

management failure to identify deficiencies and poor adherence to established internal control processes—on the Department's ability to safeguard its financial resources and property. Additionally, we address weaknesses in tracking and reporting data, analyzing and using financial data effectively, and effectively seeking reimbursement for services and implementing cost-sharing measures. We also broaden our discussion of the unique challenges the Department faces operating in zones experiencing contingency operations. We reframe this challenge to address contingency zones and otherwise critical environments. Our reports have found that many of the same types of logistical and security concerns arise in locations that are recovering from disasters (including disease) or civil strife but are not actively involved in conflicts.

Finally, this year we have added two new challenges: workforce management and promoting accountability through coordination and clear lines of authority. We include workforce management because OIG's reports have identified difficulties associated with lack of, or poor use of, personnel resources, such as inadequate training and overly short rotations. We address issues of coordination and authority because OIG has identified these concerns in a wide range of programs. Without clearly defined roles and responsibilities and effective coordination among Department entities with intersecting obligations, the Department's ability to effectively carry out its programs and operations is compromised.

These challenges are not necessarily found in isolation. Rather, they tend to compound each other. To take just one example, contract oversight in conflict zones, where Department employees frequently have short rotations and limited ability to monitor performance, presents a situation where management challenges related to oversight of contracts, operating in critical environments, and workforce management overlap. Other problems, such as weaknesses in IT security, are exacerbated in situations where there are unclear or overlapping lines of authorities.

Continued attention to the management challenges identified in this report will improve the Department's operations and, accordingly, its ability to fulfill its mission and to be a good steward of taxpayer resources. OIG particularly encourages the Department to consider ways that specific

recommendations might be applied broadly to make more systemic changes that will improve the Department's overall operations and to ensure that these changes contribute to meaningful, permanent changes in practice. We hope that this report, read together with the work OIG produces throughout the year, assists the Department in its efforts.

1 PROTECTION OF PEOPLE AND FACILITIES

The protection of its people and facilities abroad remains a serious management and performance challenge for the Department. The threat of physical violence against U.S. diplomats and U.S. diplomatic facilities touches every region of the world. In its most recent compilation of incidents of political violence against Americans abroad, the Bureau of Diplomatic Security (DS) described numerous incidents that involved diplomats and diplomatic facilities as targets. These included, for example, incidents in which armed men fired at a vehicle carrying embassy personnel in Haiti, an individual threw a brick at Consulate General Hong Kong, and a knife-wielding assailant attacked a guard stationed outside of Embassy Nairobi in Kenya.² The threat of physical violence is naturally greater in conflict areas, such as Iraq and Afghanistan, that are at the forefront of U.S. engagement to defeat terrorism. Nonetheless, attacks in Belgium, France, Turkey, and elsewhere underscore the global nature of these threats. Additionally, natural disasters, environmental hazards, and ordinary crime continually pose risks to the health and safety of Department personnel and their families serving abroad. Much of OIG's work identifies risks to Department personnel and facilities and provides recommendations to address those risks.

Constructing and Maintaining Safe and Secure Diplomatic Facilities

The Department places great emphasis on the need to provide safe and secure facilities abroad. It expends significant resources on maintaining, updating, and expanding its more than 270 diplomatic missions abroad—some of them large, sprawling compounds.

Nonetheless, OIG found physical security deficiencies at U.S. diplomatic missions covered in its FY 2017 reports. Many of the reports related to this issue are classified, but

² Department of State Bureau of Diplomatic Security, *Political Violence Against Americans 2016* (May 2017).