

UNCLASSIFIED



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**Management Assistance Report:
Support From the Under Secretary for
Political Affairs Is Needed To Facilitate
the Closure of Recommendations
Addressed to the Bureau of Near Eastern
Affairs**

MANAGEMENT ASSISTANCE REPORT

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Summary of Review

The purpose of this Management Assistance Report is to facilitate the prompt closure of open Office of Inspector General (OIG) recommendations by bringing them to the attention of the Under Secretary for Political Affairs (Under Secretary). As of March 31, 2022, 11 recommendations in 6 unclassified reports directed to the Bureau of Near Eastern Affairs (NEA) for implementation were overdue for a compliance response and remained open. Compliance correspondence from NEA was 197 days or more overdue for four of six reports, including one response that was 310 days late. In addition to the delinquent correspondence, 9 of 11 recommendations had been open for more than 1,000 days, with 2 recommendations reaching nearly 2,000 days. Finally, prior compliance correspondence from NEA for 10 of the 11 recommendations did not include detailed action plans and specific estimated milestones for implementation, as required. In a further attempt to obtain compliance information for the four reports with the longest overdue compliance responses, in November and December 2021 OIG sent NEA additional compliance inquiries. NEA also did not reply to these OIG inquiries.

The six reports with open recommendations addressed to NEA concern deficiencies related to the Department of State's (Department) implementation of policies to counter violent extremism (CVE), the invoice review process used by NEA to support Contingency Operations in Iraq, food service contracts in Iraq, and NEA's management of contract oversight in Iraq. OIG acknowledges that the lack of implementation for many of these recommendations for the past 2 years was impacted by circumstances beyond NEA's control, such as the ordered departure of Department personnel from Iraq and the global COVID-19 pandemic. However, NEA must provide compliance correspondence regarding the status of implementation efforts for these 11 recommendations in accordance with Department policy. Without current information on the status of implementation, and in consideration of the time that the recommendations have remained opened, OIG has little assurance that NEA is taking or has taken corrective actions.

The Under Secretary for Political Affairs, who reports directly to the Secretary of State, serves as the day-to-day manager of overall regional and bilateral policy issues and oversees the bureaus, which includes NEA. Accordingly, the Under Secretary is responsible for the recommendations discussed in this report. Therefore, to facilitate the closure of the open recommendations addressed to NEA, OIG made two recommendations to the Under Secretary.

On the basis of the Under Secretary's response to a draft of this report, OIG considers both recommendations made to the Under Secretary resolved, pending further action. A synopsis of the Under Secretary's response, and OIG's reply, follow each recommendation in the Results section of this report. The Under Secretary's response to a draft of this report is reprinted in full in Appendix B. OIG greatly appreciates the Under Secretary's assistance in completing the actions necessary to implement and justify closing the open recommendations identified in this report.

OBJECTIVE

The purpose of this Management Assistance Report is to facilitate the prompt closure of open OIG recommendations made to NEA by bringing them to the attention of the Under Secretary.

BACKGROUND

Under Secretary for Political Affairs and the Bureau of Near Eastern Affairs

The Under Secretary for Political Affairs reports directly to the Secretary of State¹ and “serves as the day-to-day manager of overall regional and bilateral policy issues, and oversees the bureaus for Africa, East Asia and the Pacific, Europe and Eurasia, the Near East, South and Central Asia, the Western Hemisphere, and International Organizations.”² The Under Secretary assists the Secretary and the Deputy Secretaries in the formulation and conduct of U.S. foreign policy and is responsible for the overall direction, coordination, and supervision of interdepartmental activities of the U.S. government abroad.³

The Assistant Secretaries for the geographic bureaus report to the Under Secretary and guide the operation of the U.S. diplomatic missions within their regional jurisdictions. They are assisted by Deputy Assistant Secretaries, office directors, post management officers, and country desk officers. These officials work closely with U.S. embassies and consulates overseas and with foreign embassies in Washington, DC.

The Bureau of Near Eastern Affairs:

[L]eads U.S. foreign policy in the Middle East and North Africa region through carefully administered diplomacy, advocacy, and assistance that advances the interests, safety, and economic prosperity of the American people. In cooperation with regional partners, [NEA] promote[s] democratic values and foster[s] a free, peaceful, and prosperous Middle East and North Africa.⁴

¹ The Foreign Affairs Manual (FAM), 1 FAM 041.1(1), “Responsibilities.”

² “Under Secretary for Political Affairs,” U.S. Department of State, accessed April 12, 2022, <https://www.state.gov/bureaus-offices/under-secretary-for-political-affairs/>.

³ 1 FAM 041.1(4), “Responsibilities.”

⁴ “Bureau of Near Eastern Affairs,” U.S. Department of State, accessed April 12, 2022, <https://www.state.gov/bureaus-offices/under-secretary-for-political-affairs/bureau-of-near-eastern-affairs/>.

OIG Compliance Process

The Office of Management and Budget requires each agency to ensure that systems are in place to promptly and properly resolve and implement audit recommendations.⁵ The Department's Foreign Affairs Manual (FAM) establishes policies for compliance with OIG recommendations.⁶ The OIG formal compliance process includes the activities needed to track the status of recommendations and verify that corrective actions have been taken to implement the reports' agreed-upon findings and recommendations.

Specifically, upon issuance of the draft report, OIG allows bureaus 14 calendar days to provide their official written response related to the recommendations included in the draft report. OIG requests that responses to the draft report include a management decision indicating agreement or disagreement with recommended actions. When issuing a final audit report, OIG instructs action entities to provide OIG with a written response for each recommendation within 30 calendar days from the date of the transmittal memorandum or letter accompanying the final report. When the Department agrees with a recommendation, OIG asks management to provide a progress report describing planned actions to implement the recommendation and the corresponding implementation milestone date. When the Department disagrees with a recommendation, OIG asks management to explain the reason for the disagreement and provide alternative actions that can be taken to meet the intent of the recommendation.

OIG considers a recommendation unresolved, resolved, or closed based on actions that the Department has taken or plans to take in response to the recommendation. A recommendation is considered unresolved if there is no agreement between OIG and management on the recommendation or proposed corrective action. A recommendation is considered resolved when there is an agreement on the recommendation and proposed corrective action, but implementation has not been completed. Open recommendations include both unresolved and resolved recommendations. A recommendation is considered closed when the agreed-upon action has been completed. OIG requires compliance correspondence from the action entity for open recommendations every 30 to 90 days, depending upon the complexity of the recommendation. Correspondence continues until the Department provides documentary evidence of the completed actions and OIG closes the recommendation.

In accordance with the Inspector General Act of 1978, as amended, OIG is required to semiannually provide Congress with a summary of each OIG report "issued before the commencement of the reporting period . . . for which no management decision has been made by the end of the reporting period," and also "for which no establishment comment was returned within 60 days of providing the report to the establishment."⁷

⁵ Office of Management and Budget Circular A-50 Revised, "Audit Followup," § 5, "Policy" (September 29, 1982).

⁶ 1 FAM 056, "Audit and Inspection Recommendation Compliance."

⁷ Inspector General Act of 1978, 5a United States Code § 5(a)(10)(A), (B), "Semiannual reports; transmittal to Congress; availability to public; immediate report on serious or flagrant problems; disclosure of information; definitions."

RESULTS

As of March 31, 2022, 11 recommendations in 6 unclassified reports directed to NEA for implementation were overdue for a compliance response and remained open.^{8, 9} Compliance correspondence from NEA was 197 days or more overdue for four of six reports, including one response that was 310 days late. In addition to the delinquent correspondence, 9 of 11 recommendations had been open for more than 1,000 days, with 2 recommendations reaching nearly 2,000 days. Finally, prior compliance correspondence from NEA for 10 of the 11 recommendations did not include detailed action plans and specific estimated milestones for implementation, as required. In a further attempt to obtain compliance information for the four reports with the longest overdue compliance responses, in November and December 2021 OIG sent NEA additional compliance inquiries. NEA also did not reply to these OIG inquiries. Without current information on the status of implementation, and in consideration of the time that the recommendations have remained opened, OIG has little assurance that NEA is taking or has taken corrective actions to address the recommendations offered. To facilitate implementation and closure of the open recommendations addressed to NEA, OIG made two recommendations to the Under Secretary for Political Affairs.

Reports With Open Recommendations Awaiting Final Action and Closure

The six reports with open recommendations addressed to NEA concern deficiencies related to the Department's implementation of policies to counter violent extremism, the invoice review process used by NEA to support Contingency Operations in Iraq, food service contracts in Iraq, and NEA's management of contract oversight in Iraq. Table 1 shows the reports and corresponding open recommendations, the most recent compliance due date, the number of days the response is overdue, the number of days the recommendations has been open, and whether a corrective action plan with milestones has been provided.

Table 1: Reports With Open Recommendations Addressed to NEA

Report Number	Number of Open Recommendations	Compliance Due Date	Days Overdue	Days Open	Corrective Action Plan with Milestones
AUD-MERO-17-16	2	3/22/2022	9	1,935	✗
AUD-MERO-17-33	2	9/15/2021	197	1,854	✗
AUD-MERO-18-55	1	5/25/2021	310	1,309	✗
AUD-MERO-19-10	3	8/10/2021	233	1,219	✗
AUD-MERO-19-27	1	3/15/2022	16	1,009	✓
AUD-MERO-21-24	2	9/13/2021	199	352	✗
Total	11				

Source: Generated by OIG using audit compliance data as of March 31, 2022.

⁸ See Appendix A for a list of the six unclassified reports.

⁹ After issuing a draft of this report, OIG received responses and documentation from NEA that warranted the closure of 1 of the 11 recommendations discussed in this report.

Audit of the Oversight of Fuel Acquisition and Related Services Supporting Department of State Operations in Iraq (AUD-MERO-17-16, December 2016)

Report Details: In support of the U.S. mission in Iraq, the Department awarded the Baghdad Life Support Services and the Operations and Maintenance Support Services contracts to PAE Government Services, Inc., both of which include requirements involving fuel. The Baghdad Life Support Services contract includes requirements for the acquisition, inspection, and delivery of fuel; the Operations and Maintenance Support Services contract includes requirements for the testing, storage, and distribution of fuel and for the maintenance of fuel-related equipment for all sites in Iraq. In its December 2016 report, OIG reported that NEA did not nominate personnel with the contract experience and technical expertise necessary to conduct oversight of fuel-related activities. This occurred because NEA's oversight structure was inadequate to ensure that both contracts were staffed with sufficient numbers of trained, experienced, and certified personnel.

Compliance Activities: NEA has not provided OIG with documentation to support closing two open recommendations made in this report. NEA provided eight status updates on the recommendations but has not provided further information on planned or implemented corrective actions since December 22, 2021.¹⁰ OIG responded to NEA on the same day and requested that NEA provide an update by March 22, 2022, but as of March 31, 2022, OIG had not received a response.¹¹ In addition, OIG has not received a corrective action plan with milestones for the recommendations in this report.

Open Recommendations From AUD-MERO-17-16 and the Corresponding Status

Recommendation 5: OIG recommends that the Bureau of Near Eastern Affairs conduct a study to determine the appropriate numbers of trained, technically experienced, and certified oversight personnel required to oversee the Baghdad Life Support Services and Operations and Maintenance Support Services contracts, to include specific consideration of 2-year assignments, required Federal Acquisition Certification for Contracting Officer's Representatives certification levels, and appointment of additional assistant contracting officer's representatives.

Latest Management Response. In December 2021, NEA stated that it is in the process of converting the Operations and Maintenance Support Services Contracting Officer's Representative from a Foreign Service Officer to a Personal Service Contract. The conversion will be in place in time to fill prior to the incumbent's departure in summer 2022.

¹⁰ Record email 21 MDA 56712 dated December 22, 2021.

¹¹ Record email 21 MDA 56714 dated December 22, 2021; NEA provided a response after March 31, 2022, by record email 22 MDA 16590 dated April 21, 2022.

Status (June 15, 2022): Resolved, pending further action. It is important to note that prior to receiving a draft of this report, NEA provided OIG with a status update regarding this recommendation, including milestones for implementation. However, the information provided did not address the intent of the recommendation and, therefore, was not sufficient to close the recommendation. OIG will close this recommendation once NEA demonstrates that it has conducted a study to determine the appropriate numbers of trained, technically experienced, and certified oversight personnel required to oversee the Baghdad Life Support Services and Operations and Maintenance Support Services contracts. The study should include specific consideration of 2-year assignments and required Federal Acquisition Certification for Contracting Officer's Representatives certification levels.

Present Status: Resolved, pending further action.

Recommendation 6: OIG recommends that the Bureau of Near Eastern Affairs use the results of the study from Recommendation 5 to nominate appropriate personnel so Contracting Officers with the Bureau of Administration, Office of Logistics Management, Office of Acquisitions Management, can assign qualified oversight personnel for those contracts and task orders.

Latest Management Response. In December 2021, NEA stated that the study is still pending due to the ordered departure and the staffing cap. In the meantime, NEA will continue to nominate appropriate personnel. In addition, NEA will—with the assistance and collaboration of the Bureau of Global Talent Management, Office of Organization and Talent Analytics, and Bureau of Administration, Office of Procurement Executive—evaluate the relevance of traditional skill codes.

Status (June 15, 2022): Resolved, pending further action. Prior to receiving a draft of this report, NEA provided OIG with a status update regarding this recommendation. However, the information provided did not address the intent of the recommendation and, therefore, was not sufficient to close the recommendation. OIG will close this recommendation once NEA demonstrates that it has implemented a process to nominate qualified oversight personnel for NEA contracts and task orders.

Present Status: Resolved, pending further action.

Aspects of the Invoice Review Process Used by the Bureau of Near Eastern Affairs to Support Contingency Operations in Iraq Need Improvement (AUD-MERO-17-33, March 2017)

Report Details: The U.S. Mission to Iraq is responsible for supporting all U.S. government personnel under Chief of Mission authority at Department facilities throughout the country. The support includes medical services, utilities, food, water, equipment and facility maintenance, grounds keeping, and landscaping and at the time of OIG's audit, the support provided under several contracts had a combined value of more than \$4 billion. In its March 2017 report, OIG reported that NEA was generally following federal requirements and its own invoice review procedures. However, greater attention was needed to address a backlog of invoices that were provisionally approved for payment without full review and before NEA was adequately staffed. As of December 2016, the backlog consisted of at least 138 invoices totaling approximately \$14 million that had been awaiting a post-payment review for more than a year. In addition, OIG found that NEA had not developed contract performance metrics to provide a basis for reducing invoice payments when problems with contractor performance were identified. OIG also found the Department had not developed a practice or methodology for calculating payment reductions when it detects subpar performance.

Compliance Activities: NEA has not provided OIG with documentation to support closing the two open recommendations made in this report. NEA provided 11 status updates through June 7, 2021, but has not provided further information.¹² Although OIG sent NEA an overdue notice on November 17, 2021, as of March 31, 2022, OIG had not received a response.¹³ In addition, OIG has not received a corrective action plan with milestones for the recommendations in this report that require additional time to implement.

Open Recommendations From AUD-MERO-17-33 and the Corresponding Status

Recommendation 2: OIG recommended that the Bureau of Near Eastern Affairs, in coordination with the Bureau of Administration, provide sufficient resources to the Contract Management Office-Frankfurt to ensure all unallowable costs are identified and recovered in a timely manner. This review should begin with those invoices provisionally approved beginning in September 2014 and already identified as awaiting post-payment review and then going back to identify and review those provisionally approved invoices submitted before September 2014 that did not receive full review.

Latest Management Response. In June 2021, NEA provided documentation showing that it had determined that \$172,463 in questioned costs was allowable and \$46,309 was unallowable. NEA had accepted the contractor's decision to refund \$46,309 to the government; however, the funds had not yet been returned.

¹² Record email 21 MDA 22080 dated June 7, 2021.

¹³ OIG email to NEA dated November 17, 2021.

Status (June 15, 2022): Resolved, pending further action. To close the recommendation, OIG requests that NEA provide evidence demonstrating that it has received payment for the \$46,309 in unallowable costs.

After receiving a draft of this report, NEA provided OIG with documentation demonstrating that it had taken actions to recover the unallowable costs identified. Therefore, with the issuance of this report, OIG is closing this recommendation and no further action is required.

Present Status: Closed, no further action required.

Recommendation 7: OIG recommends that the Bureau of Near Eastern Affairs develop reliable, objective, clear, and measurable performance metrics and include these metrics in all current and future Bureau of Near Eastern Affairs Iraq contracts.

Latest Management Response. In June 2021, NEA indicated that it would resume the contracting process when both global pandemic and security conditions in Iraq, as identified by NEA and the post, “have improved sufficiently to allow operations to return to normal and to permit an orderly transition between service providers.”¹⁴

Status (June 15, 2022): Resolved, pending further action.

After receiving a draft of this report, NEA provided OIG with a status update regarding this recommendation. However, the information provided did not address the intent of the recommendation and therefore was not sufficient to close the recommendation. OIG will close this recommendation once NEA demonstrates that it has implemented a process to ensure that all current and future Bureau of Near Eastern Affairs Iraq contracts include reliable, objective, clear, and measurable performance metrics.

Present Status: Resolved, pending further action.

Audit of Cost Controls Within the Baghdad Life Support Services Contract Food Services Task Order SAQMMA14F0721 (AUD-MERO-18-55, August 2018)

Report Details: The Department provides life support services, including food and water, to personnel working in Iraq through Baghdad Life Support Services food services task order SAQMMA14F0721. The Bureau of Administration, Office of Logistics Management, Office of Acquisitions Management, awarded the Baghdad Life Support Services food services task order on March 1, 2014. In its August 2018 report, OIG reported that the Office of Acquisitions

¹⁴ OIG acknowledges that the situation on the ground in Iraq may not have improved “sufficiently” since the last response from NEA. However, NEA must continue to provide compliance correspondence, including whether conditions have or have not changed to enable implementation.

Management and NEA did not hold the contractor accountable for complying with its cost control plan. OIG also found that the Contracting Officer assigned to the contract did not comply with the Federal Acquisition Regulation when definitizing the food services task order.

Compliance Activities: NEA has not provided OIG with a timely status update or documentation to support closing the one remaining open recommendation made in this report. NEA provided eight status updates through February 19, 2021, but has not provided further information.¹⁵ OIG requested an update by May 25, 2021, and notified NEA on December 1, 2021, that a response was overdue, but as of March 31, 2022, OIG has not received a response.¹⁶ In addition, OIG has not received a corrective action plan with target dates for completion.

Open Recommendations From AUD-MERO-18-55 and the Corresponding Status

Recommendation 2: OIG recommended that the Bureau of Near Eastern Affairs incorporate requirements for food services cost controls and a contractor cost control plan into the new worldwide support services contract and develop an acquisition plan that addresses their implementation and comprehensive oversight.

Latest Management Response. In February 2021, NEA indicated that it would resume the contracting process when both pandemic and security conditions in Iraq, as identified by NEA and the post, “have improved sufficiently to allow operations to return to normal and to permit an orderly transition between service providers.” NEA also indicated that it was considering hiring a consultant to help develop cost controls.¹⁷

Status (June 15, 2022): Resolved, pending further action. To close the recommendation, OIG requests that NEA provide evidence that the new task order has been finalized.

After receiving a draft of this report, NEA provided OIG with a status update regarding this recommendation. However, the information provided did not address the intent of the recommendation and therefore was not sufficient to close the recommendation. OIG will close this recommendation once NEA demonstrates that it has developed an acquisition plan that incorporates oversight requirements for food services cost controls and a contractor cost control plan into the new worldwide support services contract.

Present Status: Resolved, pending further action.

¹⁵ Record email 21 MDA 7250 dated February 19, 2021.

¹⁶ Record email 21 MDA 7684 dated February 23, 2021; OIG email to NEA dated December 1, 2021.

¹⁷ OIG acknowledges that the situation on the ground in Iraq may not have improved “sufficiently” since the last response from NEA. However, NEA must continue to provide compliance correspondence, including whether conditions have or have not changed to enable implementation.

Audit of the Bureau of Near Eastern Affairs Selection and Management of Contract Oversight Personnel in Iraq (AUD-MERO-19-10, November 2018)

Report Details: The Department often relies on contractors to execute important projects that support its mission. For contracts in Iraq, NEA nominates Contracting Officer's Representatives (COR) and Government Technical Monitors (GTM) to oversee contracts valued at more than \$3.1 billion. In this November 2018 report, OIG reported that NEA did not consistently nominate CORs and GTMs with the required certification level and technical expertise to oversee contracts in Iraq. In addition, oversight personnel did not always possess sufficient technical expertise relative to the contract's subject matter. OIG also reported that NEA did not consistently establish work commitments or seek feedback from the Contracting Officers to effectively hold CORs and GTMs accountable for their performance. Furthermore, OIG found that CORs did not always maintain complete COR files.

Compliance Activities: NEA has not provided OIG with a timely status update or documentation to support closing the three remaining open recommendations made in this report. NEA provided four status updates through March 30, 2021, but has not provided further information.¹⁸ OIG requested an update by August 10, 2021, and notified NEA on December 13, 2021, that a response was overdue, but as of March 31, 2022, OIG has not received a response.¹⁹ In addition, OIG has not received corrective action plans with milestones for the recommendations that require additional time to implement.

Open Recommendations From AUD-MERO-19-10 and the Corresponding Status

Recommendation 1: OIG recommends that the Bureau of Near Eastern Affairs (a) analyze all contracts for which it assigns Contracting Officer's Representatives and Government Technical Monitors and determine the appropriate level of Federal Acquisition Certification for Contracting Officer's Representatives, the technical expertise, and other qualifications required; (b) document the analysis and determinations; and (c) provide the determinations to the Contracting Officers assigned to those contracts.

Latest Management Response. In March 2021, NEA agreed to develop and execute a plan with sufficient resources to respond to Recommendations 1, 2, and 4.²⁰

¹⁸ NEA memorandum to OIG dated March 30, 2021.

¹⁹ Record email 21 MDA 22430 dated June 9, 2021; OIG email to NEA dated December 13, 2021.

²⁰ OIG notes that this recommendation is also referenced in its *Compliance Follow-Up Audit of the Bureau of Near Eastern Affairs Selection and Management of Contract Oversight Personnel in Iraq* (AUD-MERO-21-24, April 2021). The most recent compliance correspondence from NEA for AUD-MERO-21-24, which is included in this report, was received in June 2021.

Status (June 15, 2022): Resolved, pending further action. To close the recommendation, OIG requests that NEA provide documentation showing that it has updated the Contract Oversight Study for NEA-Funded Support Contracts in Iraq to contain the technical expertise required by oversight personnel and that it has provided the study to the Contracting Officers assigned to those contracts.

NEA has not provided OIG a status update concerning the implementation of this recommendation. Therefore, this recommendation will remain open, and its status will be reported to Congress in accordance with the Inspector General Act, as amended.

Present Status: Resolved, pending further action.

Recommendation 2: OIG recommends that the Bureau of Near Eastern Affairs compare Contracting Officer's Representative and Government Technical Monitor nominee qualifications to the analysis conducted for the Bureau's contracts as noted in Recommendation 1 and only nominate those with the necessary technical expertise and level of Federal Acquisition Certification for Contracting Officer's Representatives to oversee the contract and hold contractors accountable for quality and cost performance in accordance with contract terms.

Latest Management Response. In March 2021, NEA agreed to develop and execute a plan with sufficient resources to respond to Recommendations 1, 2, and 4.²¹

Status (June 15, 2022): Resolved, pending further action. To close the recommendation, OIG requests that NEA provide documentation demonstrating that it has compared GTM nominee qualifications to the analysis conducted for NEA's contracts, as noted in AUD-MERO-19-10 Recommendation 1 and has nominated only those individuals with the necessary technical expertise and Federal Acquisition Certification COR level to oversee the contract.

NEA has not provided OIG a status update concerning the implementation of this recommendation. Therefore, this recommendation will remain open, and its status will be reported to Congress in accordance with the Inspector General Act, as amended.

Present Status: Resolved, pending further action.

²¹ Ibid.

Recommendation 4: OIG recommends that the Bureau of Near Eastern Affairs discontinue the practice of nominating Contracting Officer's Representatives and Government Technical Monitors who do not meet Level III Federal Acquisition Certification for Contracting Officer's Representatives and technical expertise requirements for its contracts or obtain a temporary waiver from the Bureau of Administration, Office of the Procurement Executive, as required by Procurement Information Bulletin No. 2012-15.

Latest Management Response. In March 2021, NEA agreed to develop and execute a plan with sufficient resources to respond to Recommendations 1, 2, and 4.²²

Status (June 15, 2022): Resolved, pending further action. To close the recommendation, OIG requests that NEA provide documentation demonstrating that it has discontinued the practice of nominating GTMs who do not meet Federal Acquisition Certification COR Level III and technical expertise requirements for NEA's contracts or obtained a temporary waiver from Office of the Procurement Executive, as required.

NEA has not provided OIG a status update concerning the implementation of this recommendation. Therefore, this recommendation will remain open, and its status will be reported to Congress in accordance with the Inspector General Act, as amended.

Present Status: Resolved, pending further action.

Audit of the Department of State Implementation of Policies Intended To Counter Violent Extremism (AUD-MERO-19-27, June 2019)

Report Details: The Department designated the Bureau of Counterterrorism and Countering Violent Extremism (CT) as the lead coordinating bureau on countering violent extremism (CVE) issues. To achieve its overall CVE goals and objectives, the Department provides funds (generally through grants and cooperative agreements) to implementing partners to execute CVE programs and projects. In its June 2019 report, OIG reported that OIG could not affirm that CVE grants and cooperative agreements awarded to counter violent extremism were achieving desired results. The reason for this was that CT had not ensured that the Department bureau strategic plans and activities, including the activities of officials implementing public diplomacy programs and awards, aligned with the Department's CVE goals and objectives and spend plan.

²² Ibid.

Compliance Activities: NEA has provided four status updates through December 9, 2021.²³ The next compliance response from NEA following the December 2021 correspondence was due on March 15, 2022, but as of March 31, 2022, OIG had not received it.²⁴ Although NEA has provided a corrective action plan with a target implementation date by June 2022, OIG requests that compliance correspondence continue until the recommendation is closed. In addition, if necessary, the milestones in the corrective action plan should be updated to align with the planned implementation of the recommendation.

Open Recommendations From AUD-MERO-19-27 and the Corresponding Status

Recommendation 2: OIG recommends that the Bureau of Near Eastern Affairs develop and implement standard operating procedures to align its regional strategy objectives, sub-objectives, and performance indicators for countering violent extremism with Department of State and Bureau of Counterterrorism and Countering Violent Extremism strategies, goals, and objectives.

Latest Management Response. In December 2021, NEA stated that it was still awaiting guidance from CT on the issues identified in the audit. NEA is working closely with CT and other bureaus and offices to finalize the definition of CVE and operationalize it with the relevant processes. Once the information memorandum outlining CT's implementation guidance has been fully cleared and accepted by the Secretary of State or his designee, NEA will finalize its standard guidance and operating procedures, which is anticipated by June 2022.

Status (June 15, 2022): Resolved, pending further action. To close the recommendation, OIG requests that NEA provide documentation demonstrating that it has implemented standard operating procedures to align its regional strategy objectives, sub-objectives, and performance indicators for CVE with Department and CT strategies, goals, and objectives.

NEA has not provided OIG a status update concerning the implementation of this recommendation. Therefore, this recommendation will remain open, and its status will be reported to Congress in accordance with the Inspector General Act, as amended.

Present Status: Resolved, pending further action.

²³ NEA compliance response email to OIG dated December 9, 2021.

²⁴ Record email 21 MDA 54762 dated December 13, 2021.

Compliance Follow-Up Audit of the Bureau of Near Eastern Affairs Selection and Management of Contract Oversight Personnel in Iraq (AUD-MERO-21-24, April 2021)

Report Details: OIG conducted this compliance follow-up audit to determine whether the Department took actions sufficient to warrant the closure of four recommendations from OIG's November 2018 report on the selection and management of contract oversight personnel in Iraq.²⁵ In this April 2021 report, OIG reported that NEA had taken some actions to address three open recommendations, but further improvements are needed to fully address the recommendations made in the prior report. OIG concluded that NEA had not dedicated sufficient resources and attention to addressing the recommendations made, in part, because of the ordered departure of staff from U.S. Mission Iraq in 2019 and the global COVID-19 pandemic in 2020.

Compliance Activities: NEA has not provided OIG with timely status updates or documentation to support closing the two remaining open recommendations made in this report. NEA provided one status update on June 4, 2021, but has not provided further information.²⁶ OIG requested an update by September 13, 2021, and notified NEA on November 12, 2021, that a response was overdue, but as of March 31, 2022, OIG has not received a response.²⁷ In addition, OIG has not received corrective action plans with milestones for the recommendations.

Open Recommendations From AUD-MERO-21-24 and the Corresponding Status

Recommendation 1: OIG recommends that the Assistant Secretary for the Bureau of Near Eastern Affairs develop and execute an action plan that dedicates appropriate resources to implement Recommendations 1, 2, and 4 from OIG report *Audit of the Bureau of Near Eastern Affairs Selection and Management of Contract Oversight Personnel in Iraq* (AUD-MERO-19-10, November 2018). The plan should outline the steps and resources necessary to determine the technical expertise in the contract subject matter for Contracting Officer's Representatives (COR) and Government Technical Monitors (GTM), provide those determinations and requirements to Contracting Officers, and ensure only CORs and GTMs that meet the requirements of the updated study are nominated. The action plan should include milestones to ensure efficient and timely implementation considering the time that has elapsed since the recommendations were made in November 2018.

Latest Management Response. On June 4, 2021, NEA agreed to develop the plan and expected to have one within 60 days following the end of the ordered departure and the establishment of the Administration's new guidance for Mission Iraq.

²⁵ OIG, *Audit of the Bureau of Near Eastern Affairs Selection and Management of Contract Oversight Personnel in Iraq* (AUD-MERO-19-10, November 2018).

²⁶ Record email 21 MDA 21726 dated June 4, 2021.

²⁷ Record email 21 MDA 22816 dated June 11, 2021; OIG email to NEA dated November 12, 2021.

Status (June 15, 2022): Resolved, pending further action. To close the recommendation, OIG requests that NEA provide documentation demonstrating that the Assistant Secretary has developed and executed an action plan that dedicates appropriate resources to implement Recommendations 1, 2, and 4 from OIG report *Audit of the Bureau of Near Eastern Affairs Selection and Management of Contract Oversight Personnel in Iraq* (AUD-MERO-19-10, November 2018).

NEA has not provided OIG a status update concerning the implementation of this recommendation. Therefore, this recommendation will remain open, and its status will be reported to Congress in accordance with the Inspector General Act, as amended.

Present Status: Resolved, pending further action.

Recommendation 4: OIG recommends that the Bureau of Near Eastern Affairs develop and implement a process that includes a secondary review of Contracting Officer's Representative and Government Technical Monitor written nominations to ensure that technical expertise in the contract subject matter is presented to the Contracting Officer, as required by 14 Foreign Affairs Handbook-2 H-143.2, "COR Appointment Procedures."

Latest Management Response. On June 4, 2021, NEA referenced its use of the Bureau of Administration, Office of the Procurement Executive's COR nomination tool as sufficient corrective action to close the recommendation.

Status (June 15, 2022): Resolved, pending further action. OIG reviewed the COR nomination tool and determined that the nomination tool alone does not address the intent of the recommendation. Specifically, although a field for "additional information" is included, the tool does not require bureaus to demonstrate a COR's technical expertise in the contract's subject matter when submitting a nomination to the Contracting Officer. If the nomination tool is updated to include a field requiring information on technical expertise in the contract subject matter, and bureaus complete that field, it would meet the intent of the recommendation.

To close the recommendation, OIG requests that NEA provide documentation demonstrating that it has developed and implemented a process that includes a secondary review of COR and GTM written nominations to ensure that technical expertise in the contract subject matter is presented to the Contracting Officer, as required.

NEA has not provided OIG a status update concerning the implementation of this recommendation. Therefore, this recommendation will remain open, and its status will be reported to Congress in accordance with the Inspector General Act, as amended.

Present Status: Resolved, pending further action.

CONCLUSION

OIG prepared this report in accordance with its audit compliance and follow-up responsibilities as stated in Office of Management and Budget Circular A-50 revised and 1 FAM 056. OIG believes the evidence presented provides a reasonable basis for the findings and conclusions made in this report and trusts that this Management Assistance Report will be useful in completing the actions necessary to implement and justify closing the open recommendations identified in this report.

OIG makes recommendations within its reports to address the root causes of challenges identified and tracks the status of recommendations to verify that corrective actions have been taken to implement agreed-upon findings and recommendations. Compliance follow-up is an integral part of good management and a shared responsibility of both the Department and OIG.

Without current information on the status of implementation, and in consideration of the time that the recommendations have remained opened, OIG has little assurance that NEA is taking or has taken corrective actions. OIG acknowledges that the lack of implementation for many of these recommendations for the past 2 years was impacted by circumstances beyond the NEA's control, such as the ordered departure of Department personnel from Iraq and the global COVID-19 pandemic. However, NEA must provide compliance correspondence regarding the status of implementation efforts for these 11 recommendations in accordance with Department policy.

The Under Secretary who reports directly to the Secretary of State,²⁸ serves as "the day-to-day manager of overall regional and bilateral policy issues [at the Department], and oversees the [regional] bureaus,"²⁹ including NEA. Accordingly, the Under Secretary is also responsible for the recommendations discussed in this report that are addressed to NEA. As such, OIG is recommending that the Under Secretary take the steps below to ensure that the corrective actions for the 11 recommendations referenced in this report are implemented and closed.

²⁸ 1 FAM 041.1(1); "Under Secretary for Political Affairs."

²⁹ "Under Secretary for Political Affairs," U.S. Department of State, accessed April 12, 2022, <https://www.state.gov/bureaus-offices/under-secretary-for-political-affairs/>.

Recommendation 1: OIG recommends that the Under Secretary for Political Affairs (a) direct the Bureau of Near Eastern Affairs (NEA) to provide OIG, within 30 days of the issuance of this report, with a status update, including evidence of actions taken, descriptions of actions planned or still to be completed, and estimated milestones for implementation for each of the 11 recommendations identified in this report (see Appendix A for a list of the 11 recommendations), and (b) verify that NEA has responded as directed.

Management Response: The Under Secretary concurred with this recommendation. As of July 12, 2022, NEA had sent compliance updates on 3 of the 11 outstanding recommendations (AUD-MERO-18-55 and AUD-MERO-17-33). NEA is currently drafting a compliance update on the remaining recommendations with the intent to submit to OIG by the assigned due date.

OIG Reply: On the basis of the Under Secretary's response, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when NEA responds, as directed by the Under Secretary, and provides OIG the status for each identified recommendation. Status updates should include evidence of actions taken, descriptions of actions planned or still to be completed, and estimated milestones for the implementation of each open recommendation discussed in this report.

Recommendation 2: OIG recommends that until all 11 recommendations (see Appendix A for a list of the 11 recommendations) addressed to the Bureau of Near Eastern Affairs (NEA) referenced in this report (AUD-AOQC-22-33) are implemented and closed, the Under Secretary for Political Affairs monitor NEA's compliance responses to OIG and verify, at least quarterly, that the responses (a) are provided to OIG within the established due dates and (b) contain complete and accurate status updates that include either evidence of implementation or detailed corrective action plans with actual or proposed target dates for achieving these actions.

Management Response: The Under Secretary concurred with this recommendation. The Under Secretary's office will engage with NEA to ensure that it provides the cited updates and to stay informed of any unjustified delays in action. Should the Under Secretary's office encounter difficulty in obtaining timely responses, the Under Secretary will address the matter with bureau leaders to resolve the issue.

OIG Reply: On the basis of the Under Secretary's concurrence with this recommendation and the actions planned, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when NEA's compliance responses to OIG have been verified to meet the intent of the recommendations offered or an acceptable alternative has been implemented.

RECOMMENDATIONS

Recommendation 1: OIG recommends that the Under Secretary for Political Affairs (a) direct the Bureau of Near Eastern Affairs (NEA) to provide OIG, within 30 days of the issuance of this report, with a status update, including evidence of actions taken, descriptions of actions planned or still to be completed, and estimated milestones for implementation for each of the 11 recommendations identified in this report (see Appendix A for a list of the 11 recommendations), and (b) verify that NEA has responded as directed.

Recommendation 2: OIG recommends that until all 11 recommendations (see Appendix A for a list of the 11 recommendations) addressed to the Bureau of Near Eastern Affairs (NEA) referenced in this report (AUD-AOQC-22-33) are implemented and closed, the Under Secretary for Political Affairs monitor NEA's compliance responses to OIG and verify, at least quarterly, that the responses (a) are provided to OIG within the established due dates and (b) contain complete and accurate status updates that include either evidence of implementation or detailed corrective action plans with actual or proposed target dates for achieving these actions.

APPENDIX A: OPEN RECOMMENDATIONS RELATED TO AUDITS OF THE BUREAU OF NEAR EASTERN AFFAIRS

Audit of the Oversight of Fuel Acquisition and Related Services Supporting Department of State Operations in Iraq (AUD-MERO-17-16, December 2016)

- Recommendation 5
- Recommendation 6

Aspects of the Invoice Review Process Used by the Bureau of Near Eastern Affairs to Support Contingency Operations in Iraq Need Improvement (AUD-MERO-17-33, March 2017)

- Recommendation 2
- Recommendation 7

Audit of Cost Controls Within the Baghdad Life Support Services Contract Food Services Task Order SAQMMA14F0721 (AUD-MERO-18-55, August 2018)

- Recommendation 2

Audit of the Bureau of Near Eastern Affairs Selection and Management of Contract Oversight Personnel in Iraq (AUD-MERO-19-10, November 2018)

- Recommendation 1
- Recommendation 2
- Recommendation 4

Audit of the Department of State Implementation of Policies Intended To Counter Violent Extremism (AUD-MERO-19-27, June 2019)

- Recommendation 2

Compliance Follow-Up Audit of the Bureau of Near Eastern Affairs Selection and Management of Contract Oversight Personnel in Iraq (AUD-MERO-21-24, April 2021)

- Recommendation 1
- Recommendation 4

APPENDIX B: THE UNDER SECRETARY FOR POLITICAL AFFAIRS
RESPONSE



United States Department of State

Washington, D.C. 20520

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July 18, 2022

TO: OIG/AUD – Norman P. Brown

FROM: Under Secretary for Political Affairs (P) – Victoria Nuland

SUBJECT: Response to *OIG draft Management Assistance Report: Support from Under Secretary for Political Affairs is needed to Facilitate the Closure of Recommendations Addressed to the Bureau of Near Eastern Affairs*

Thank you for the opportunity to review the *OIG Management Assistance Report: Support from Under Secretary for Political Affairs is needed to Facilitate the Closure of Recommendations Addressed to the Bureau of Near Eastern Affairs*. The following comments respond to recommendations 1 and 2.

OIG Recommendation 1: *OIG recommends that the Under Secretary for Political Affairs (a) direct the Bureau of Near Eastern Affairs (NEA) to provide OIG, within 30 days of the issuance of this report, with a status update, including evidence of actions taken, descriptions of actions planned or still to be completed, and estimated milestones for implementation for each of the 11 recommendations identified in this report (see Appendix A for a list of the 11 recommendations), and (b) verify that NEA has responded as directed.*

Management Response: *The Department concurs with this recommendation. As of July 12, NEA had sent compliance updates on three of the 11 outstanding recommendations (18-55 and 17-33). NEA is currently drafting a compliance update on the remaining recommendations with the intent to submit to OIG by the assigned due date.*

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OIG Recommendation 2: OIG recommends that until all 11 recommendations (see Appendix A for a list of the 11 recommendations) addressed to the Bureau of Near Eastern Affairs (NEA) referenced in this report (AUD-AOQC-22-XX) are implemented and closed, the Under Secretary for Political Affairs monitor NEA's compliance responses to OIG and verify, at least quarterly, that the responses (a) are provided to OIG within the established due dates and (b) contain complete and accurate status updates that include either evidence of implementation or detailed corrective action plans with actual or proposed target dates for achieving these actions.

Management Response: The Department concurs with this recommendation. My office will engage actively with NEA to ensure it provides the cited updates and keep me apprised of any unjustified delays in action. Should my office encounter difficulty in obtaining timely responses, I will address the matter directly with bureau leaders to resolve the issue.

The point of contact for this memorandum is Stephanie Kang, at

(b) (6), (b) (7)(C) Stephanie.Kang@state.gov or 202-647-0994.

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ABBREVIATIONS

COR	Contracting Officer's Representative
CT	Bureau of Counterterrorism and Countering Violent Extremism
CVE	countering violent extremism
FAM	Foreign Affairs Manual
GTM	Government Technical Monitor
NEA	Bureau of Near Eastern Affairs
OIG	Office of Inspector General

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