

UNCLASSIFIED



Office of Inspector General
United States Department of State

ISP-I-24-14

Office of Inspections

May 2024

**Inspection of Embassy Kuala Lumpur,
Malaysia**

BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS

UNCLASSIFIED



HIGHLIGHTS

Office of Inspector General
United States Department of State

ISP-I-24-14

What OIG Inspected

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

What OIG Recommends

OIG made 21 recommendations to Embassy Kuala Lumpur. In its comments on the draft report, the embassy concurred with all 21 recommendations. OIG considers all 21 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.

May 2024

OFFICE OF INSPECTIONS

BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS

Inspection of Embassy Kuala Lumpur, Malaysia

What OIG Found

- The Chargé d'Affaires and acting Deputy Chief of Mission led the embassy in a professional manner in accordance with Department of State guidance.
- The Chargé d'Affaires fully supported the embassy security program.
- Embassy Kuala Lumpur did not monitor and evaluate grants in accordance with Department standards.
- Consular Section space did not comply with Department standards for accessibility.
- The embassy did not cross-train consular locally employed staff or officers assigned to the Consular Section in U.S. citizen services procedures, such as processing passport applications.
- The embassy did not use the Department's loanable property module to issue and track all mobile devices and radios.
- Spotlight on Success: Consular managers embraced Microsoft Teams during the COVID-19 pandemic and now creatively use the platform as the Consular Section's primary means of communication, improving efficiency and coordination.
- Spotlight on Success: Embassy Kuala Lumpur's Information Management unit used Microsoft OneNote and Planner applications to maintain efficient operations and enhance coordination.

CONTENTS

CONTEXT	1
EXECUTIVE DIRECTION	2
Tone at the Top and Standards of Conduct	3
Execution of Foreign Policy Goals and Objectives	3
Adherence to Internal Controls.....	4
Security and Emergency Planning.....	4
Equal Employment Opportunity and Diversity, Equity, Inclusion and Accessibility	5
Developing and Mentoring Foreign Service Personnel.....	5
POLICY AND PROGRAM IMPLEMENTATION	6
Political and Economic Sections.....	6
Public Diplomacy	10
Consular Operations.....	11
RESOURCE MANAGEMENT	14
General Services	15
Human Resources.....	19
Financial Management.....	19
Facility Management.....	20
General Management	21
INFORMATION MANAGEMENT	21
RECOMMENDATIONS	24
PRINCIPAL OFFICIALS	30
APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY.....	31
APPENDIX B: MANAGEMENT RESPONSE	32
ABBREVIATIONS	39
OIG INSPECTION TEAM MEMBERS	40

CONTEXT

Located in Southeast Asia, Malaysia is an important cultural, economic, historical, social, and trade link between the islands of Southeast Asia and the mainland. Malaysia is slightly larger than New Mexico with a population of approximately 34 million. A large section of Malaysia is located on the Malay Peninsula, which borders Thailand to the north. Malaysia also shares the northern one-third of the island of Borneo with Indonesia and surrounds Brunei. The Strait of Malacca, which is between Malaysia and Indonesia, is the main shipping channel between the



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

Indian and Pacific Oceans and it is one of the most important shipping lanes in the world. Because of this, Malaysia has been actively involved in maritime trading, with influences from China, India, the Middle East, and the east coast of Africa.

In 1948, the British-ruled territories on the Malay Peninsula except Singapore, formed the Federation of Malaya which became independent in 1957. Malaysia was formed in 1963 when the former British colonies of Singapore, as well as Sabah and Sarawak on the northern coast of Borneo, joined the federation. The first several years of Malaysia's independence were marred by a communist insurgency, Indonesian confrontation with Malaysia, Philippine claims to Sabah, and Singapore's expulsion in 1965. Malaysia is a federal parliamentary constitutional monarchy and it is ethnically diverse with 134 languages. The largest ethnic groups are Malays and indigenous peoples, Chinese, and Indians. Malaysia has been successful in diversifying its economy from a dependence on exports of raw materials to the development of manufacturing, services, and tourism. In 1967, Malaysia was one of five founding member states of the Association of Southeast Asian Nations (ASEAN).¹

The United States and Malaysia have a long history of successful engagement under the bilateral Trade and Investment Framework Agreement,² as well as at the World Trade

¹ ASEAN is an intergovernmental organization aimed primarily at promoting economic growth and regional stability among its members. Currently, there are 10 member states: Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Laos, Burma (Myanmar), Cambodia, and Vietnam.

² The Trade and Investment Framework Agreement, signed between the United States and Malaysia in 2004, commits the two countries to cooperate, coordinate, and consider ways, as appropriate, to enhance and liberalize trade and investment between the two countries at the bilateral, regional, and multilateral levels.

Organization, with ASEAN, and at the Asia-Pacific Economic Cooperation³ (APEC) forum. Bilateral trade of goods with the United States was \$71.4 billion in 2021. Malaysia is the United States' 17th largest trading partner and after Vietnam, it is the second-largest trading partner among the 10 ASEAN members. The United States is Malaysia's third-largest trading partner after China and Singapore.

Embassy Kuala Lumpur's top four strategic objectives, as outlined in the embassy's Integrated Country Strategy (ICS) approved in March 2022, are to:

- Promote peace and mutual security in Malaysia, the region, and globally.
- Foster shared interests in democracy, good governance, human rights, and open and transparent institutions.
- Expand U.S. and Malaysian prosperity by advancing and deepening our bilateral economic and commercial partnerships to support the American people.
- Innovate together with Malaysia on climate, health, conservation, science, and technology.

At the time of the inspection, Embassy Kuala Lumpur had 101 authorized U.S. direct-hire positions, 218 locally employed (LE) staff members, and 15 eligible family member positions working for the Department of State (Department). Additionally, the embassy had 35 authorized U.S. direct-hire positions and 28 LE staff members working for the six other government agencies represented at the embassy: the Departments of Agriculture, Defense, Commerce, Homeland Security, and Justice, and the Library of Congress.

OIG evaluated Embassy Kuala Lumpur's executive direction, policy and program implementation, resource management, and information management operations consistent with Section 209 of the Foreign Service Act of 1980.⁴ 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.

EXECUTIVE DIRECTION

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

³ APEC is a regional economic forum established in 1989 to leverage the growing interdependence of Asia-Pacific countries. APEC has 21 members: Australia, Brunei, Canada, Chile, the People's Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, The Philippines, Russia, Singapore, Taiwan, Thailand, the United States, and Vietnam.

⁴ See Appendix A.

Tone at the Top and Standards of Conduct

The Deputy Chief of Mission (DCM), a career member of the Senior Foreign Service, arrived at the embassy on August 16, 2023, and assumed duties as Chargé d’Affaires (Chargé) on August 23, 2023. Previously, he was the Director for the Office of Economic Policy, and the alternate Senior Official for APEC in the Bureau of East Asian and Pacific Affairs in the Department. At the time of the inspection, the Management Counselor was serving as the acting DCM, having assumed the role in October 2023.

OIG found the Chargé modeled integrity and ethical behavior in accordance with the Department’s leadership and management tenets in 3 Foreign Affairs Manual (FAM) 1214b.⁵ Staff told OIG the Chargé fostered an open and inclusive work environment and was genuinely committed to the highest professional standards of conduct and the safety and welfare of the embassy community. The day after his arrival, the Chargé held a Country Team meeting and a separate Town Hall meeting. At both events, the Chargé set a positive tone, emphasized inclusivity and the importance of staff treating everyone with respect and dignity, and stressed the value he placed on open communication and building a sense of community. He told staff that sometimes the work can be difficult but abusive behavior would not be tolerated, adding that the embassy was a unique mission of different cultures, and everyone needed to be respectful.

The Chargé made a special effort to reach out to LE staff by separately hosting the LE staff committee and the local guard force at the Chief of Mission Residence by meeting with LE staff section by section and by walking around the embassy regularly and exchanging greetings with individual LE staff members. For example, the Chargé knew that many LE staff in one section had come down with the flu, and he made a point of checking in to see how everyone was doing. LE staff were impressed with his message at the August 2023 Town Hall, where he came across as family-oriented and prioritized a work-life balance. The Chargé acknowledged the importance of LE staff to the mission and showed he had extensive knowledge of and experience in the region.

Execution of Foreign Policy Goals and Objectives

OIG’s review of Embassy Kuala Lumpur’s execution of U.S. foreign policy goals found the Chargé and acting DCM led the Country Team in a professional and strategically sound manner 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. At the time of the inspection, the embassy was preparing to update the ICS, which had been approved in March 2022, and as a result, the Deputy Political Counselor was sent to ICS training in Bangkok.

⁵ The Department’s leadership and management principles outlined in 3 FAM 1214b are (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.

Country Team members praised the Chargé's leadership which they described as collaborative and collegial. Country Team members told OIG that interagency coordination was good. Staff characterized the Chargé as setting the policy vision and providing clear guidance, while giving latitude to the staff and remaining open to alternative views, which he would incorporate into his planning when appropriate.

Since his arrival, the Chargé demonstrated his ability to engage with senior levels of the Malaysian government. At the time of the inspection, he had met briefly with the Prime Minister and National Security Advisor and held formal meetings with the Minister of Home Affairs, Minister of Trade and Investment, Minister of Natural Resources, Energy and Climate, and Minister of the Economy; the Deputy National Security Advisor; and the Deputy Secretary General of the Ministry of Foreign Affairs; as well as two members of Malaysia's royal family.

Adherence to Internal Controls

The embassy completed the Annual Chief of Mission Management Control Statement of Assurance in August 2023, in accordance with Department guidance in 2 FAM 022.7, 2 FAM 024d, and 22 STATE 85378,⁶ which instructs embassies to develop and maintain appropriate systems of management controls and to submit the annual Statement of Assurance. No material weaknesses or deficiencies were identified in the Statement of Assurance. However, OIG identified several internal control deficiencies as discussed throughout the report.

When the Chargé arrived, the acting DCM⁷ and the Management Counselor reviewed with the Chargé the embassy's recently completed Statement of Assurance, highlighting areas where the embassy might strengthen its internal controls. The Management Counselor also briefed the Chargé on discretionary funding programs, International Cooperative Administrative Support Services,⁸ and travel and representational budgets. OIG found that the Chargé conducted regular reviews of nonimmigrant visa adjudications in accordance with the Department guidance in 9 FAM 403.12-3(A)a and 9 FAM 403.12-4a.

Security and Emergency Planning

OIG found that the Chargé and acting DCM fully supported the embassy security program consistent with Department standards in 12 Foreign Affairs Handbook (FAH)-1H-762a requiring the Chargé to take responsibility for the security of mission personnel. During the inspection, the Gaza crisis developed and led to strained bilateral relations and anti-U.S. demonstrations at the embassy. OIG observed the Chargé's and acting DCM's decisive leadership and direction of

⁶ Cable 22 STATE 85378, "Instructions for Reporting Templates in your FY 2022 Statement of Assurance," August 2, 2022.

⁷ During the annual Statement of Assurance review process, the Consular chief served as the acting DCM. The Management Counselor did not assume duties as acting DCM until October 2023.

⁸ The International Cooperative Administrative Support Services, or ICASS, is the principal means by which U.S. Government agencies share the cost of common administrative support services at most diplomatic and consular posts overseas. Through the ICASS working capital fund, service providers recover the cost of delivering administrative support services to other agencies' overseas missions.

the mission during Country Team and Emergency Action Committee meetings held in response to the security and political challenges the Gaza crisis posed.

For example, when a protest was scheduled to occur the day of the embassy's community Halloween event where families of U.S. direct hires and LE staff members would be present, the Chargé quickly met with the acting DCM, the Regional Security Officer, and the Community Liaison Officer and decided to postpone the Halloween event. On another occasion, the embassy perimeter was vandalized with graffiti after an anti-American demonstration occurred over a weekend. In response, OIG observed the acting DCM chair an EAC meeting to consider the embassy's security posture. During this meeting, the Regional Security Officer articulated the situation in clear terms, helping the EAC reach a quick consensus. Afterwards, the Chargé immediately contacted the Ministry of Foreign Affairs to request an urgent meeting to register his concerns about the safety of the mission. The meeting occurred the Monday after the demonstration, and the Chargé was able to have a frank discussion about the obligation of the host government to protect diplomatic missions.

Equal Employment Opportunity and Diversity, Equity, Inclusion and Accessibility

OIG found the embassy's Equal Employment Opportunity (EEO) program and commitment to diversity, equity, inclusion, and accessibility (DEIA) principles complied with Department standards in 2 FAM 1511.1a, the leadership principles in 3 FAM 1214b(6), and the Secretary's guidance on diversity and inclusion in cable 23 STATE 62584.⁹ The embassy had one trained U.S. direct-hire EEO counselor and one LE staff EEO liaison, whose photographs and names were displayed outside the cafeteria. EEO and DEIA notices were regularly distributed to staff and prominently displayed in public areas at the embassy. The Chargé communicated to the DEIA Council at the embassy that these issues were important to him, and they had his full support.

In interviews, staff consistently remarked on the Chargé's visible commitment and support for DEIA values and programs. Country Team members noted the Chargé's strong emphasis on the value he placed on diversity. At a Town Hall meeting, he relayed a personal story from earlier in his career explaining how hurtful intolerance can be when it is directed at an individual. Also, he was surprised to learn the results of a DEIA survey conducted in May 2023 had not been shared with the community and required the embassy to disseminate the results of the survey in a management notice during the inspection. A week after the on-site portion of the inspection concluded, the Chargé was scheduled to participate with other embassy officers in a roundtable discussion of the survey results.

Developing and Mentoring Foreign Service Personnel

OIG assessed that Embassy Kuala Lumpur had a robust and structured First- and Second- Tour (FAST) program, as required in 3 FAM 2713b.¹⁰ In August 2023, the embassy issued an updated

⁹ Cable 23 STATE 62584, "Reissuance of Secretary's Policy Statement on Equal Employment Opportunity and Harassment," May 18, 2023.

¹⁰ Cable 22 STATE 68076, "Promoting Professional and Leadership Development for Mid-Level Foreign Service Employees," June 17, 2022.

memorandum outlining the FAST program which was inclusive of Pickering and Rangel fellows and summer-hire employees while at the embassy. FAST employees told OIG they met every 3 weeks with the Chargé, who chaired the FAST group and was proactive about contacting them to meet. The FAST program averaged two events per month over the year before the inspection. When the Chargé arrived, he instituted the practice of having FAST officers take notes at Country Team meetings; prior to his arrival, FAST officers rotated attendance at Country Team meetings but did not take notes.

POLICY AND PROGRAM IMPLEMENTATION

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

Political and Economic Sections

OIG reviewed the Political and Economic Sections' leadership and management, policy implementation, reporting and advocacy, grants and program management, Leahy vetting¹¹ and end-use monitoring¹² and found the sections generally complied with Department standards. Based on interviews with Washington stakeholders and interagency partners at Embassy Kuala Lumpur, as well as observations of meetings, OIG found that the sections regularly engaged with Washington and demonstrated good interagency cooperation.

For example, OIG observed strong section leadership and active interagency participation at working groups aligned with ICS and Department priorities on political-military issues, counterterrorism, trafficking in persons, and cyber security issues. Additionally, as described below, sections' reporting and security sector coordination supported ICS goals, and the sections also optimized their capacity to address these goals. Finally, the Political Section managed Leahy vetting cases in accordance with Department standards, and the two sections carried out some end-use monitoring in accordance with Department standards. However,

¹¹ The Leahy Amendment to the Foreign Assistance Act of 1961 prohibits the Department from furnishing assistance to foreign security forces if the Department receives credible information that such forces have committed gross violations of human rights. See 22 United States Code (U.S.C.) § 2378d and 9 FAM 303.8-5(B). Leahy vetting is the process of determining if the Department has credible information that units or individuals proposed to benefit from certain assistance have committed gross violations of human rights.

¹² 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, Bureau of International Narcotics and Law Enforcement Affairs (INL) equipment valued at more than \$2,500 or items designated as defense articles, munitions, or dual-use items are subject to this requirement, a requirement posts are obligated to review and follow. See 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.

despite the embassy's generally strong political and economic work, OIG found three deficiencies related to Blue Lantern¹³ end-use monitoring, joint evaluations of law enforcement programs, and grants management, as described below.

Political and Economic Reporting and Security Sector Coordination Supported Strategic Goals

OIG determined the embassy's political and economic reporting and security sector coordination supported ICS and Department goals. To assess reporting, OIG reviewed 150 of 450 embassy cables from October 1, 2022, through September 12, 2023, and found the reporting to be relevant to embassy strategic objectives, timely, and appropriately sourced. LE staff frequently drafted quality spot reporting and analytical cables. For example, Department officials praised a retrospective on U.S.-Malaysia relations that had been drafted by a senior Political Section LE staff specialist.

Department and other agency officials also commended the embassy's reporting for its quality, relevance, and usefulness, citing the Political Section reporting on domestic political issues, human rights, trafficking in persons, and security cooperation; and the Economic Section reporting on energy, climate, corruption, and a range of China-nexus issues, including rare earth minerals, cyber security and 5G, Belt and Road Initiative investments, undersea cables, and Uyghurs. In addition, officials said the Political and Economic Sections' engagement and implementation of U.S. government policy and programming on law enforcement and security issues, energy issues, health, as well as on priorities such as the Russian invasion of Ukraine and the Gaza crisis were noteworthy.

Regarding security sector coordination, the Political Section and the Office of Defense Cooperation teamed successfully to generate reporting and advocacy that gained approval for the Excess Defense Article transfer to Malaysia of a U.S. Coast Guard Cutter. The Political Section Security Unit and the Office of Defense Cooperation coordinated to program \$5 million in FY 2022 Foreign Military Financing from the Southeast Asia Maritime Security Initiative and \$1.1 million in International Military Education and Training funding. Finally, the Bureau of International Narcotics and Law Enforcement Affairs' (INL) Maritime Security Advisor and U.S. Coast Guard Advisor collaborated closely with INL Washington and Malaysian government counterparts to program \$3.4 million in FY 2022 and prior year funding for maritime security capacity building.

Sections Optimized Capacity Through Strategic Planning, Organizational Changes, and Process Improvements

The Political and Economic Sections used strategic planning, organizational changes, and process improvements to optimize their capacity to address core ICS priorities. Both sections

¹³ 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. 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).

held strategic planning and team building offsites in early fall 2023 to plan diplomatic engagement and reporting efforts in alignment with ICS goals. Effective October 1, 2023, the new Political Counselor also reorganized the Political Section into External, Internal, and Security Units, with clear portfolios and supervisory chains, similar to the successful organizational structure instituted by the Economic Section in 2022. Leadership and structural changes, combined with direction from the Political Counselor and Front Office to shorten internal briefing memos and streamline clearance processes to allow more focus on external outreach and reporting, yielded quick results in productivity and morale. The Political Counselor and section staff told OIG the structural and process improvements would enable them to better fill gaps in analytical reporting they had identified on some core ICS priorities.

Political and Economic Sections Managed Leahy Vetting and Some End-Use Monitoring in Accordance With Department Standards

OIG determined the Political Section managed a large volume of Leahy vetting cases (4,445 from September 2022 to September 2023) in accordance with Department standards. On November 15, 2023, the embassy issued an updated Leahy vetting standard operating procedure to include updated Department guidance. Additionally, OIG found the two sections carried out end-use monitoring in accordance with Department standards, except as noted below regarding the Blue Lantern program. Earlier in 2023, after transferring equipment to Malaysian security forces that required monitoring, the Political Section issued a new standard operating procedure for end-use monitoring in compliance with INL guidance. Finally, OIG determined the embassy's Export Control and Border Security team in the Economic Section carried out end-use monitoring in accordance with standards of the Bureau of International Security and Nonproliferation.

Political Section Had Not Conducted Required Joint Evaluations and Progress Reviews of Law Enforcement Programs

The Political Section had not conducted annual joint evaluations and prepared joint progress reviews with the government of Malaysia for in-country activities funded by INL as required in article 4 of the 2014 Letter of Agreement.¹⁴ However, the embassy continued to obligate funds annually via diplomatic note to the Ministry of Foreign Affairs for INL programs in Malaysia. Political Section staff told OIG they often met with their counterparts to further project activities but were unaware of this requirement. The lack of annual joint evaluations and joint reviews 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. During the inspection, the embassy consulted with the Ministry of Home Affairs to evaluate current INL supported programs and plan future programming and reported by cable on the meeting. INL told OIG that the embassy's meeting and cable satisfied the Letter of Agreement requirement for a joint

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.

evaluation and progress review. As a result, OIG did not make a recommendation to address this issue.

Political Section Did Not Comply With Department Requirements for Grants Management and Documentation

OIG found Embassy Kuala Lumpur's Political Section did not monitor and evaluate grants awarded before 2022 in accordance with Department standards. OIG reviewed six grants the Political Section awarded during the performance period of August 31, 2020, to August 31, 2024, each valued at less than \$25,000. Although, in most cases, the Political Section staff followed proper processes to award these grants by obtaining and filing required financial and performance reporting from grantees, OIG found they did not monitor and evaluate the grants as required. The official award files in the Integrated Logistics Management System (ILMS)¹⁵ were missing documentation of site visits, remote monitoring, and, for completed projects, written project assessments from the Grants Officer Representative. From 2020 and 2021, four grants that were awarded were also missing grantee performance and financial reports and were not closed out. The Federal Assistance Directive¹⁶ (FAD) 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. Political Section staff attributed the problems to staff turnover. During the inspection, the section provided reporting on monitoring with a current grantee and filed that reporting in ILMS. However, without consistent Grants Officer or Grants Officer Representative reviews of grantee performance, the only information in ILMS documenting whether grantees achieve objectives is provided by the grantees themselves.

Recommendation 1: Embassy Kuala Lumpur should comply with Department and federal grants management standards for awards managed by the Political Section. (Action: Embassy Kuala Lumpur)

Economic Section Did Not Always Reply to Blue Lantern End-Use Monitoring Inquiries in a Timely Manner

OIG found the Economic Section's replies to some Department inquiries on the Blue Lantern end-use monitoring program were not timely. Four cases from 2021 to 2022 remained unresolved at the beginning of the inspection, far exceeding the 45-day standard set by the Bureau of Political Military Affairs' October 2021 Blue Lantern Guidebook. Economic Section

¹⁵ 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.

¹⁶ The Federal Assistance Directive establishes internal guidance, policies, and procedures for all domestic and overseas grant-making bureaus, offices, and posts administering federal financial assistance and is updated annually by the Bureau of Administration, Office of the Procurement Executive. Grants reviewed by OIG were subject to FAD, Version 4.0, effective October 1, 2019; FAD, Version 5.0, effective October 1, 2020; FAD, Version 6.2, effective October 8, 2021; and FAD version 7, effective October 3, 2022.

staff explained these four cases involved Malaysian security force end-users from whom the section had not been able to obtain responses. With the section now collaborating with the Defense Attaché Office, embassy staff began gaining access to security force sites to undertake required end-use monitoring. As a result, on November 14, 2023, the embassy reported by cable a satisfactory end-use monitoring site visit regarding one of the four pending cases. Shortly after the on-site portion of the inspection, the embassy scheduled a site visit to another installation and was able to report the status of two additional cases in cables on December 8 and December 19, 2023, respectively. At the end of the inspection, however, a final case remained unresolved. Delays in obtaining information from arms export consignees could raise questions about whether the transfers were conducted properly.

Recommendation 2: Embassy Kuala Lumpur should adhere to Department standards for Blue Lantern end-use monitoring. (Action: Embassy Kuala Lumpur)

Public Diplomacy

OIG reviewed the Public Diplomacy Section's leadership, strategic planning, reporting, resource and knowledge management, grants administration, American Spaces,¹⁷ educational and cultural programs, and media engagement. Overall, OIG found the embassy's public diplomacy activities met Department standards and guidance. In interviews with OIG, Washington stakeholders commended the Public Diplomacy Section for its support of the regional Young Southeast Asian Leaders Initiative Professional Fellows Program.¹⁸

OIG reviewed 15 federal assistance awards (total value \$1.44 million) out of 113 awards (total value \$3.99 million) issued from October 1, 2021, to September 30, 2023, and found they generally complied with the FAD.

OIG visited two of the five American Corners¹⁹ operating in the country. During the inspection, the section was in the process of establishing a sixth American Space in the Sabah province on the island of Borneo. Each American Corner focused on thematic areas that reflected local interests, e.g., the space in Penang focused on science, technology, engineering, and medicine due to the high level of interest in research and development in this northern Malaysian

¹⁷ American Spaces are Department-operated or supported public diplomacy facilities that host programs and use digital tools to engage foreign audiences in support of U.S. foreign policy objectives.

¹⁸ Launched in 2013, the Young Southeast Asian Leaders Initiative (YSEALI) is the U.S. government's signature program to strengthen leadership development and networking in Southeast Asia. Through a variety of programs and engagements, including U.S. educational and cultural exchanges, regional exchanges, and seed funding, YSEALI seeks to build the leadership capabilities of youth in the region, strengthen ties between the United States and Southeast Asia, and nurture an ASEAN community. YSEALI focuses on critical topics identified by youth in the regions.

¹⁹ American Corners are a category of American Spaces, typically located inside or as part of a partner organization facility such as a library or shared creative workspace. American Corners provide a multi-functional programming platform for engaging a broad range of audiences and magnify Public Diplomacy's capacity to support understanding of U.S. policy and exposure to U.S. values through information services similar to those available in American public libraries and through an ongoing series of post supported programs and exhibits.

province. Spaces were supported by active local partners and were in high-traffic areas. EducationUSA²⁰ had adequate space for counseling inside two of the American Corners.

Consular Operations

OIG reviewed Embassy Kuala Lumpur's consular operations, including section leadership and management, U.S. citizen services, crisis preparedness, management controls, immigrant and nonimmigrant visa services and processing, public outreach, and fraud prevention programs.

During the inspection, the Consular Section corrected three issues identified by OIG. Specifically, the section:

- Placed new signage at the embassy entrance that included Consular Section hours and contact information in accordance with 7 FAH-1 H-263.8b.
- Instituted procedures for ensuring that all documents are properly scanned into the nonimmigrant visa system as required by 9 FAM 601.8-3(E)a.
- Designated the Consular Section's Fraud Prevention Manager in accordance with 7 FAH-1 H-942.2.

OIG determined that Embassy Kuala Lumpur generally 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 Space in Embassy Kuala Lumpur Did Not Comply With Department Accessibility Standards

OIG found the consular space in Embassy Kuala Lumpur did not comply with Department accessibility standards. Specifically:

- The sidewalk leading to the embassy entrance was inaccessible to consular applicants using a wheelchair as a streetlight pole partially blocked the sidewalk, creating a space between the pole and embassy wall that was too narrow for a wheelchair to pass. Additionally, a wheelchair-accessible ramp and electric chair lift that allows embassy visitors to enter the embassy without climbing stairs was steep and complicated to use and often required the assistance of an embassy guard.
- The Consular Section's sole wheelchair-accessible interview window was at the same height as other interview windows but had a fold-out table at an accessible height; this placed applicants in a wheelchair much lower than the interviewing officer and the interview window, making communication difficult and impeding the ability to pass documents through the window in either direction.

²⁰ EducationUSA is a Department-funded network of international student advising centers that promote U.S. higher education opportunities by offering accurate, comprehensive, and current information about opportunities to study at accredited post-secondary institutions in the United States. EducationUSA is funded by the Bureau of Educational and Cultural Affairs through a cooperative agreement with the Institute of International Education.

Guidance in 7 FAH-1 H-282(1)(m) mandates a barrier-free accessible route linking the Consular Section entrance to waiting spaces and an accessible portion of counter or other fixed elements for applicants in wheelchairs. Because the embassy facility was completed in 1983, it predates current consular space standards. Failure to provide an accessible entrance to the embassy and accessible interview windows for consular applicants reflects poorly on the U.S. government and inconveniences embassy visitors, particularly those who use a wheelchair.

Recommendation 3: Embassy Kuala Lumpur, in coordination with the Bureau of Consular Affairs and the Bureau of Overseas Buildings Operations, should provide a wheelchair-accessible entryway and consular interview window for consular applicants. (Action: Embassy Kuala Lumpur, in coordination with CA and OBO)

Embassy Lacked a Covered Walkway for Consular Applicants

The walkway between the pedestrian gate and the consular waiting room was uncovered and did not provide consular applicants with any protection from the elements. Guidance in 7 FAH-1 H-281a states that every effort should be made in consular lines and waiting areas to accommodate the public as efficiently, safely, and pleasantly as possible. In addition, 7 FAH-1 H-282(1)(e) notes the consideration of a dedicated, covered pedestrian walkway for consular applicants. Because the embassy facility was completed in 1983, it predates current consular space standards. Failure to provide a covered walkway for consular applicants leaves them exposed to inclement weather and limits the use of the walkway as an overflow waiting area, if needed.

Recommendation 4: Embassy Kuala Lumpur, in coordination with the Bureau of Consular Affairs and the Bureau of Overseas Buildings Operations, should provide protection from the elements for consular applicants. (Action: Embassy Kuala Lumpur, in coordination with CA and OBO)

Consular Managers Did Not Adjudicate Visa Cases in Accordance With Department Guidance

OIG reviewed 894 immigrant visas adjudicated by the Consular Section between August 31, 2022, and October 31, 2023, and found the Deputy Consul General had adjudicated only three immigrant visas and the Consul General had adjudicated no immigrant visas during that 14-month time frame. Additionally, the Deputy Consul General adjudicated only 676 nonimmigrant visas and the Consul General adjudicated only 171 nonimmigrant visas, from a total of 54,333 visas adjudicated during this same period. Guidance in 7 FAH-1 H-242c(1) encourages consular managers to be actively aware of and involved in the daily activities of their section. Consular managers told OIG they had been focused on building their officers' skills, managing scheduling and outside meetings, and did not regularly conduct visa interviews. When consular managers do not adjudicate visas on a regular basis, it is difficult for them to mentor consular officers on this key function; it can also have a negative effect on Consular Section morale for officers.

Recommendation 5: Embassy Kuala Lumpur's consular managers should adjudicate more immigrant and nonimmigrant visa cases, in accordance with Department guidance. (Action: Embassy Kuala Lumpur)

Embassy Did Not Review Refused Immigrant Visas as Required

OIG reviewed all 13 immigrant visa cases that were refused between August 31, 2022, and October 31, 2023, that could not be overcome by the presentation of additional evidence. Only 1 of the 13 refused immigrant visa cases was reviewed by a supervisor as required by 9 FAM 504.11-3(A)(2), which states that adjudicating officers must send refused cases to the designated supervisory officer, who must review the case without delay and confirm or disagree with the refusal. The Department standard is to review refused cases in the Consular Consolidated Database²¹ so there is a record of the review outside of the local immigrant visa system.²² The consular manager who was the designated supervisory officer told OIG she reviewed refused immigrant visa cases but not in the Consular Consolidated Database as recommended by 9 FAM. During the inspection, the consular manager reviewed all pending refusal cases in the Consular Consolidated Database; therefore, OIG did not make a recommendation to address this issue.

Embassy Did Not Cross-Train Locally Employed Staff or Officers in U.S. Citizen Services

OIG found Embassy Kuala Lumpur did not cross-train consular LE staff or officers assigned to the Consular Section in U.S. citizen services procedures, such as processing passport applications, as recommended in 7 FAM 1812.3-2. Consular crisis management planning best practices reflect that LE staff and officers working in the Consular Section should all know how to perform basic consular functions related to U.S. citizen services such as issuing passports and processing requests for emergency medical or financial assistance. Additionally, according to guidance in 13 FAM 101.2-2(E)(1), managers and supervisors are responsible for determining the specific needs of their employees and ensuring that employees receive training for effective job performance. Consular managers prioritized working the backlog of COVID related visa and U.S. citizen services over cross-training LE staff and officers. Failure to adequately cross-train consular staff in emergency aspects of consular work could limit the Consular Section's ability to assist U.S. citizens in the event of a crisis.

Recommendation 6: Embassy Kuala Lumpur should cross-train Consular Section locally employed staff and officers in U.S. citizen services functions in accordance with Department standards. (Action: Embassy Kuala Lumpur)

Spotlight on Success: Consular Section Creatively Used Microsoft Teams to Facilitate Section-Wide Communication and Collaboration

Consular managers embraced Microsoft Teams during the COVID-19 pandemic, and they now creatively use the platform as the Consular Section's primary means of communication. Daily Teams messages sent to consular staff note the daily applicant caseload, unplanned absences, and communicate quick reminders and announcements.

²¹ The Consular Consolidated Database is the Bureau of Consular Affairs' central data storehouse of current and archived data from overseas missions and domestic offices. It is an important consular management tool consolidating a variety of statistical reports to monitor and compare workloads.

²² See 9 FAM 504.11-3(A)(2)a.

The Consular Section maintains multiple Teams channels for the U.S. Citizen Services Unit, Visa Units, and to track management issues, crisis preparedness, and special projects. Section standard operating procedures are all easily accessed and updated through a Microsoft Teams channel. A consular leadership channel restricts access only to consular managers, allowing them to discuss more sensitive issues.

The Visa Unit uses Teams to notify officers when a Security Advisory Opinion is ready to be transmitted or when a response from the Department returns. Adjudicating officers use Teams to communicate via the chat function about issues they encounter at the interview window. The U.S. Citizen Services Unit uses the platform to access case-specific files stored on SharePoint, to search the consular contact list, and to access the embassy's switchboard call log when an incoming call is dropped.

Finally, the Consular Section uses Microsoft Shifts to maintain vacation and workload schedules and Microsoft Planner to track onboarding tasks for incoming officers. Both applications are accessed through Teams, which consular officers can access through their work phones when not in the office.

RESOURCE MANAGEMENT

OIG reviewed Embassy Kuala Lumpur's operations in general services, human resources, financial management, facility management, and general management, as well as the embassy's employee association, Health Unit, and Community Liaison Office. During the inspection, the embassy corrected five internal control issues identified by OIG. Specifically, the embassy:

- Reviewed its residential properties and updated documentation in the Department's system of record related to missing fire mitigation actions and notifications advising residents of fire risks in their building (15 FAM 813.7-5h-i).
- Began conducting monthly testing of emergency lighting and annual inspections of the embassy's emergency exit doors (15 FAM 844a and 15 FAM 846.4).
- Updated the accommodation exchange policy and prepared a chief of mission memorandum for the justification of accommodation exchange services (4 FAM 361.5).
- Closed out suspense deposits abroad account balances totaling \$22,000 (4 FAM 326.2-7b).
- Closed out travel advance balances totaling \$31,000 (4 FAM 464.5(1)).

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

General Services

Embassy Property Controls Did Not Comply With Department Standards

OIG found the embassy's property management practices did not comply with Department standards. Specifically, OIG identified two issues:

- The embassy did not account for personal and program property, including uniforms and personal protective equipment, issued to its staff in ILMS (14 FAM 446.1c and 14 FAM 414.2-1a(1)).
- The embassy did not consistently conduct unannounced quarterly spot checks of its expendable and nonexpendable property in the year before the inspection (14 FAM 411.2-2b(8)).

Management Section staff told OIG they were aware of these issues and were in the process of accounting for uniforms and personal protective equipment in ILMS. Failure to account for property in the Department's approved property record system and conduct regular spot checks leaves the embassy vulnerable to theft and can impact the accuracy of property inventories.

Recommendation 7: Embassy Kuala Lumpur should bring its property management program into compliance with Department standards. (Action: Embassy Kuala Lumpur)

Embassy Used Shipping Containers for Functional Spaces

OIG found the embassy converted five shipping containers into functional spaces to serve as changing rooms for the local guard force and a mail screening facility. Guidance issued in September 2018 and October 2021²³ states the Department does not support the use of shipping containers as occupied structures or to accommodate functional space needs. In accordance with 15 FAM 645.1d, construction or structural alteration requests must be approved by the Bureau of Overseas Buildings Operations (OBO), be permitted by OBO, and receive appropriate funding. Embassy staff told OIG they requested authorization from OBO to use the containers but did not follow up when they did not receive a response because of more pressing priorities. Despite this Department guidance, OIG issued an audit in September 2023²⁴ that found widespread unauthorized use of shipping containers by overseas posts. Using unapproved shipping containers that do not meet the required building and fire codes for functional space needs increases the risk of damage to U.S. government property and puts employees' safety at risk.

²³ Cable 18 STATE 98976, "Shipping Containers and Portable Structure Use and Occupancy Requirements," September 27, 2018; cable 21 STATE 103606, "FY 2022 Bureau of Overseas Buildings Operations Financial and Operational Guidance," October 8, 2021.

²⁴ OIG, *Audit of Physical Security Standards for Department of State Temporary Structures at Selected Overseas Posts* (AUD-SI-23-30, September 2023).

Recommendation 8: Embassy Kuala Lumpur should seek permits from the Bureau of Overseas Buildings Operations to use shipping containers for functional space in accordance with Department requirements. (Action: Embassy Kuala Lumpur)

Embassy Did Not Review and Update Its Motor Vehicle Policy

OIG found the embassy did not review its motor vehicle policy annually and last updated the policy in February 2017. Guidance in 14 FAM 435.1a requires the embassy to review and, if necessary, update its written motor vehicle policy annually to incorporate any updates to the FAM or embassy policy. Management staff told OIG they did not update the motor vehicle policy because they were unfamiliar with the requirement. Without a policy that reflects current Department guidance, the embassy risks providing unauthorized services.

Recommendation 9: Embassy Kuala Lumpur should review and update its motor vehicle policy, if necessary, in accordance with Department standards. (Action: Embassy Kuala Lumpur)

Motor Pool Vehicle Preventive Maintenance Overdue

Embassy Kuala Lumpur did not fully manage the motor pool preventive maintenance program in compliance with Department standards. Specifically, OIG found the embassy had 17 of 32 U.S. government vehicles with overdue preventive maintenance as of November 2023. Guidance in 14 FAM 435.2a requires the embassy to conduct preventive vehicle maintenance to ensure operative reliability, maximize the vehicle life cycle, and reduce factors that can contribute to vehicle collisions and mishaps. Management Section staff told OIG that some vehicles were delayed in getting preventive maintenance due to difficulties procuring parts for the motor pool vehicles. Failure to perform preventive maintenance puts the pool of embassy vehicles at risk of not meeting safety, security, and warranty requirements.

Recommendation 10: Embassy Kuala Lumpur should bring the motor pool preventive maintenance program into compliance with Department standards. (Action: Embassy Kuala Lumpur)

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

OIG found Embassy Kuala Lumpur did not comply with some elements of the Department's Motor Vehicle Safety Management Program standards. Specifically:

- Embassy chauffeurs exceeded the 10-hour duty limit in 24 of 40 timesheets submitted across 5 pay periods (14 FAM 433.8a).²⁵ Management Section staff told OIG they implemented staggered schedules for drivers to extend driver operating hours. However, passengers sometimes kept drivers longer than 10 hours a day when meetings went longer than expected or when weather caused traffic delays.

²⁵ OIG reviewed time and attendance records for eight embassy chauffeurs across pay periods 13 through 17 covering June 18, 2023, to August 26, 2023.

- Out of 149 drivers, 61 had expired or no record of driver safety refresher training based on information updated by the embassy in ILMS during the inspection (14 FAM 433.5a, b, and e). OIG determined this was caused by a lack of management oversight.
- Out of 149 drivers, 55 had expired or no record of medical certifications based on information updated by the embassy in ILMS during the inspection (14 FAM 433.4a and e). OIG determined this was caused by a lack of management oversight.

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 11: Embassy Kuala Lumpur should bring its motor vehicle safety program into compliance with Department standards. (Action: Embassy Kuala Lumpur)

Embassy Did Not Document Some Required Tasks for the Local Employee Health Insurance Contract

The embassy's contracting officer's representative (COR) and contracting officer did not document some tasks for the local employee health insurance contract as required by Department standards. Specifically, OIG found:

- The COR did not maintain files for the local employee health insurance contract valued at \$6.7 million in the ILMS COR eFiling module, as required by 14 FAH-2 H-142b(16)(b). Instead, the COR maintained paper files.
- Neither the COR nor the contracting officer completed a mandatory performance review in the Contractor Performance Assessment Reporting System²⁶ for the local employee health insurance contract, as required by 14 FAH-2 H-572d²⁷ and 48 Code of Federal Regulations § 42.1502(a).

Despite these issues, OIG's discussions with embassy staff and review of other documentation showed the embassy had in fact monitored the contract, received the services for which it had contracted, and addressed contractor performance when issues arose. Embassy staff told OIG they were unaware of the mandate to maintain COR files in the ILMS COR eFiling module. In addition, staff told OIG they could not complete the performance reviews in the Contractor Performance Assessment Reporting System because of access issues. Failure to properly maintain COR files increases the risk of contract mismanagement.

²⁶ The Contractor Performance Assessment Reporting System is the government-wide evaluation reporting tool for all past performance reports on contracts and orders. An annual performance assessment must be done in the system for each contract above the simplified acquisition threshold of \$250,000, according to 48 Code of Federal Regulations § 42.1502(b).

²⁷ The contracting officer is responsible for ensuring the evaluation takes place, but the COR may be tasked with evaluating contractor performance. See 14 FAH-2 H-572e, "Final Evaluation."

Recommendation 12: Embassy Kuala Lumpur should maintain contract files and complete mandatory performance reviews in accordance with Department standards. (Action: Embassy Kuala Lumpur)

Embassy Did Not Close Out Procurement Files Within Required Timeframes

Embassy Kuala Lumpur did not close out its procurement files in ILMS within required timeframes. Specifically, the embassy did not close out 522 procurement files from FY 2015 to FY 2023. Guidance in 14 FAH-2 H-573.2b²⁸ states contracts under simplified acquisitions procedures should be closed out immediately after the contracting officer receives evidence of receipt of property and final payment. Embassy staff told OIG this issue occurred because staffing and workload issues limited the amount of time available to perform contract closeout processes. 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 Kuala Lumpur should close out procurement files in accordance with Department standards. (Action: Embassy Kuala Lumpur)

Embassy Incurred Unauthorized Commitments

From February 2020 to December 2023, the embassy incurred unauthorized commitments totaling \$78,990 for travel related service fees.²⁹ Specifically, OIG found the embassy continued to use the services of the travel management center³⁰ even though the contract had expired. According to 14 FAM 215a, an unauthorized commitment occurs when a contractual agreement is made that is not binding to the U.S. government because the official who made the agreement lacked the requisite authority to do so. In addition, Department guidance in 14 FAH-2 H-132.1b allows an embassy's contracting officer, as the head of the contracting activity, to ratify unauthorized commitments up to \$1,000; those above \$1,000 must be sent to the Department's Office of the Procurement Executive for ratification. The unauthorized commitments occurred because the General Services Officer and procurement staff were unaware the travel management center contract had expired. Unauthorized commitments may result in personal liability for the individual who made the commitment.

Recommendation 14: Embassy Kuala Lumpur, in coordination with the Bureau of Administration, should review unauthorized commitments totaling \$78,990 for travel related service fees to determine whether they should be ratified in accordance with Department standards. (Action: Embassy Kuala Lumpur, in coordination with A)

²⁸ Guidance in 14 FAH-2 H-573.2b also cites 48 Code of Federal Regulations § 4.804-1.

²⁹ Embassy Kuala Lumpur processed 4,867 transactions for travel related service fees totaling \$78,990.

³⁰ Travel management center is a commercial travel agent under joint contract with the General Services Administration, Department of State, and other Foreign Affairs agencies. See 14 FAM 511.3, "Definitions."

Human Resources

U.S. Direct-Hire Employees Did Not Fully Comply With Mandatory Training Requirements

Not all embassy U.S. direct-hire employees complied with Department mandatory training requirements. OIG reviewed Department training records for 55 U.S. direct-hire employees and found:

- Twenty-one employees did not complete or had expired “No FEAR Act” training. The Department requires all employees to complete the course within 90 days of employment and retake the course every 2 years thereafter (13 FAM 301.2-1b and c).
- Thirteen employees did not complete or had expired “Preventing Harassment at State” training. The Department requires all employees to complete this training every 2 years (13 FAM 301.2-5a).
- Nine employees did not complete or had expired “Annual Ethics” training, and three required retraining. The Department requires all employees to complete ethics training upon employment, and every year thereafter for employees who are required to file annual financial disclosure reports (13 FAM 301.2-3a and b).
- Five employees had never completed “Protecting Personally Identifiable Information” training. The Department requires all employees to complete this training every 2 years (13 FAM 301.1-5a).

Human resources staff told OIG that U.S. direct-hire employees received individual emails of training deficiencies and reminders to complete training requirements; however, they did not follow up with the employees’ supervisors. Failure to complete mandatory training may result in disciplinary action, and it also increases the risk that employees do not have the skills needed to fulfill their duties and improve their overall performance.

Recommendation 15: Embassy Kuala Lumpur should comply with mandatory training requirements for U.S. direct-hire employees in accordance with Department standards. (Action: Embassy Kuala Lumpur)

Financial Management

Alternate Cashiers Did Not Regularly Assume Principal Cashier Duties

The embassy did not have a schedule that allowed alternate cashiers to regularly work as the principal cashier, as required by Department standards. The Department’s Cashier User Guide, Chapter 3.3.5, states the alternate cashier should act as the acting principal cashier two to three times per quarter to ensure the alternate cashier maintains the necessary skills. Failure to have alternate cashiers routinely perform the duties of the principal cashier increases the risk of errors in cashiering operations when the principal cashier is not available for duty.

Recommendation 16: Embassy Kuala Lumpur should bring its cashier operations into compliance with Department standards. (Action: Embassy Kuala Lumpur)

Unliquidated Obligations Were Not Reviewed and De-Obligated in a Timely Manner

OIG found that, as of October 2023, the embassy had approximately \$370,000 in unliquidated obligations with no activity in over 1 year. According to Department standards in 4 FAM 225a and d, staff must establish procedures to review documents supporting unliquidated obligations monthly and unliquidated obligations with no activity in over a year must be targeted and de-obligated if they cannot be documented as valid obligations. During the inspection, embassy staff reviewed unliquidated obligations and identified \$262,000 for de-obligation. This lowered the total of unliquidated obligations to \$109,000. Embassy staff told OIG they did not systematically review and de-obligate unliquidated obligations monthly because they were unfamiliar with requirements. Failure to review and de-obligate these unliquidated obligations in a timely manner results in an accumulation of funds that could be put to better use.³¹

Recommendation 17: Embassy Kuala Lumpur should review and, if determined not to be valid, de-obligate all unliquidated obligations without activity for more than 1 year so that funds of up to \$109,000 can be put to better use. (Action: Embassy Kuala Lumpur)

Facility Management

Post Occupational Safety and Health Officer Did Not Provide Workplace Safety Trainings to Supervisors and Employees

The Post Occupational Safety and Health Officer (POSHO) did not provide workplace safety training to supervisors and employees. The POSHO did not ensure that Management Section officials were trained on their safety and occupational health responsibilities within 30 days of their arrival at the embassy, as required by 15 FAM 965e. Additionally, the POSHO did not provide training to embassy supervisors that described supervisory responsibilities for providing safe working conditions for employees, as required by 15 FAM 965g. Finally, the POSHO did not ensure that a safety and occupational health orientation was provided for all new employees within 30 days of their arrival at the embassy, as required by 15 FAM 965h. Embassy staff told OIG they were unaware of some requirements and that other factors, including staffing changes, contributed to this situation. Failure to follow safety, health, and environmental management requirements risks harm to personnel.

Recommendation 18: Embassy Kuala Lumpur should provide workplace safety training in accordance with Department standards. (Action: Embassy Kuala Lumpur)

³¹ In accordance with 1 FAM Exhibit 050(3)d(4), funds put to better use are funds that could be used more efficiently if management took certain actions, including de-obligating funds from programs or operations.

General Management

Furniture and Appliance Pool Program Did Not Comply With Department Standards

OIG found the embassy's furniture and appliance pool (FAP) program did not comply with Department standards. Specifically, the embassy's FAP policy, updated in August 2023, included issuance of five transformers per residence. Department policy contained in 6 FAH-5 H-513e allows up to three transformers maximum to be issued to each residence. In addition, the embassy incorrectly issued 33 FAP assets valued at more than \$17,000 to office locations or designated residences³² contrary to guidance in 6 FAH-5 H-512.3-1b and f.³³ Management Section staff acknowledged the updated FAP policy contained an inaccurate number of transformers and said they were unaware of the prohibitions on issuing FAP assets to office locations or designated residences. Issuing FAP assets in excess of allowable amounts or to unapproved locations risks inflating International Cooperative Administrative Support Services, or ICASS, costs charged to agencies.

Recommendation 19: Embassy Kuala Lumpur should bring its furniture and appliance pool program into compliance with Department standards. (Action: Embassy Kuala Lumpur)

INFORMATION MANAGEMENT

OIG reviewed Embassy Kuala Lumpur'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. OIG identified six internal control issues which the embassy corrected during the inspection. Specifically, the embassy:

- Improved privileged account management on all embassy 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 12 FAH-10 H-232.3-1).
- Updated lock combinations on classified material storage containers (12 FAM 532.2-2).
- Implemented mandatory security controls on internal network equipment (12 FAM 623.4).
- Established and used a local IT configuration control board³⁴ (5 FAM 862.1).
- Recorded duties performed in the information systems security officer's checklist (5 FAH-11 H-116).

³² Designated residences include the residences for the Ambassador, DCM, and Marine Security Guards. Furniture and furnishings for designated housing and offices are funded through other allotments.

³³ These sections of the FAH were updated in February 2024, after fieldwork for this inspection. These requirements are incorporated into 6 FAH-5 H-514.1d(2) and 6 FAH-5 H-514.2-3c.

³⁴ 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.

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

Information Technology Property Management Did Not Comply With Department Requirements

Embassy Kuala Lumpur did not use the Department's ILMS loanable property module to issue and track all mobile devices as required in 14 FAH-1 H-312.8e. Additionally, OIG found the embassy was also not using the loanable property module to track radios as required by 5 FAH-2 H-733.1e. Instead, the office tracked issuance of IT devices using a combination of spreadsheets and some limited use of the loanable property module. Staff told OIG they were not aware of the FAH requirements and only began managing the mobile device program within the last 18 months. Not using the mandatory ILMS loanable property module could lead to mismanagement of IT equipment and potential waste of government resources.

Recommendation 20: Embassy Kuala Lumpur should use the Inventory and Logistics Management System loanable property module to issue and track information technology assets. (Action: Embassy Kuala Lumpur)

Records Retirement Practices Did Not Fully Comply With Department Standards

According to the Records and Archives Management division in the Bureau of Administration's Office of Information Programs and Services, Embassy Kuala Lumpur properly retired chief of mission and DCM records over the past 20 years and 14 years respectively. However, the embassy did not retire program records as required. For example, public diplomacy program records were never retired. Department standards in 5 FAM 451b and c require embassies to maintain an active, continuing records retirement program that ensures records are retired in accordance with records disposition schedules. 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 21: Embassy Kuala Lumpur should retire records in accordance with Department records management standards. (Action: Embassy Kuala Lumpur)

Spotlight on Success: Embassy's Information Management Unit Used Microsoft OneNote and Planner To Improve Effectiveness

Embassy Kuala Lumpur's IM unit effectively used Microsoft OneNote and Planner applications to maintain efficient operations. The unit organized various OneNote pages with task lists, standard operating procedures, records of completed tasks, and supporting criteria to improve IM programs. Additionally, the unit used Planner to create a task management tool that assigned tasks and tracked them. Because Planner was tied into other Microsoft applications, such as Teams and Outlook, it could easily send updates on tasks to unit staff and managers. The Planner task management tool also organized tasks into easy to understand and shared visual cards that included key guidance. Throughout the inspection, OIG found IM Section staff

routinely using the OneNote resources while performing daily tasks, resulting in consistent and efficient program operations. Additionally, because OneNote was easy to update, staff were able to quickly respond to changes in Department policies by updating the OneNote criteria page. OIG determined the IM unit's use of OneNote and Planner would also improve program orientation for new IM unit employees.

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

Recommendation 1: Embassy Kuala Lumpur should comply with Department and federal grants management standards for awards managed by the Political Section. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur 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 Kuala Lumpur complied with Department and federal grants management standards for awards managed by the Political Section.

Recommendation 2: Embassy Kuala Lumpur should adhere to Department standards for Blue Lantern end-use monitoring. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Kuala Lumpur adhered to Department standards for Blue Lantern end-use monitoring.

Recommendation 3: Embassy Kuala Lumpur, in coordination with the Bureau of Consular Affairs and the Bureau of Overseas Buildings Operations, should provide a wheelchair-accessible entryway and consular interview window for consular applicants. (Action: Embassy Kuala Lumpur, in coordination with CA and OBO)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Kuala Lumpur provided a wheelchair-accessible entryway and consular interview window for consular applicants.

Recommendation 4: Embassy Kuala Lumpur, in coordination with the Bureau of Consular Affairs and the Bureau of Overseas Buildings Operations, should provide protection from the

elements for consular applicants. (Action: Embassy Kuala Lumpur, in coordination with CA and OBO)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Kuala Lumpur provided protection from the elements for consular applicants.

Recommendation 5: Embassy Kuala Lumpur's consular managers should adjudicate more immigrant and nonimmigrant visa cases, in accordance with Department guidance. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Kuala Lumpur's consular managers adjudicated more immigrant and nonimmigrant visa cases, in accordance with Department guidance.

Recommendation 6: Embassy Kuala Lumpur should cross-train Consular Section locally employed staff and officers in U.S. citizen services functions in accordance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Kuala Lumpur cross-trained Consular Section locally employed staff and officers in U.S. citizen services functions in accordance with Department standards.

Recommendation 7: Embassy Kuala Lumpur should bring its property management program into compliance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation.

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

Recommendation 8: Embassy Kuala Lumpur should seek permits from the Bureau of Overseas Buildings Operations to use shipping containers for functional space in accordance with Department requirements. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation.

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

Recommendation 9: Embassy Kuala Lumpur should review and update its motor vehicle policy, if necessary, in accordance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation. The embassy noted an estimated completion date of June 30, 2024.

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

Recommendation 10: Embassy Kuala Lumpur should bring the motor pool preventive maintenance program into compliance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation. The embassy noted an estimated completion date of June 30, 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Kuala Lumpur's motor pool preventive maintenance program complied with Department standards.

Recommendation 11: Embassy Kuala Lumpur should bring its motor vehicle safety program into compliance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation.

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

Recommendation 12: Embassy Kuala Lumpur should maintain contract files and complete mandatory performance reviews in accordance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Kuala Lumpur maintained contract files and completed mandatory performance reviews in accordance with Department standards.

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

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation.

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

Recommendation 14: Embassy Kuala Lumpur, in coordination with the Bureau of Administration, should review unauthorized commitments totaling \$78,990 for travel related service fees to determine whether they should be ratified in accordance with Department standards. (Action: Embassy Kuala Lumpur, in coordination with A)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation. The embassy noted it would request the Bureau of Administration, Office of the Procurement Executive, ratify unauthorized commitments for travel related service fees.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Kuala Lumpur reviewed unauthorized commitments totaling \$78,990 for travel related service fees to determine whether they should be ratified in accordance with Department standards.

Recommendation 15: Embassy Kuala Lumpur should comply with mandatory training requirements for U.S. direct-hire employees in accordance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Kuala Lumpur complied with

mandatory training requirements for U.S. direct-hire employees in accordance with Department standards.

Recommendation 16: Embassy Kuala Lumpur should bring its cashier operations into compliance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation.

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

Recommendation 17: Embassy Kuala Lumpur should review and, if determined not to be valid, de-obligate all unliquidated obligations without activity for more than 1 year so that funds of up to \$109,000 can be put to better use. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation. The embassy noted that it would de-obligate all unliquidated obligations noted in the report.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Kuala Lumpur reviewed and de-obligated all unliquidated obligations without activity for more than 1 year so that funds of up to \$109,000 can be put to better use.

Recommendation 18: Embassy Kuala Lumpur should provide workplace safety training in accordance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Kuala Lumpur provided workplace safety training in accordance with Department standards.

Recommendation 19: Embassy Kuala Lumpur should bring its furniture and appliance pool program into compliance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation.

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

Recommendation 20: Embassy Kuala Lumpur should use the Inventory and Logistics Management System loanable property module to issue and track information technology assets. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur concurred with this recommendation. The embassy noted an estimated completion date of May 31, 2024.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that Embassy Kuala Lumpur used the Inventory and Logistics Management System loanable property module to issue and track information technology assets.

Recommendation 21: Embassy Kuala Lumpur should retire records in accordance with Department records management standards. (Action: Embassy Kuala Lumpur)

Management Response: In its April 29, 2024, response, Embassy Kuala Lumpur 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 Kuala Lumpur retired records in accordance with Department records management standards.

PRINCIPAL OFFICIALS

Agency/Section/Title	Name	Arrival Date
Chiefs of Mission:		
Ambassador	Vacant ^a	
Deputy Chief of Mission	Manu Bhalla ^b	8/2023
Chiefs of Sections:		
Consular	Michael Sweeney	8/2022
Economic	David Williams	7/2022
Management	Christopher Pixley ^c	8/2022
Political	Chris Carver	8/2023
Public Affairs	Melinda Masonis	8/2021
Regional Security	Nicholas Masonis	8/2022
Other Agency Representatives:		
Legal Attaché	Jagdeep Khangura	11/2021
Office of Defense Cooperation	James Lax	7/2023
Senior Defense Official/Defense Attaché	Capt. Pasit Somboonpakron	5/2023
U.S. Commercial Service	Francis Peters	11/2021
Foreign Agriculture Service	Timothy Harrison	7/2021
Drug Enforcement Agency	Steve Temprano	11/2020

^a After the inspection, in March 2024, Edgard Kagan became Ambassador.

^b Manu Bhalla became Chargé d'Affaires on August 23, 2023.

^c At the time of the inspection, Christopher Pixley was serving as the acting Deputy Chief of Mission.

Source: Generated by OIG from data provided by Embassy Kuala Lumpur.

APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

This inspection was conducted from September 5, 2023, to February 5, 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 discussed the substance of this report and its findings and recommendations with offices, individuals, and organizations affected by the inspection. OIG used professional judgment and analyzed physical, documentary, and testimonial evidence to develop its findings, conclusions, and actionable recommendations.

APPENDIX B: MANAGEMENT RESPONSE

Stakeholder Response

April 29, 2024

UNCLASSIFIED

THRU: EAP - Daniel Kritenbrink, Assistant Secretary

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

FROM: Embassy Kuala Lumpur – Manu Bhalla, Chargé d'Affaires, a.i.

SUBJECT: Response to Draft OIG Report – ISP-I-24-14

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

OIG Recommendation 1: Embassy Kuala Lumpur should comply with Department and federal grants management standards for awards managed by the Political Section. (Action: Embassy Kuala Lumpur)

Political Response: Embassy Kuala Lumpur concurs with the recommendation. To rectify the matter, the Political Section provided additional Department training to the Grants Officer Representative in April 2024 to ensure proper monitoring and evaluation of grants. The section is also working to obtain, and file required financial and performance reports in ILMS for previous grants to close those awards by June 2024.

OIG Recommendation 2: Embassy Kuala Lumpur should adhere to Department standards for Blue Lantern end-use monitoring. (Action: Embassy Kuala Lumpur)

Economic Response: Embassy Kuala Lumpur concurs with the recommendation. Increased collaboration with the Defense Attaché's Office (DAO) has improved the efficacy of the mission's Blue Lantern program. We more effectively engage in timely inspections with DAO assistance. As of March 29, 2024, Post has submitted responses to all outstanding Blue Lantern requests. The Economic Section also created a Blue Lantern tracking system to account for past Blue Lantern requests and responses and better manage future Blue Lantern inspections.

OIG Recommendation 3: Embassy Kuala Lumpur, in coordination with the Bureau of Consular Affairs and the Bureau of Overseas Buildings Operations, should provide a wheelchair-accessible entryway and consular interview window for consular applicants. (Action: Embassy Kuala Lumpur, in coordination with CA and OBO)

Consular and Management Response: Embassy Kuala Lumpur concurs with the recommendation. Being mindful of the plans to move to a NEC, the Consular and Management Sections will continue working with CA and OBO on reducing barriers and *exploring options for a wheelchair-accessible entryway. The Facility team is drafting the scope of work to obtain A&E services to design an ABA-compliant consular window, and they will work with OBO to review the design and request funding for the project.*

OIG Recommendation 4: Embassy Kuala Lumpur, in coordination with the Bureau of Consular Affairs and the Bureau of Overseas Buildings Operations, should provide protection from the elements for consular applicants. (Action: Embassy Kuala Lumpur, in coordination with CA and OBO)

Consular and Management Response: Embassy Kuala Lumpur concurs with the recommendation. Being mindful of the plans to move to a NEC, the Consular and Management Sections will continue to work with RSO, DS, CA, and OBO to address the recommendation to provide a covered walkway for consular applicants to protect them from inclement weather. The current practice is to provide large umbrellas for the use of applicants to walk from the CAC to the Chancery, and to let all authorized applicants enter regardless of their appointment time to wait in our overflow waiting area instead of the street. Additional umbrellas will be procured with clear branding to indicate they are for applicant use.

OIG Recommendation 5: Embassy Kuala Lumpur's consular managers should be actively involved in consular activities, including adjudicating immigrant and nonimmigrant visa cases in accordance with Department guidance.

Consular Response: Embassy Kuala Lumpur concurs with the recommendation (with suggested edits). In the past year consular managers prioritized using limited windows and relatively small number of immigrant visa cases for training and onboarding of several new officers. Managers shadowed officers and adjudicated when needed, but on most days, there were insufficient windows for the number of officers available. Since the inspection, consular managers have shifted services to free up an additional window for visa services and the Deputy CG has increased presence on the windows, including LE intake functions and fingerprinting to test SOPs and efficiencies. The managers will increase visa adjudications going forward on a regular basis.

OIG Recommendation 6: Embassy Kuala Lumpur should cross-train Consular Section locally employed staff and officers in U.S. citizen services functions in accordance with Department standards. (Action: Embassy Kuala Lumpur)

Consular Response: Embassy Kuala Lumpur concurs with the recommendation. With backlogs eliminated, managers are fully dedicated to focusing on cross training throughout the section. An established officer rotation schedule moves all officers through ACS on a staggered basis, either for a short six to eight-week period or a longer nine-month rotation. Since the inspection, managers have trained all but one newer officer on processing passport applications. Some LE from FPU and NIV are trained in ACS, but managers will develop a more robust cross training schedule that expands training to additional LE staff and includes a regular rotation, so knowledge does not get stale.

OIG Recommendation 7: Embassy Kuala Lumpur should bring its property management program into compliance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: Embassy Kuala Lumpur concurs with the recommendation. Since November 2023, all new uniforms and PPE have been accounted for in ILMS. In addition, since November 2023, one unannounced quarterly spot check of expendable and non-expendable property has been conducted and quarterly spot checks will continue.

OIG Recommendation 8: Embassy Kuala Lumpur should seek permits from the Bureau of Overseas Buildings Operations to use shipping containers for functional space in accordance with Department requirements. (Action: Embassy Kuala Lumpur in coordination with OBO)

Management Response: Embassy Kuala Lumpur concurs with the recommendation and is working with OBO to obtain permits for the shipping containers currently used as functional space.

OIG Recommendation 9: Embassy Kuala Lumpur should review and update its motor vehicle policy, if necessary, in accordance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: Embassy Kuala Lumpur concurs with the recommendation. Embassy Kuala Lumpur will issue an updated Motor Vehicle Policy by June 30, 2024.

OIG Recommendation 10: Embassy Kuala Lumpur should bring the motor pool preventive maintenance program into compliance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: Embassy Kuala Lumpur concurs with the recommendation. Embassy Kuala Lumpur has cleared 10 of the 17 overdue preventative maintenance taskings and will clear the remaining seven by June 30, 2024. Post will properly plan for and execute its preventative maintenance program.

OIG Recommendation 11: Embassy Kuala Lumpur should bring its motor vehicle safety program into compliance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: Embassy Kuala Lumpur concurs with the recommendation. Embassy Kuala Lumpur will ensure 100% compliance with its authorized driver program and will minimize non-compliance with the 10-hour duty limit for chauffeurs.

OIG Recommendation 12: Embassy Kuala Lumpur should maintain contract files and complete mandatory performance reviews in accordance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: Embassy Kuala Lumpur concurs with the recommendation. The embassy will implement the recommendation by enrolling all CORs in the ILMS COR e-Filing module and in CPARs in order to maintain contract files and complete mandatory performance reviews in accordance with Department standards. Post is in discussions with A/OPE and A/LM on implementing this recommendation as soon as possible.

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

Management Response: Embassy Kuala Lumpur concurs with the recommendation. Embassy will close procurement files as required.

OIG Recommendation 14: Embassy Kuala Lumpur, in coordination with the Bureau of Administration, should review unauthorized commitments totaling \$78,990 for travel related service fees to determine whether they should be ratified in accordance with Department standards. (Action: Embassy Kuala Lumpur, in coordination with A)

Management Response: Embassy Kuala Lumpur concurs with the recommendation. Embassy Kuala Lumpur will request A/OPE to ratify unauthorized commitments for travel related service fees.

OIG Recommendation 15: Embassy Kuala Lumpur should comply with mandatory training requirements for U.S. direct-hire employees in accordance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: Embassy Kuala Lumpur concurs with the recommendation and has implemented the recommendation by bringing the completion rate among eligible employees up to Department standards. Prior to the OIG inspection team's visit, the embassy embarked on a robust campaign to bring U.S. direct-hire employees into compliance in accordance with Department standards and experienced marked improvement in compliance numbers. The Embassy noted to the OIG team the out-of-date training completion data that OIG had relied on prior to its visit, and a review of the training compliance data as of the present date shows widespread compliance with the key mandatory training courses that OIG highlighted in its draft report. The embassy will implement this recommendation further by issuing quarterly reminders to employees in danger of falling out of compliance.

OIG Recommendation 16: Embassy Kuala Lumpur should bring its cashier operations into compliance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: Embassy Kuala Lumpur concurs with the recommendation. Both post alternate cashiers have now completed all their required trainings and received their designations. Embassy Kuala Lumpur created a tracking spreadsheet that schedules the alternate cashiers to act as principal cashier on a quarterly basis as required by the Cashier User Guide, Chapter 3.3.5. Alternate cashier acting duties dates for the past two quarters are as follows:

Faizah Ismail:

November 2023: 27, 28, 29, 30
December 2023: 1, 11, 12, 13, 15
January 2024: 8, 16, 22, 23
March 2024: 13, 14, 19, 20, 21
April 2024: 9, 19, 22, 23, 24, 25

Puvana Munusamy:

October 2023: 5, 6, 10, 11, 12
December 2023: 4, 5, 6, 7, 8, 14
January 2024: 24
February 2024: 16, 20, 21, 22, 23
March 2024: 22
April 2024: 12

OIG Recommendation 17: Embassy Kuala Lumpur should review and, if determined not to be valid, de-obligate all unliquidated obligations without activity for more than 1 year so that funds of up to \$109,000 can be put to better use. (Action: Embassy Kuala Lumpur)

Management Response: Embassy Kuala Lumpur concurs with the recommendation. FMC has created a ULO working group comprised of GSO, Procurement, and FMC personnel that meets monthly to review outstanding ULOs and makes determinations on obligations as required by 4 FAM 225a and d. Post reviewed the items noted in the report, marking all for de-obligation.

OIG Recommendation 18: Embassy Kuala Lumpur should provide workplace safety training in accordance with Department standards.

Management Response: Embassy Kuala Lumpur concurs with the recommendation and has initiated workplace safety training for all new hires during the onboarding process. (Action: Embassy Kuala Lumpur).

OIG Recommendation 19: Embassy Kuala Lumpur should bring its furniture and appliance pool program into compliance with Department standards. (Action: Embassy Kuala Lumpur)

Management Response: Embassy Kuala Lumpur concurs with the recommendation. Embassy Kuala Lumpur has changed its policy to limit transformers to three, in accordance with Department standards. Embassy Kuala Lumpur will ensure that FAP assets are correctly issued and will remove them from improper locations.

OIG Recommendation 20: Information Technology Property Management Did Not Comply With Department Requirements. Embassy Kuala Lumpur should use the Inventory and Logistics Management System loanable property module to issue and track information technology assets. (Action: Embassy Kuala Lumpur)

Management Response: Embassy Kuala Lumpur concurs with and has implemented the recommendation. The Radio/Telephone Office has moved all radios into the ILMS Loanable property module, and radios will be reissued to all customers via loanable property. The expected completion date for re-issuance is May 31, 2024. All mobile devices including SIM Cards, Mobile phones, iPads, and Laptops were already tracked via the ILMS Loanable Property module.

OIG Recommendation 21: Records Retirement Practices Did Not Fully Comply With Department Standards. Embassy Kuala Lumpur should retire records in accordance with Department records management standards.

Management Response: Embassy Kuala Lumpur concurs with the recommendation. A Records Management Policy addressing Records management timelines was issued by the Embassy to all record Managers. Embassy Kuala Lumpur implemented the recommendation by submitting electronic records (eRecords) for retirement for Political, Economic, and Capstone sections. The expected completion date for Public Affairs and Human Resources OPS eRecords is July 2024. The expected completion date for Legacy records (paper) for Political and Economic Sections is August 2024.

Political Section:

eRecords retirement – Submitted for 2019, 2020, 2021 and 2022 and is fully compliant up until 2023.

Legacy Records retirement – DS-0693 submitted for Legacy records to Records Archive (RA) and is awaiting final approval. Once approval has been received records will be shipped back to the Department via classified pouch.

Economic Section:

eRecords retirement – Submitted for 2020, 2021.

Legacy Records retirement – Legacy records dating from 2007 – 2020 have been identified. The expected completion date for retirement is August 2024.

Capstone Officials (AMB and DCM):

eRecords retirement – Submitted for AMB: 2017, 2018, 2019, 2020, 2021, 2022 and 2023.

eRecords retirement – Submitted for DCM: 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023.

Legacy Records retirement - The expected completion date for retirement of 2017 Legacy records is August 2024.

ABBREVIATIONS

APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
COR	Contracting Officer's Representative
DCM	Deputy Chief of Mission
DEIA	Diversity, Equity, Inclusion, and Accessibility
EEO	Equal Employment Opportunity
FAD	Federal Assistance Directive
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
FAP	Furniture and Appliance Pool
FAST	First and Second Tour
ICS	Integrated Country Strategy
ILMS	Integrated Logistics Management System
IM	Information Management
INL	Bureau of International Narcotics and Law Enforcement Affairs
LE	Locally Employed
OBO	Bureau of Overseas Buildings Operations
OSHO	Post Occupational Safety and Health Officer

OIG INSPECTION TEAM MEMBERS

Lee Litzenberger, Team Leader
Richard Sypher, Team Manager
Richard Albright
Steve Begin
Theodore Coley
Hanane Grini
Kristi Hogan
Daniel Mattern
Daniel Pak
Paul Sanders

Other Contributors

Joy Atkins
Ellen Engels
Thomas Furey



HELP FIGHT

FRAUD, WASTE, AND ABUSE

1-800-409-9926

www.stateoig.gov/HOTLINE

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

WPEAOmbuds@stateoig.gov