAM 113.1c, which charges chiefs of mission with representing the interests of the United States and maintaining close relations with the government and people of the host country. For example, the Chargé engaged senior host government officials and resident foreign ambassadors immediately upon arriving at the embassy. During the inspection, the Chargé met with the Minister of Defense to discuss ways to advance U.S. security assistance programs in Timor-Leste. At the time of the inspection, the embassy was planning to update the ICS following the arrival of the Chargé.

Section chiefs and agency heads told OIG that interagency coordination was generally good. However, section chiefs and agency heads also told OIG that the Front Office needed to

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

improve coordination with USAID to ensure the embassy and USAID were both pursuing the same approach to Timor-Leste's ASEAN and World Trade Organization membership bids and to better integrate USAID's disaster relief efforts with the Department of Defense's humanitarian assistance programs. OIG noted that coordination with USAID was limited to the acting Mission Director's participation in Country Team meetings and a biweekly meeting with the Chargé. Coordination with working-level USAID staff occurred informally and intermittently. During the inspection, the Chargé increased the frequency of meetings with the USAID acting Mission Director from biweekly to weekly and decided to convene Country Team meetings once a month at USAID's facility.

Adherence to Internal Controls

The embassy completed the Annual Chief of Mission Management Control Statement of Assurance process in July 2023 in accordance with Department guidance in 2 FAM 022.7, 2 FAM 024d, and 22 STATE 85378,⁵ which instructs embassies to develop and maintain appropriate systems of management controls and to submit the annual Statement of Assurance. The Statement of Assurance did not identify any deficiencies. However, OIG identified several management controls deficiencies as discussed throughout the report.

OIG found the acting DCM conducted regular reviews of nonimmigrant visa adjudications in accordance with Department guidance in 9 FAM 403.12-3(A)a and 9 FAM 403.12-4a.

Security and Emergency Planning

OIG found that Embassy Dili's Front Office fully supported the Regional Security Office and the embassy security program consistent with Department standards in 12 Foreign Affairs Handbook (FAH)-1 H-762a, which requires the Chargé to take part in emergency planning and to emphasize that emergency preparedness is a priority. The Chargé led the embassy's annual crisis management exercise in October 2023. OIG found that the embassy had conducted the required security drills in the year prior to the inspection and that the embassy updated its Emergency Action Plan in September 2023.

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

OIG found that Embassy Dili's Equal Employment Opportunity (EEO) program and its commitment to diversity, equity, inclusion, and accessibility (DEIA) principles generally complied with Department standards in 2 FAM 1511.1a, leadership principles in 3 FAM 1214b(6), and the Secretary's guidance on diversity and inclusion in Cable 23 STATE 62584.⁶ During the inspection, the embassy designated a Federal Women's Program Coordinator.

⁵ Cable 22 STATE 85378, "Instructions for Reporting Templates in your FY 2022 Statement of Assurance," August 2, 2022.

⁶ Cable 23 STATE 62584, "Reissuance of Secretary's Policy Statement on Equal Employment Opportunity and Harassment," June 1, 2023.

Embassy staff told the OIG that the Chargé supported DEIA principles. The embassy also live-streamed the Assistant Secretary for East Asian and Pacific Affairs' Town Hall on DEIA in April 2023. However, due to personnel turnover, the embassy's DEIA Council consisted of only one U.S. direct-hire coordinator. During the inspection, the embassy issued a management notice explaining the purpose of the DEIA Council and canvassing mission staff, including U.S. direct-hires, LE staff, and eligible family members to identify volunteers interested in serving on the council, in accordance with Cable 22 STATE 13392.⁷ Because of the embassy's actions, OIG did not make a recommendation to address this issue.

Developing and Mentoring Foreign Service Professionals

During the inspection, the embassy developed a formal, structured mentoring program for First- and Second- Tour (FAST) employees, consistent with 3 FAM 2713b. The program established a broad range of professional development activities, including regular meetings and mentoring opportunities with the Chargé and acting DCM. The program addressed the concerns some FAST employees expressed to OIG that they had received little to no informal mentoring and were unsure what types of activities a FAST program could include. The embassy also issued a management notice announcing a regional travel program that offered enhanced opportunities for FAST employees to develop basic tradecraft skills. Because of the embassy's actions, OIG did not make a recommendation to address this issue.

POLICY AND PROGRAM IMPLEMENTATION

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

Political-Economic-Consular Section

Political-Economic

OIG reviewed Embassy Dili's political-economic work performed by the Political-Economic-Consular Section through an assessment of the section's leadership and management, policy implementation, reporting and advocacy, grants and program management, Leahy vetting,⁸

⁷ Cable 22 STATE 13392, "Diversity, Equity, Inclusion, and Accessibility (DEIA) Council Best Practices," February 11, 2022.

⁸ The Leahy Amendment to the Foreign Assistance Act of 1961 prohibits the United States from furnishing certain assistance to a unit of a foreign security force if the Department has credible information that the unit has committed a gross violation of human rights. See 22 U.S.C. § 2378d and 9 FAM 303.8-5(B). Leahy vetting is the process of determining whether the Department has credible information that units or individuals proposed to

end-use monitoring,⁹ and foreign assistance coordination. Based on interviews with Washington stakeholders and interagency partners at Embassy Dili, as well as observations of meetings, OIG found the section demonstrated good interagency cooperation and coordination with Department stakeholders. OIG determined that the embassy's reporting and diplomatic engagement supported ICS and Department goals. Specifically, OIG reviewed 69 of 132 embassy cables from October 1, 2022, through September 12, 2023, and found reporting to be timely, relevant, and appropriately sourced.

Washington end-users told OIG that the embassy interacted with the appropriate range of people to advocate U.S. interests and produce reporting of good quality and quantity that was responsive to policy. The embassy's efforts supported Bureau of East Asian and Pacific Affairs (EAP) strategic goals. In particular, end-users commended the embassy's reporting on Timor-Leste accession to ASEAN and reporting and engagement on the energy sector, the election cycle, major foreign policy issues, anti-corruption, and economic development and opportunity. The embassy's nominee for the Secretary's 2023 anti-corruption award for the East Asia and Pacific region was selected as the winner of the award by EAP.

The embassy implemented Leahy vetting in compliance with Department standards. During the inspection, the embassy updated its Leahy vetting policy. The section also responded to two Blue Lantern¹⁰ requests received in the 12 months prior to the inspection. Overall, OIG found the section generally complied with Department standards with two exceptions as described below.

Embassy Did Not Comply with Department Standards for Management and Documentation of Ambassador's Self-Help Fund

OIG found Embassy Dili's Political-Economic-Consular Section did not monitor and evaluate grants in accordance with Department standards. The section managed a \$100,000 Ambassador's Self-Help fund,¹¹ awarding five \$20,000 grants per year for projects with

benefit from certain assistance have committed a gross violation of human rights. The Department helps implement a similar law applicable to "amounts made available to the Department of Defense" for assistance to foreign security forces. See 10 U.S.C. § 362.

⁹ The Department requires certain property purchased with foreign assistance funds be monitored to ensure it is used for its intended purposes, known as end use monitoring. For instance, INL equipment valued at more than \$2,500 or items designated as defense articles, munitions, or dual-use items are subject to this requirement, which posts are obligated to review and follow. See Bureau of International Narcotics and Law Enforcement Affairs (INL) Standard Operating Policy/Procedure for End Use Monitoring, Sections 6.3.2 and 6.3.3, June 30, 2021. End-use monitoring fulfills the requirements of Section 484(b) of the Foreign Assistance Act of 1961, as amended, and Chapter 3A, Section 40A of the Arms Export Control Act. See 22 U.S.C. § 2291c(b) and 22 U.S.C. § 2785.

¹⁰ Blue Lantern is a Department-managed end-use monitoring program established to implement the Arms Export Control Act and International Traffic in Arms Regulations and verify the legitimacy of the export of items on the United States Munitions List. In order to detect and deter illegal and unauthorized arms transfers, the Department may request embassy officers to conduct inquiries with foreign government and business representatives and make site visits. See 22 U.S.C. § 2785(a)(2)(A).

¹¹ The Ambassador's Special Self-Help program is a grass-roots assistance program that allows embassies to respond quickly to requests from local communities for small community-based development projects.

implementation phases from 6 to 12 months. OIG reviewed 10 of 20 Ambassador's Self-Help Fund grants with periods of performance from October 1, 2019, to August 11, 2023. Files were missing documentation of grants officer representative reporting for site visits, monitoring, and performance assessments. The Federal Assistance Directive (FAD)¹² requires the grants officer and grants officer representative to monitor and evaluate grantee performance to assess whether the grant effectively used U.S. funding to achieve program objectives. The grants officer and grants officer representative acknowledged that they had not done regular monitoring and evaluation and had not prepared required performance reports, in part due to the remote location of some grantees and restrictions on travel due to the COVID-19 pandemic. Without systematic grants officer and grants officer representative reviews of grantee performance, the only information documented in the Department's Integrated Logistics Management System (ILMS)¹³ database on whether grantees achieve objectives, comes from the grantees themselves.

Recommendation 1: Embassy Dili should monitor, evaluate, and prepare required performance reports regarding grants for the Ambassador's Self-Help Fund in accordance with the Federal Assistance Directive and Department standards. (Action: Embassy Dili)

Embassy Did Not Conduct Required Joint Progress Evaluations of Law Enforcement Programs

Embassy Dili did not conduct quarterly consultations and prepare joint progress evaluations with the government of Timor-Leste for in-country activities funded by the Bureau of International Narcotics and Law Enforcement Affairs (INL), required by article 4 of the 2010 Letter of Agreement,¹⁴ as amended in December 2012. The original agreement applied to the Resident Legal Advisor program, which ended in 2019. The 2012 amendment to the Letter of Agreement added law enforcement capacity building and counternarcotics interdiction as program categories. Monitoring, evaluation, and consultation articles are standard requirements in INL Letters of Agreement designed to ensure there is senior level coordination with the host nation on objectives and outcomes. Embassy staff thought this requirement only pertained to the Resident Legal Advisor program and not to the law enforcement capacity building and counter-narcotics interdiction programs in the amendment. The lack of joint progress evaluations could hinder the efficient use of funding and hamper the measurement of results against both the embassy's ICS objectives and INL's program objectives.

¹² The Department's Federal Assistance Directive (FAD) establishes internal guidance, policies, and procedures for all domestic and overseas grant-making bureaus, offices, and posts administering federal financial assistance and is updated annually by the Bureau of Administration, Office of the Procurement Executive. Grants reviewed by OIG were subject to FAD, Version 7.0, effective October 2022, Chapter 5, p. 147.

¹³ The Integrated Logistics Management System (ILMS) is an integrated web-based system that encompasses all Department supply chain functions in one system. ILMS is designed to upgrade Department supply chain management by improving operations in areas such as purchasing, procurement, warehousing, transportation, property management, personal effects, and diplomatic pouch and mail.

¹⁴ A Letter of Agreement is the binding agreement between the United States and the host government under which foreign assistance is provided for a specific project. Such letters include the commitments made by both parties and the necessary provisions to legally obligate INL funds to finance the project activities.

Recommendation 2: Embassy Dili should comply with the requirements of the 2010 Letter of Agreement, as amended in 2012 between the United States and Timor-Leste, to conduct joint progress evaluations of law enforcement programs. (Action: Embassy Dili)

Consular Operations

OIG reviewed Embassy Dili's consular operations, including leadership and management, U.S. citizen services, crisis preparedness, management controls, visa services and processing, public outreach, and fraud prevention programs. Embassy Dili provides a full range of U.S. citizen services but provides limited visa services. All applicants for immigrant visas and most applicants for nonimmigrant visas are instructed to apply for visas at Embassy Jakarta, Indonesia, approximately 1,300 miles from Dili. In July 2023, the Bureau of Consular Affairs granted the embassy authority to adjudicate nonimmigrant visa applications for limited categories of applicants who are required to pay machine-readable visa fees. The embassy was previously limited to adjudicating applications for no-fee nonimmigrant visa applicants, primarily diplomats and their families and embassy staff traveling to the United States on official business.

During the inspection, the embassy corrected two issues identified by OIG. Specifically, the embassy:

- Safeguarded U.S. citizen services records in a locked security container in accordance with 7 FAH-1 H-6444.3.
- Updated Memoranda of Agreement for Embassy Dili's citizen liaison volunteers as required by 7 FAM 074a.

OIG determined Embassy Dili's consular operations complied with guidance contained in 7 FAM, 8 FAM, 9 FAM, 7 FAH, applicable statutes, and other Department policies, with the exceptions noted below.

Consular Physical Space Did Not Comply with Department Standards

OIG assessed the embassy's physical space for consular operations and found it was inadequate and poorly configured. When originally constructed, Embassy Dili did not have dedicated consular space separated from other embassy spaces with required access controls because it offered only limited emergency assistance to U.S. citizens. In 2016, the embassy converted an existing cashier booth into an enclosed consular space to enable the provision of more consular services. However, as noted above, even with these changes, the embassy was unable to provide the full range of visa services. OIG found that the embassy's consular space did not meet Department standards in the following areas:

- The consular space lacked an enclosed cashier work area with a lockable door (7 FAH-1 H-742a).
- The consular space did not have a privacy booth for conducting sensitive consular interviews (7 FAH-1 H-282(1)(m)).

- The consular waiting room shared a space with the embassy lobby and main entrance used by staff and official visitors; the sole consular window was separated from the embassy's access control window by a bamboo screen divider, resulting in a lack of privacy during consular interviews (7 FAH-1 H-281 and 7 FAH-1 H-282).
- Consular applicants lacked adequate protection when walking from the compound access control (CAC) facility¹⁵ to the consular inside waiting area. The walkway between the two areas was uncovered, leaving consular applicants exposed to inclement weather (7 FAH-1 H-281a).

As noted in the Operating Environment section of this report, the Department is planning to begin construction of a new embassy compound in 2025 that will meet current standards for consular space. Therefore, OIG did not make a recommendation to address the deficiencies in Embassy Dili's consular space.

Embassy Lacked Clean and Accessible Public Toilets and Drinking Water Facilities

OIG noted that the one unisex toilet available to consular applicants was in the embassy's CAC facility and it was shared with local guard force personnel. It did not meet minimal standards of cleanliness. Furthermore, the drinking water dispenser was dirty and lacked cups. Guidance in 7 FAH-1 H-281a and 7 FAH-1 H-282(1)(h) calls for consular sections to provide a dignified, accessible, comfortable, and attractive accommodation for visitors and staff, including clean and accessible public toilets and drinking water facilities. Competing priorities prevented the Political-Economic-Consular Section Chief, who also served as the acting DCM, from focusing on the issue. Failure to provide proper toilet and drinking water facilities reflects poorly on the U.S. government and inconveniences consular visitors.

Recommendation 3: Embassy Dili should provide consular applicants with toilet facilities and drinking water facilities that meet Department standards. (Action: Embassy Dili)

Public Diplomacy

OIG reviewed the Public Diplomacy Section's strategic planning and reporting, section leadership, resource and knowledge management, grants administration, Bureau of Educational and Cultural Affairs programs, and media engagement. The section was comprised of one Public Diplomacy Officer and six LE staff. The staff has been receiving the necessary training – online, regional, and Washington-based – according to a training schedule newly established by the section. Overall, OIG determined public diplomacy operations and programs complied with Department standards and guidance, with one exception as discussed below, and supported the goals of the embassy's ICS and the objectives of the Public Diplomacy Implementation Plan.

¹⁵ A compound access control (CAC) facility is a system of gates, barriers, and guard booths, used to pre-screen personnel and vehicles entering a secure perimeter. The term CAC is most frequently used to describe a small building located on the perimeter of an official compound.

Embassy Did Not Consistently Close Out Federal Assistance Awards in Accordance with Department Standards

OIG found that Embassy Dili did not consistently close out its Federal Assistance Awards in accordance with the Department's FAD. According to FAD 2022, awards must be closed out within 1 year of the end of the period of performance. OIG reviewed active and expired grants issued between FY 2021 and FY 2023 and determined that the embassy did not have a formal process for closing out public diplomacy awards or a mechanism to track the period of performance of grants. During the inspection, the section took corrective action and closed out all expired grants, with one exception. As a result, OIG did not make a recommendation to address this issue.

Foreign Assistance

Bilateral U.S. foreign assistance to Timor-Leste was more than \$19.4 million in FY 2023. U.S. development assistance is delivered primarily through USAID in the areas of governance, health, ending violence against children and women, tourism development, private sector and economic growth, humanitarian assistance, digital connectivity, and agricultural programs. The Millennium Challenge Corporation entered into a \$420 million compact with Timor-Leste in 2022 and was preparing to start implementation of a \$308 million water, sanitation, and drainage project and a \$40.2 million project to improve secondary education and teaching. Since 2018, the U.S. Department of Agriculture has implemented a \$52 million, 10-year McGovern-Dole school nutrition and education program. Nearly 30 Peace Corps volunteers support community development and English-language teaching throughout the country. INL manages programs for law enforcement capacity building, anti-trafficking-in-persons, and anti-corruption. Finally, Department of Defense and Department of State funded security assistance to Timor-Leste focused on maritime and border security and humanitarian assistance and disaster response. OIG determined that the embassy coordinated many foreign assistance programs well, particularly law enforcement and security programs and the implementation of grants managed by Department bureaus. However, staff-level coordination at post between the Department and USAID on foreign assistance programs was often not occurring.

Embassy's Foreign Assistance Coordination With the U.S. Agency for International Development Was Often Lacking

Department and USAID staff told OIG that staff-level coordination between the Department and USAID was often not occurring. The USAID Mission Director or a delegate routinely attended Country Team meetings; however, staff-level coordination was often lacking, even on key ICS priorities. For example, supporting Timor-Leste's proposed accession to ASEAN and the World Trade Organization were top mission priorities. However, according to USAID staff, there had never been a Department-USAID meeting to coordinate policy and USAID programmatic support requested by Timor-Leste for its ASEAN accession. Moreover, standing working groups that embassy and USAID staff had planned on several economic and political/governance issues rarely met. Separately, the Political-Economic-Consular and Public Diplomacy Sections and USAID managed small grants programs supporting a range of nascent civil society organizations.

However, staff indicated that no one was looking at all of them together to find synergies. Although the embassy frequently highlighted foreign assistance engagements and milestones on its Facebook page, the Chargé and acting DCM confirmed that there was no document or fact sheet that captured the overall scope and accomplishments of U.S. assistance.

As noted earlier in this report, regular embassy-USAID coordination occurred primarily at the level of the Chargé and the USAID Mission Director. OIG determined that staff did not consistently receive clear direction to coordinate in areas where both agencies had equities and expertise. Physical separation of the embassy from the USAID mission building, further inhibited integration of effort. As described in 1 FAM 013.2k(6) and 2 FAM 113.1c(3) and (4), chiefs of mission have a significant role in directing and supervising all programs authorized under the Foreign Assistance Act. Insufficient coordination on foreign assistance programs raises the risk of program duplication, lack of alignment with ICS goals, and inadequate monitoring.

Recommendation 4: Embassy Dili should institute regular mechanisms to coordinate the full range of U.S. foreign assistance activities in Timor-Leste. (Action: Embassy Dili)

RESOURCE MANAGEMENT

OIG reviewed Embassy Dili's operations and internal controls in general services, human resources, financial management, facility management, and general management including the embassy's employee association, Health Unit, and Community Liaison Office.

OIG found that the Management Section experienced operational challenges due to the staffing issues discussed in the Operating Environment section of this report. At the time of the inspection, the Management Section consisted of a temporary duty Management Officer who was also serving as the Human Resources Officer, a first-tour General Services Officer who was also serving as the Facility Manager and Post Occupational Safety and Health Officer (POSHO), and 60 LE staff serving 334 customers.¹⁶

During the inspection, the embassy corrected four internal control issues that OIG identified. Specifically, the embassy:

- Issued a gift policy and created a shared gift log (3 FAM 4122.1, 2 FAM 964).
- Established a policy regarding the sale of personal property (2 FAM 225.4b).
- De-obligated over \$100,000 in unliquidated obligations (4 FAM 225d).
- Installed fire extinguishers in the warehouse (14 FAH-1 H-313.8-5).

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

¹⁶ Global Financial Services Bangkok provided financial management support and the Human Resources Office in Bangkok provided limited human resources support.

General Services

Embassy Did Not Properly Account for Personal and Program Property

The embassy did not account for personal and program property, including uniforms and personal protective equipment issued to its staff, as well as construction materials, supplies, and spare parts. Guidance in 14 FAM 446.1c and 14 FAM 414.2-1a requires that personal and program property be accounted for in ILMS. Management Section staff told OIG they were unaware of this requirement. Failure to account for property in the Department's approved property record system increases the risk of mismanagement and theft of embassy property.

Recommendation 5: Embassy Dili should use the Integrated Logistics Management System to track all personal and program property in accordance with Department standards. (Action: Embassy Dili)

Embassy Used Shipping Containers for Functional Spaces

OIG found the embassy converted or was in the process of converting four shipping containers into functional spaces for a water testing lab, a mail screening facility, an electrical shop and breakroom, and an incinerator room. The embassy had not sought permits for these conversions from the Bureau of Overseas Buildings Operations (OBO). Guidance issued in September 2018 and October 2022¹⁷ states the Department does not support the use of shipping containers as occupied structures or to accommodate functional space needs, but embassies can request permits for such use. In accordance with 15 FAM 645.1(d), construction or structural alteration requests must be approved by OBO, be permitted by OBO, and receive appropriate funding. Embassy staff told OIG they believed OBO had approved the conversion of the shipping containers, but they were unable to provide OIG with the OBO-approved permits. Despite this Department guidance, OIG issued an audit in September 2023¹⁸ that found widespread unauthorized use of shipping containers by overseas posts. Unpermitted shipping containers may not conform to Department building or fire codes and pose a safety risk for employees working in them or a risk of damage to Department property.

Recommendation 6: Embassy Dili should seek permits from the Bureau of Overseas Buildings Operations to use shipping containers for functional space in accordance with Department requirements. (Action: Embassy Dili)

Forklift Operators Lacked Required Training

OIG found that the embassy's six forklift operators had not been trained to operate, maintain, and care for powered industrial trucks, such as forklifts. In accordance with 14 FAH-1 H-313.6-

¹⁷ Cable 18 STATE 98976, "Shipping Containers and Portable Structure Use and Occupancy Requirements," September 27, 2018; and Cable 22 STATE 112696, "FY 2022 Bureau of Overseas Buildings Operations Financial and Operational Guidance," October 17, 2022.

¹⁸ OIG, *Audit of Physical Security Standards for Department of State Temporary Structures at Selected Overseas Posts* (AUD-SI-23-30, September 2023).

2c and d and 14 FAH-1 H-313.4a(1) and (2), forklift operators must be properly trained in operating, maintaining, and storing forklifts or other powered industrial trucks and must take refresher training at least every 3 years. Management Section staff told OIG that forklift operators were not trained because Timor-Leste did not have training facilities available. Prior to the inspection, the embassy identified training in Jakarta and hoped to complete training by the second quarter of FY 2024. Failure to ensure proper employee training creates a potential workplace safety hazard.

Recommendation 7: Embassy Dili should comply with Department training standards for the use of powered industrial trucks, such as forklifts. (Action: Embassy Dili)

Embassy Did Not Update Its Motor Vehicle Policy

OIG found the embassy last updated its motor vehicle policy in August 2019. Guidance in 14 FAM 435.1(a) requires the embassy to review and, if necessary, update its written motor vehicle policy annually to incorporate any updates to the FAM or changes in post vehicle operations policy. Management Section staff told OIG they did not update the motor vehicle policy because of time constraints; however, they planned to present a draft update at the embassy's November 2023 International Cooperative Administrative Support Services (ICASS)¹⁹ meeting. Without a policy that reflects current Department guidance, the embassy risks providing unauthorized services.

Recommendation 8: Embassy Dili should review and update its motor vehicle policy in accordance with Department standards. (Action: Embassy Dili)

Motor Pool Operations Did Not Fully Comply With Department Standards

Embassy Dili did not manage motor pool operations in full compliance with Department standards. Specifically, embassy operators of official vehicles did not perform and record daily maintenance inspections on the required checklist²⁰ in accordance with 14 FAM 435.2b. Additionally, embassy operators did not record daily vehicle usage data for all U.S. government vehicles as required by 14 FAM 437.2. OIG's analysis of vehicle daily use records for 5 of 25 government-owned vehicles during the periods of June 2022, November 2022, February 2023, and May 2023, showed there was vehicle usage that was not accounted for and no documentation of maintenance inspections. Management staff told OIG that some drivers of vehicles previously did not think they needed to complete these records, but the embassy had been working to rectify this. Failure to perform daily maintenance checks risks placing an unsafe vehicle into operation and endangers the operator and any passengers in the

¹⁹ The International Cooperative Administrative Support Services (ICASS) is the principal means by which U.S. Government agencies share the cost of common administrative support services at most diplomatic and consular posts overseas. Through the ICASS working capital fund, service providers recover the cost of delivering administrative support services to other agencies at overseas missions.

²⁰ Driver's Daily and Weekly Preventative Maintenance Checklist, Part II of Optional Form (OF) 108 Daily Vehicle Usage Report.

vehicle. Incomplete vehicle information prevents the embassy from having accurate cost and usage data essential for an effective fleet management system.

Recommendation 9: Embassy Dili should bring its motor pool operations into compliance with Department standards. (Action: Embassy Dili)

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

OIG found that Embassy Dili did not comply with some elements of the Department’s Overseas Motor Vehicle Safety Standards. Specifically:

- Driver duty time exceeded 10 hours per day in 21 instances across 17 pay periods²¹ (14 FAM 433.8(a-e)). Management Section staff told OIG that passengers, including during large visits, sometimes kept drivers longer than 10 hours a day and there was a lack of creativity in motor pool scheduling for these types of events.
- Out of 47 drivers, 15 had expired or no record of driver safety refresher training based on information updated by the embassy in ILMS during the inspection (14 FAM 433.5(a-e)). Staff told OIG that prior to the inspection they were prioritizing training for drivers with mishaps or those with expiring certifications, based on a document maintained by the embassy’s driver safety trainer and not what was contained in ILMS.
- Out of 47 drivers, 31 had expired or no record of medical certifications based on information updated by the embassy in ILMS during the inspection (14 FAM 433.4(e)). Management Section staff told OIG that they recently terminated the LE staff member who was responsible for tracking medical certifications.

Failure to enforce motor vehicle safety standards increases the risk of injury to drivers, passengers, and the public, as well as damage to U.S. government property.

Recommendation 10: Embassy Dili should bring its motor vehicle safety program into compliance with Department standards. (Action: Embassy Dili)

Bulk Fuel Operation Not Managed in Accordance With Department Standards

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

- Did not have fire extinguishers positioned during the fuel receiving process and did not ground the fuel delivery truck and inspect it for leaks prior to commencing delivery (Motor Pool Procedures Overseas, Section 3.1a).
- Did not gauge fuel tanks before and after delivery of fuel (Motor Pool Procedures Overseas, Section 3.1c(2)).

²¹ OIG reviewed pay periods 20 through 26 covering September 25, 2022, to December 31, 2022; pay periods 1 through 8 covering January 1, 2023, to April 22, 2023; pay period 11 covering May 21, 2023, to June 2, 2023; and pay period 17 covering August 13 to August 26, 2023.

- Did not periodically calibrate its fuel tanks (Motor Pool Procedures Overseas, Section 3.3c(1)).
- Did not have fuel pump meters calibrated at least annually by a qualified service person (Motor Pool Procedures Overseas, Section 3.3b).

Management Section staff told OIG they were unaware of these requirements. However, in March 2022, OIG issued an information report²² that highlighted widespread fuel management deficiencies at overseas posts, Department efforts to address those deficiencies, and the importance of ongoing Department-wide efforts to systemically address those deficiencies. Failure to implement adequate management controls over bulk fuel operations increases the risk of injury, mismanagement, and theft.

Recommendation 11: Embassy Dili should manage its bulk fuel operation in accordance with Department standards. (Action: Embassy Dili)

Contracting Officer's Representative Program Did Not Comply with Department Standards

OIG found the embassy's contracting officer's representative (COR) program did not comply with Department standards. At the time of the inspection, the embassy had 3 CORs who oversaw 13 contracts valued at more than \$600,000. Specifically, OIG found:

- One COR did not have current annual ethics training (Procurement Information Bulletin No. 2012-15).
- None of the CORs had filed their annual OGE-450 financial disclosure forms (Procurement Information Bulletin No. 2012-15).
- Two assigned CORs had never received a certification (14 FAH-2 H-113e).
- The contracting officer did not prepare COR delegation memoranda for two CORs (14 FAH-2 H-143.2).
- CORs did not maintain paper files, as required by 14 FAH-2 H-517a and c, or electronic files for all awards made after October 1, 2020, as required in Procurement Information Bulletin No. 2020-04.
- CORs did not certify to the contracting officer that they properly maintained their COR files (14 FAH-2 H-517c).

Staff told OIG they were unaware of these requirements and that they lacked sufficient training to be CORs. The contracting officer told OIG that the missing delegation memoranda were a management oversight. A non-compliant COR program increases the risk of contract mismanagement.

Recommendation 12: Embassy Dili should bring its contracting officer's representative program into compliance with Department standards. (Action: Embassy Dili)

²² OIG, *Information Report: Systemic Deficiencies Related to the Department of State's Fuel Management From FY 2016 to FY 2020* (AUD-MERO-22-20, March 2022).

Procurement Files Were Not Closed Out Within Required Timeframes

Embassy Dili did not close out its procurement files in ILMS within required timeframes. Specifically, OIG found the embassy did not close out 1,111 procurement files from FY 2021 to FY 2023. Guidance in 14 FAH-2 H-573.2b states that contracts awarded under simplified acquisition procedures should be closed out immediately after the contracting officer receives evidence of receipt of property and final payment. The contracting officer told OIG he was unable to close out files because other responsibilities limited the time he had available to address procurement closeout. Failure to close out procurement files within the required timeframe increases the risk of inaccuracies in procurement records and of internal control issues in procurement operations.

Recommendation 13: Embassy Dili should close out procurement files in accordance with Department standards. (Action: Embassy Dili)

Human Resources

Time and Attendance Procedures Did Not Meet Department Standards

Embassy Dili's time and attendance procedures did not meet Department standards. Specifically, OIG found 109 instances in 17 pay periods²³ across embassy sections where overtime or compensatory time was not requested or approved in advance as required by 4 FAH 3 H-523.2. Management Section staff told OIG they and other staff thought work had to occur before premium compensation could be approved and acknowledged it would take extensive retraining to address this. Failure to comply with Department standards for time and attendance increases the risk for waste, fraud, and mismanagement of government resources.

Recommendation 14: Embassy Dili should bring its time and attendance procedures for overtime or compensatory time into compliance with Department standards. (Action: Embassy Dili)

Salary Advances Were Not Approved in Accordance with the Local Compensation Plan

OIG found the embassy did not issue salary advances in accordance with its local compensation plan.^{24 25} The embassy's local compensation plan allowed LE staff to request salary advances for "financial hardship as a result of personal or family emergency." At the time of the inspection, the embassy had 118 open salary advances. OIG reviewed seven approved salary advances. Of these seven, only one potentially met the criteria outlined in the local compensation plan. The

²³ OIG reviewed pay periods 20 through 26 covering September 25, 2022, to December 31, 2022; pay periods 1 through 8 covering January 1, 2023, to April 22, 2023; pay period 11 covering May 21, 2023, to June 2, 2023; and pay period 17 covering August 13 to August 26, 2023.

²⁴ A local compensation plan forms the legal basis for all salary, bonus, and other payments to LE staff members under guidelines in 3 FAM 7521.

²⁵ Cable 21 STATE 110976 provided authorization for posts to include a salary advance plan in their local compensation plan without additional authorization from the Bureau of Global Talent Management's Office of Overseas Employment.

remaining six did not meet the criteria or lacked sufficient information on which to base a decision. For example, one salary advance was for school fees, while another was to purchase furniture. Management Section staff told OIG that salary advances were presented to LE staff as a benefit more than an emergency allowance, and previous Management Section leadership told LE staff they did not have to provide details of the emergency and could instead use a generic statement of need. Failure to issue salary advances in accordance with the local compensation plan increases the embassy's risk of incurring an uncollectable debt.

Recommendation 15: Embassy Dili should approve salary advances in accordance with its local compensation plan. (Action: Embassy Dili)

LE Staff Handbook Conflicted With Local Compensation Plan

OIG found Embassy Dili's LE staff handbook conflicted with its local compensation plan in key areas. For example, the handbook stated the embassy offers a 10 percent bonus and transportation and family allowances that were not included in the local compensation plan. The handbook also referenced up to a 48-hour workweek while the local compensation plan referenced up to a 44-hour workweek. As stated in 3 FAM 7155c, the LE staff handbook serves as a companion to the embassy's local compensation plan. The plan provides the official guidance and basis for all LE staff compensation and benefits to avoid discrepancies or confusion. As such, the LE staff handbook should not duplicate or conflict with information contained in the local compensation plan. In the event of a discrepancy between the local compensation plan and the LE staff handbook, the local compensation plan shall serve as the official guidance on all LE staff salary and benefits issues. OIG determined the differences occurred because of a lack of management oversight. Conflicting information in the LE staff handbook could lead to LE staff misinterpreting the application of guidance for benefits and allowances.

Recommendation 16: Embassy Dili should revise its locally employed staff handbook, so it does not conflict with the local compensation plan in accordance with Department standards. (Action: Embassy Dili)

Financial Management

Embassy Cashiering Operations Did Not Fully Comply With Department Standards

Embassy Dili's cashiering operations did not fully comply with Department standards. Specifically, OIG found:

- A financial clerk shared the Class B Cashier office full-time with the principal cashier and was present in the office during cashier operations. The Cashier User Guide, Section 4.3.1.1 states that during cashiering hours, when documents and funds are held outside the safe, only the acting cashier should have interior access to the office.
- While the alternate cashier worked as the principal cashier on occasion, the embassy did not establish a regular schedule for the alternate cashier to work as the principal cashier, contrary to guidance in the Cashier User Guide, Section 3.6(5).

- U.S. citizen supervisors of sub-cashiers did not conduct unannounced verifications of sub-cashier funds at least quarterly to ensure accountability for the funds as required by 4 FAM 397.2a. Verifications were completed on average every 4 months, with time spans between verifications ranging from 2 months to 8 months. Failure to implement these internal control procedures increases the risk of theft and errors.

Recommendation 17: Embassy Dili should bring its cashiering operations into compliance with Department standards. (Action: Embassy Dili)

Facility Management

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

OIG identified elements of Embassy Dili’s safety, health, and environmental management program that did not comply with Department standards. First, the POSHO did not perform the required annual inspection of all office work areas and semi-annual inspections of “high-risk”²⁶ work areas and operations as required by 15 FAM 962. Additionally, the POSHO did not complete a written assessment of the safety, health, and environmental management program annually, as required by 15 FAM 968(d). Finally, neither the POSHO nor Assistant POSHOs provided workplace safety trainings to supervisors and employees, as required by 15 FAM 965(e, g, h). Management Section staff told OIG that these requirements were not met because the General Services Officer, who is also the POSHO, did not receive training until July 2023.²⁷ Failure to follow safety, health, and environmental management requirements risks harm to personnel.

Recommendation 18: Embassy Dili should bring the safety, health, and environmental management program into compliance with Department standards. (Action: Embassy Dili)

Embassy Did Not Conduct Seismic Evaluations for All Residences

Embassy Dili, which is in a very high seismic risk area,²⁸ did not conduct seismic safety assessments for all residences as required by 15 FAM 252.6f(3). The Bureau of Overseas Buildings Operations conducted residential seismic surveys for 12 of 22 embassy properties in Dili in April 2023. Management Section staff told OIG they were waiting for the report from the April 2023 visit to determine which residences still need to be assessed. Leasing properties without performing seismic safety assessments poses significant risk to the safety of occupants, who could face injury or death in the event of an earthquake.

²⁶ High-risk work areas include maintenance shops (e.g., carpentry, welding and automotive), printing operations, pouch handling areas, warehouses, and medical laboratories.

²⁷ The General Services Officer arrived at Embassy Dili in September 2022.

²⁸ The Bureau of Overseas Buildings Operations’ Level of Seismicity at Foreign Service Posts and Consular Agencies, August 5, 2022, shows Dili as Very High (4).

Recommendation 19: Embassy Dili, in coordination with the Bureau of Overseas Buildings Operations, should perform seismic safety evaluations of all its residential properties in accordance with Department standards. (Action: Embassy Dili, in coordination with OBO)

General Management

Embassy Lacked Current Per Diem Rates

OIG found that Embassy Dili last updated its foreign per diem rates in 2018. Department of State Standardized Regulations, Section 074.2 states that embassies should submit a hotel and restaurant report, used to review, and establish foreign travel per diem rates, every 2 years. Management Section staff told OIG they had the information for an updated report but only one staff member had access to the reporting system and other responsibilities made it difficult to find time to input the data. Failure to submit reports in a timely manner could result in overpayment or underpayment of travel expenses to U.S. government employees.

Recommendation 20: Embassy Dili should submit its hotel and restaurant report in accordance with Department standards. (Action: Embassy Dili)

INFORMATION MANAGEMENT

OIG reviewed Embassy Dili's computer network operations, information systems and administration of mobile computing devices, mail and pouch services, cyber security practices, records management, telephone, and emergency communications systems. During the inspection, OIG identified four internal control issues that the embassy corrected during the inspection. Specifically, the embassy:

- Improved privileged account management on embassy's information systems (12 FAH-10 H-112.1-2).
- Completed information systems IT contingency planning and testing (12 FAH-10 H-232.1-1 and 3-1).
- Tested emergency communications equipment (5 FAM 541 (c)).
- Protected internal network equipment (12 FAM 623.4).

OIG determined Embassy Dili's information management (IM) programs and services generally met the embassy's day-to-day computing and communications needs, with the exceptions described below.

Embassy Did Not Comply With Department Requirements for Information Technology Property Management

Embassy Dili did not use the Department's ILMS loanable property module to issue and track mobile devices as required in 14 FAH-1 H-312.8e. Additionally, OIG found the embassy was not using the loanable property module to loan or issue radios as required in 5 FAH-2 H-733.1. Instead, IM Section staff tracked issuance of information technology (IT) devices using a

spreadsheet and a Microsoft Access database. Staff told OIG they were not aware of these requirements and only recently switched to Annual Inventory Modernization²⁹ for IT assets in ILMS. Not using the mandatory ILMS loanable property module could lead to mismanagement of IT equipment and potential waste of government resources.

Recommendation 21: Embassy Dili should use the Inventory and Logistics Management System loanable property module to issue and track information technology assets. (Action: Embassy Dili)

Records Retirement Practices Did Not Fully Comply With Department Standards

Embassy Dili was not in compliance with Department standards for retiring records. According to the Bureau of Administration, Embassy Dili had not retired chief of mission records since the beginning of the mission in 2002 (with the exception of 2014), had only retired DCM records from 2017 to 2019, and had never retired any program records. Department standards in 5 FAM 451b and c require overseas embassies to maintain an active, continuing records retirement program that ensures records are retired in accordance with records disposition schedules. Although the embassy had contacted the Department for guidance, embassy staff were still unfamiliar with records retirement requirements. The lack of an effective records retirement program increases the risk of loss of important data and historical records that could affect the Department's and the embassy's ability to conduct policy analysis, decision making, and archival research.

Recommendation 22: Embassy Dili should retire records in accordance with Department records management standards. (Action: Embassy Dili)

Embassy Dili Lacked a Server Room Emergency Power-Off Switch

OIG observed that Embassy Dili did not have an unclassified server room emergency power-off switch, as required in 12 FAH-10 H272.8.1(1). IM Section staff stated the server room never had an emergency power-off switch installed. Without operational emergency power-off switches to rapidly disconnect power during emergency situations, employee safety could be at risk.

Recommendation 23: Embassy Dili should install an emergency power-off switch in the unclassified server room in accordance with Department standards. (Action: Embassy Dili)

Information Systems Security Officer Did Not Perform All Required Duties

The embassy's Information Systems Security Officer (ISSO) did not perform all required information systems security duties. According to 12 FAM 613.4 and 5 FAH-11 H-116a(1), ISSOs are responsible for implementing cybersecurity policies and procedures for information systems and for using the ISSO checklist to document all required duties. Although

²⁹ The Annual Inventory Modernization program streamlines the execution of the Department's annual inventory process, increases comprehensive management controls, and improves accountability and visibility of the Department's multi-billion dollar inventory.

the ISSO monitored iPost³⁰ and reviewed Universal Serial Bus logs, OIG found the ISSO did not use the ISSO checklist to review network logs monthly or user account access annually. Staff told OIG that ISSO duties were not completed because of a heavy workload for the sole IM direct-hire American staff member. OIG issued two management assistance reports, one in May 2017 and the other in December 2020,³¹ that highlighted widespread Department failures to perform ISSO duties. Failure to perform required ISSO responsibilities leaves Department networks vulnerable to potential unauthorized access and malicious activity.

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

Embassy Local Information Technology Configuration Control Board Did Not Fulfill its Responsibilities

Embassy Dili did not perform its local IT configuration control board³² responsibilities in accordance with Department standards. Guidance in 5 FAM 115.6-2 and 5 FAM 862.1, requires local IT configuration control boards to ensure the hardware installed on a network will not adversely affect existing local IT infrastructure under the embassy's control. OIG found the embassy's local IT configuration control board had not approved hardware – mainly unapproved laptops, desktop computers, and network switches – that were installed on the non-enterprise networks. IM Section staff said they were unaware of Department requirements. Without accurate review, testing, and inventory of IT assets by the local IT configuration control board, Embassy Dili is at risk of inadequate IT security controls to protect its information and networks.

Recommendation 25: Embassy Dili should ensure the local information technology configuration control board performs its responsibilities in accordance with Department standards. (Action: Embassy Dili)

³⁰ iPost is the Department's continuous diagnostics and mitigation application.

³¹ OIG, *Management Assistance Report: Non-Performance of Information Systems Security Officer Duties by Overseas Personnel* (ISP-17-24, May 2017); OIG, *Management Assistance Report: Continued Deficiencies in Performance of Information Systems Security Officer Responsibilities at Overseas Posts* (ISP-21-07, December 2020).

³² The Information Technology Configuration Control Board manages standardization of the Department's global information technology environment and addresses issues of configuration tracking, change control, and network planning and operations.

RECOMMENDATIONS

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

Recommendation 1: Embassy Dili should monitor, evaluate, and prepare required performance reports regarding grants for the Ambassador's Self-Help Fund in accordance with the Federal Assistance Directive and Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of July 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili monitored, evaluated, and prepared the required performance reports for the Ambassador's Self-Help Fund grants in accordance with the Federal Assistance Directive and Department standards.

Recommendation 2: Embassy Dili should comply with the requirements of the 2010 Letter of Agreement, as amended in 2012 between the United States and Timor-Leste, to conduct joint progress evaluations of law enforcement programs. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of August 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili complied with the requirements of the 2010 Letter of Agreement, as amended in 2012, to conduct joint progress evaluations of law enforcement programs.

Recommendation 3: Embassy Dili should provide consular applicants with toilet facilities and drinking water facilities that meet Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of July 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili provided consular applicants with toilet facilities and drinking water facilities that meet Department standards.

Recommendation 4: Embassy Dili should institute regular mechanisms to coordinate the full range of U.S. foreign assistance activities in Timor-Leste. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili instituted regular mechanisms to coordinate the full range of U.S. foreign assistance activities in Timor-Leste.

Recommendation 5: Embassy Dili should use the Integrated Logistics Management System to track all personal and program property in accordance with Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of September 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili used the Integrated Logistics Management System to track all personal and program property in accordance with Department standards.

Recommendation 6: Embassy Dili should seek permits from the Bureau of Overseas Buildings Operations to use shipping containers for functional space in accordance with Department requirements. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of November 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili received permits from the Bureau of Overseas Buildings Operations to use shipping containers for functional space.

Recommendation 7: Embassy Dili should comply with Department training standards for the use of powered industrial trucks, such as forklifts. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation.

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

Recommendation 8: Embassy Dili should review and update its motor vehicle policy in accordance with Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili reviewed and updated its motor vehicle policy in accordance with Department standards.

Recommendation 9: Embassy Dili should bring its motor pool operations into compliance with Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of June 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili's motor pool operations complied with Department standards.

Recommendation 10: Embassy Dili should bring its motor vehicle safety program into compliance with Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of June 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili's motor vehicle safety program complied with Department standards.

Recommendation 11: Embassy Dili should manage its bulk fuel operation in accordance with Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of September 2024.

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

Recommendation 12: Embassy Dili should bring its contracting officer's representative program into compliance with Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of August 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili's contracting officer's representative program complied with Department standards.

Recommendation 13: Embassy Dili should close out procurement files in accordance with Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of May 2024.

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

Recommendation 14: Embassy Dili should bring its time and attendance procedures for overtime or compensatory time into compliance with Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of June 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili's time and attendance procedures for overtime or compensatory time complied with Department standards.

Recommendation 15: Embassy Dili should approve salary advances in accordance with its local compensation plan. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of May 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili approved salary advances in accordance with its local compensation plan.

Recommendation 16: Embassy Dili should revise its locally employed staff handbook, so it does not conflict with the local compensation plan in accordance with Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of May 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili revised its locally employed staff handbook in accordance with Department standards.

Recommendation 17: Embassy Dili should bring its cashiering operations into compliance with Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of May 2024.

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

Recommendation 18: Embassy Dili should bring the safety, health, and environmental management program into compliance with Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of December 2024.

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

Recommendation 19: Embassy Dili, in coordination with the Bureau of Overseas Buildings Operations, should perform seismic safety evaluations of all its residential properties in accordance with Department standards. (Action: Embassy Dili, in coordination with OBO)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili performed seismic safety evaluation of all its residential properties in accordance with Department standards.

Recommendation 20: Embassy Dili should submit its hotel and restaurant report in accordance with Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili submitted its foreign per diem reports in accordance with Department standards.

Recommendation 21: Embassy Dili should use the Inventory and Logistics Management System loanable property module to issue and track information technology assets. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of July 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili used the Inventory and

Logistics Management System loanable property module to issue and track information technology assets.

Recommendation 22: Embassy Dili should retire records in accordance with Department records management standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of August 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili retired records in accordance with Department records management standards.

Recommendation 23: Embassy Dili should install an emergency power-off switch in the unclassified server room in accordance with Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of September 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili installed an emergency power-off switch in the unclassified server room in accordance with Department standards.

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

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of August 2024.

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

Recommendation 25: Embassy Dili should ensure the local information technology configuration control board performs its responsibilities in accordance with Department standards. (Action: Embassy Dili)

Management Response: In its April 22, 2024, response, Embassy Dili concurred with this recommendation. The embassy noted an estimated completion date of June 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Dili ensured the local information technology configuration control board performs its responsibilities in accordance with Department standards.

PRINCIPAL OFFICIALS

Agency/Section/Title	Name	Arrival Date
Chiefs of Mission:		
Ambassador	Vacant	
Deputy Chief of Mission	Marc Weinstock ^a	8/2023
Chiefs of Sections:		
Consular	Fausto DeGuzman ^b	7/2022
Economic	Fausto DeGuzman ^b	7/2022
Management	Chris Pierson	7/2023
Political	Fausto DeGuzman ^b	7/2022
Public Affairs	Diana Braunschweig	8/2023
Regional Security	Eric Sheffield	9/2023
Other Agency Representatives:		
Millenium Challenge Corporation	Gretchen Goodhart	2/2023
Office of Defense Cooperation	Cpt. Bernard Cortes	10/2022
U.S. Agency for International Development	Christina Olive	10/2023

^a Marc Weinstock became Chargé d’Affaires on August 26, 2023, upon his arrival at Embassy Dili.

^b At the time of the inspection, Fausto DeGuzman was serving as the acting Deputy Chief of Mission.

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

APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

This inspection was conducted from September 5, 2023, to January 29, 2024, in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2020 by the Council of the Inspectors General on Integrity and Efficiency, and the Inspections Handbook, as issued by the Office of Inspector General (OIG) for the Department and the U.S. Agency for Global Media (USAGM).

Objectives and Scope

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

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

Methodology

OIG used a risk-based approach to prepare for this inspection. OIG conducted portions of the inspection remotely and relied on audio- and video-conferencing tools in addition to in-person interviews with Department and other personnel. OIG also reviewed pertinent records; circulated surveys and compiled the results; and reviewed the substance of this report and its findings and recommendations with offices, individuals, and organizations affected by the review. OIG used professional judgment and analyzed physical, documentary, and testimonial evidence to develop its findings, conclusions, and actionable recommendations.

APPENDIX B: MANAGEMENT RESPONSE



United States Department of State

U.S. Embassy, Dili
Timor-Leste

April 22, 2024

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

THRU: Bureau of East Asian and Pacific Affairs – Daniel Kritenbrink,
Assistant Secretary

FROM: U.S. Embassy Dili – Marc Weinstock, Chargé d'affaires Weinstock

Marc A

Digitally signed by Marc A
Weinstock
Date: 2024.04.23 15:59:48
+09'00'

SUBJECT: Response to Draft OIG Report – Inspection of Embassy Dili, Timor Leste

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

OIG Recommendation 1: Embassy Dili should monitor, evaluate, and prepare required performance reports regarding grants for the Ambassador’s Self-Help Fund in accordance with the Federal Assistance Directive and Department standards. (Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. The embassy has implemented the recommendation by evaluating all currently funded Ambassador Self-Help Fund projects. Final evaluation reports will be uploaded the Department’s Integrated Logistics Management System (ILMS) by July 2024.

OIG Recommendation 2: Embassy Dili should comply with the requirements of the 2010 Letter of Agreement, as amended in 2012, between the United States and Timor-Leste, to conduct joint progress evaluations of law enforcement programs. (Action: Embassy Dili)

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Management Response: Embassy Dili concurs with the recommendation. The embassy is working with INL to implement joint progress evaluations of law enforcement programs. The expected completion date is August 2024.

OIG Recommendation 3: Embassy Dili should provide consular applicants with toilet facilities and drinking water facilities that meet Department standards. (Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. There are no bathrooms available within the Chancery (consular section) facility for consular applicants. The embassy is utilizing the CAC bathroom for consular applicants as there are no other facilities available. Embassy Dili will ensure the CAC bathroom and drinking water facility will meet Department standards by July 2024.

OIG Recommendation 4: Embassy Dili should institute regular mechanisms to coordinate the full range of U.S. foreign assistance activities in Timor-Leste. (Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. The embassy has implemented the recommendation by institutionalizing monthly coordination meetings between mid-level USAID and Political and Economic staff.

OIG Recommendation 5: Embassy Dili should use the Integrated Logistics Management System to track all personal and program property in accordance with Department standards. (Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. The embassy has corrective action in progress and plans to assign an EFM employee to complete the task begun by GSO. The expected completion date is September 2024.

OIG Recommendation 6: Embassy Dili should seek permits from the Bureau of Overseas Buildings Operations to use shipping containers for functional space in accordance with Department requirements. (Action: Embassy Dili)

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Management Response: Embassy Dili concurs with the recommendation. The embassy obtained an OBO permit for use of a container for the bio-incinerator unit. This was permit 23-0237, dated December 28, 2023, with project title "medical waste incinerator shed." The embassy will apply for OBO permits for the remaining containers for their present use or will dispose of them. The expected completion date is November 2024.

OIG Recommendation 7: Embassy Dili should comply with department training standards for the use of powered industrial trucks, such as forklifts.
(Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. This action is completed.

OIG Recommendation 8: Embassy Dili should seek review and update its motor vehicle policy in accordance with Department standards.
(Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. The embassy reviewed and updated its motor vehicle policy in accordance with Department standards and published it January 9. This action is completed.

OIG Recommendation 9: Embassy Dili should seek bring its motor pool operations into compliance with Department standards. (Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. Training on performing daily maintenance checks and recording daily vehicle usage data was held with Motor Pool chauffeurs and incidental drivers. The embassy will conduct periodic refresher training on these subjects. The estimated completion date is June 2024.

OIG Recommendation 10: Embassy Dili should seek bring its motor pool safety program into compliance with Department standards.
(Action: Embassy Dili)

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Management Response: Embassy Dili concurs with the recommendation. The embassy has finished Smith driver safety training for the chauffeurs and incidental drivers without records. Motor Pool duty schedules have been adjusted to start some chauffeurs later in the day to facilitate evening coverage when needed. Follow-ups continue with driver medical evaluations. The estimated completion date is June 2024.

OIG Recommendation 11: Embassy Dili should manage its bulk fuel operation in accordance with Department standards.
(Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. The embassy is working to obtain funding to purchase the material needed for corrections. The estimated completion date is September 2024.

OIG Recommendation 12: Embassy Dili should seek bring its contracting officer representative program into compliance with Department standards. (Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. One COR has renewed his FAC-COR Level 2 certification. All three personnel completed OGE-450 financial disclosures before the February 15 deadline. Two personnel have registered for the Federal Acquisition Institute and are in progress on the Federal Acquisition Certification-Contracting Officer Representative (FAC-COR) courses. The estimated completion date is August 2024.

OIG Recommendation 13: Embassy Dili should close out procurement files in accordance with Department standards.
(Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. The contracting officer (GSO) performed one mass closeout of files in January and plans another. The contracting officer will close out files in a timely manner, going forward. The estimated completion date is May 2024.

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OIG Recommendation 14: Embassy Dili should seek bring its time and attendance procedures for overtime or compensatory time into compliance with Department standards.

(Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. Management has reminded supervisors of the requirements and will address this with Country Team members every two months. The estimated completion date is June 2024.

OIG Recommendation 15: Embassy Dili should approve salary advances in accordance with its local compensation plan.

(Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. The Management Officer and Acting DCM will shift the treatment of this provision from a benefit to an emergency allowance. The LE Staff committee has been informed. The estimated completion date is May 2024.

OIG Recommendation 16: Embassy Dili should revise its LE staff handbook, so it does not conflict with the local compensation plan in accordance with Department standards.

(Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. The Management Officer extensively edited the LE Staff handbook and issued a revision on February 24. One additional edit has been noted as necessary. The estimated completion date is May 2024.

OIG Recommendation 17: Embassy Dili should seek bring its cashiering operations into compliance with Department standards.

(Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. The financial clerk has been moved out of the cashier office. The embassy is also working on correcting deficiencies identified in a cashier monitor visit in February 2024. The estimated completion date is May 2024.

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OIG Recommendation 18: Embassy Dili should seek bring the safety, health, and environmental management program into compliance with Department standards. (Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. The embassy is also working on correcting deficiencies identified in a SHEM inspection in December 2023. The estimated completion date is December 2024.

OIG Recommendation 19: Embassy Dili, in coordination with the Bureau of Overseas Buildings Operations, should perform seismic safety evaluations of all its residential properties in accordance with Department standards. (Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. OBO is working with a consultant and United States Geological Survey to resolve recently identified discrepancies in seismic threat for residential properties in Dili. OBO anticipates updating the report and distributing it to post by July 2024. Also, the OIG comment suggests that there are still unassessed properties (even considering our latest screening). OBO is currently reviewing status of unassessed properties for posts in regions of high seismicity to plan for seismic screenings in 2025 and the properties in Dili are included.

OIG Recommendation 20: Embassy Dili should submit its hotel and restaurant report in accordance with Department standards. (Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. The embassy completed and submitted its hotel and restaurant report on December 5, 2023. This item is completed.

OIG Recommendation 21: Embassy Dili should use the Inventory and Logistics Management System loanable property module to issue and track information technology assets. (Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. The Diplomatic Technology Office will work in conjunction with GSO to enroll mobile

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devices and radios into ILMS Loanable Property. The estimated completion date is July 2024.

OIG Recommendation 22: Embassy Dili should retire records in accordance with Department records management standards.
(Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. The estimated completion date is August 2024.

OIG Recommendation 23: Embassy Dili should install an emergency power-off switch in the unclassified server room in accordance with Department standards.
(Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. The embassy is seeking funding to accomplish this. The estimated completion date is September 2024.

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

Management Response: Embassy Dili concurs with the recommendation. The estimated completion date is August 2024.

OIG Recommendation 25: Embassy Dili should ensure the local information technology configuration control board performs its responsibilities in accordance with Department standards.
(Action: Embassy Dili)

Management Response: Embassy Dili concurs with the recommendation. The estimated completion date is June 2024.

The point of contact for this memorandum is Acting Deputy Chief of Mission Eric Sheffield.

ABBREVIATIONS

ASEAN	Association of Southeast Asian Nations
CAC	Compound Access Control
Chargé	Chargé d’Affaires
COR	Contracting Officer’s Representative
DCM	Deputy Chief of Mission
DEIA	Diversity, Equity, Inclusion, and Accessibility
EAP	Bureau of East Asian and Pacific Affairs
EEO	Equal Employment Opportunity
FAD	Federal Assistance Directive
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
FAST	First- and Second- Tour
ICASS	International Cooperative Administrative Support Services
ICS	Integrated Country Strategy
ILMS	Integrated Logistics Management System
IM	Information Management
IMO	Information Management Officer
INL	Bureau of International Narcotics and Law Enforcement Affairs
ISSO	Information Systems Security Officer
LE	Locally Employed
OBO	Bureau of Overseas Buildings Operations
POSHO	Post Occupational Safety and Health Officer
USAID	U.S. Agency for International Development

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