



Office of Inspector General
United States Department of State

AUD-MERO-19-27

Office of Audits

June 2019

Audit of the Department of State Implementation of Policies Intended To Counter Violent Extremism

MIDDLE EAST REGION OPERATIONS



HIGHLIGHTS

Office of Inspector General
United States Department of State

AUD-MERO-19-27

What OIG Audited

The spread of violent extremism poses significant challenges for U.S. national security. In 2016, the Department of State (Department) designated the Bureau of Counterterrorism and Countering Violent Extremism (CT) as the lead coordinating bureau on countering violent extremism (CVE) issues. CT works with the Department's bureaus and other Government agencies to develop and implement CVE outreach, training, and policies, and programs. CT also works with the Office of U.S. Foreign Assistance Resources, which reports foreign assistance to Congress and has designated CVE as a "key issue." The Office of U.S. Foreign Assistance Resources reported almost \$497 million in funds spent for CVE programs and projects from FY 2015 through FY 2017. The Bureau of Budget and Planning (BP) and the Office of the Under Secretary for Public Diplomacy and Public Affairs' Office of Policy, Planning, and Resources (PPR) oversee CVE efforts funded through public diplomacy.

According to the Foreign Affairs Manual, strategic plans form the basis for the Department's resource planning and performance management efforts and should be "sufficiently focused and realistic to facilitate decision-making and align with higher level strategy." Because of its importance, the Office of Inspector General (OIG) conducted this audit to determine whether the Department developed goals and objectives for its strategy to counter violent extremism, achieved desired results, and monitored funds provided to support those goals and objectives. OIG reviewed 12 grants and cooperative agreements awarded and executed by 4 Department bureaus from FY 2015 through FY 2017.

What OIG Recommends

OIG made nine recommendations to improve the accounting and reporting of Department funds used to counter violent extremism. Official responses to a draft of this report are reprinted in Appendices C–J.

June 2019

OFFICE OF AUDITS

MIDDLE EAST REGION OPERATIONS

Audit of the Department of State Implementation of Policies Intended To Counter Violent Extremism

What OIG Found

OIG affirmed that the Department has developed goals, objectives, and guidance for its strategy to counter violent extremism and highlighted them in several documents, including multiple joint strategies with the U.S. Agency for International Development (USAID) and the congressionally mandated Assistance Strategy and Spend Plan for Programs to Counter and Defeat Terrorism and Foreign Fighters Abroad of 2017. In addition, the Office of U.S. Foreign Assistance Resources defined and published in its FY 2016 Key Issues Guidance and Definitions what constitutes a CVE effort.

However, OIG could not affirm that CVE grants and cooperative agreements awarded to counter violent extremism were achieving desired results because CT had not ensured that the strategic plans and activities of Department bureaus, including the activities of officials implementing public diplomacy programs and awards, aligned with the Department's CVE goals and objectives and spend plan. Specifically, OIG found that 5 of 12 (42 percent) CVE grants and cooperative agreements reviewed for this audit either did not align with or support the Department's CVE goals and objectives. The lack of alignment hinders the Department's ability to measure the results of CVE awards, identify best practices that could be replicated, or abandon ineffective efforts that do not advance CVE goals and objectives.

OIG also found that reporting of funds used to support CVE goals and objectives needs improvement. Specifically, OIG found that reported spending on CVE efforts is inaccurate and incomplete because it included awards that did not align with Department CVE goals and objectives and excluded spending that supported CVE efforts, such as public diplomacy spending. Public diplomacy-funded CVE efforts are not reported along with the information that the Office of U.S. Foreign Assistance Resources provides because they are not "foreign assistance" funds. According to BP officials, they did not report all spending on CVE-efforts that used public diplomacy resources in 2016 and 2017 but have since created a methodology to track and report on such spending. In addition, reporting on CVE spending did not differentiate between Department and USAID expenditures because bureaus and overseas missions do not distinguish between Department and USAID expenditures. Establishing procedures to ensure all CVE funds are appropriately captured would improve the Department's reporting of CVE expenditures.

CONTENTS

OBJECTIVE	1
BACKGROUND	1
AUDIT RESULTS	3
Finding A: The Department Has Established Goals and Objectives for Countering Violent Extremism.....	3
Finding B: The Department Cannot Demonstrate Whether All Grants and Cooperative Agreements Awarded To Counter Violent Extremism Achieved Desired Results	6
Finding C: Reporting of Funds Used To Support CVE Goals and Objectives Needs Improvement	17
RECOMMENDATIONS	27
APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY	29
Work Related to Internal Controls	30
Use of Computer-Processed Data	30
Detailed Sampling Methodology.....	30
APPENDIX B: STRATEGIC OBJECTIVES FOR COUNTERING VIOLENT EXTREMISM.....	33
APPENDIX C: BUREAU OF AFRICAN AFFAIRS RESPONSE	37
APPENDIX D: BUREAU OF NEAR EASTERN AFFAIRS RESPONSE.....	39
APPENDIX E: BUREAU OF SOUTH AND CENTRAL ASIAN AFFAIRS RESPONSE.....	41
APPENDIX F: BUREAU OF COUNTERTERRORISM AND COUNTERING VIOLENT EXTREMISM RESPONSE	42
APPENDIX G: OFFICE OF THE LEGAL ADVISER RESPONSE.....	47
APPENDIX H: OFFICE OF U.S. FOREIGN ASSISTANCE RESOURCES RESPONSE	49
APPENDIX I: OFFICE OF THE UNDER SECRETARY OF STATE FOR PUBLIC DIPLOMACY AND PUBLIC AFFAIRS RESPONSE	52
APPENDIX J: BUREAU OF BUDGET AND PLANNING RESPONSE.....	55
Bureau of Budget and Planning Response	55
Bureau of Budget and Planning Response: Attachment A	58
Bureau of Budget and Planning Response: Attachment B.....	59
APPENDIX K: OIG ASSESSMENT OF DEPARTMENT TECHNICAL COMMENTS	73
ABBREVIATIONS	79
OIG AUDIT TEAM MEMBERS.....	80

OBJECTIVE

The Office of Inspector General (OIG) conducted this audit to determine whether the Department of State (Department) developed goals and objectives for its strategy to counter violent extremism, achieved desired results, and monitored funds provided to support those goals and objectives.

BACKGROUND

Beginning in 2015, the Department increased spending and expanded programming for countering violent extremism (CVE) worldwide. In February 2015, President Obama hosted a White House Summit on CVE, engaging leaders from more than 60 countries in an effort to counter the spread of violent extremism around the world. According to the White House's fact sheet, the U.S. Government strategy to counter violent extremism globally includes focusing on counterterrorism's preventative aspects, addressing the root causes of extremism through building awareness, countering extremist narratives, and emphasizing community-led interventions.

In 2016, the Department and the U.S. Agency for International Development (USAID) issued the Joint Strategy on Countering Violent Extremism, which emphasized a "comprehensive approach to address the drivers of violent extremism"¹ worldwide, recognizing that drivers included both "push" factors, such as political or social marginalization and human rights violations, and "pull" factors, such as promises of material gain and extremist messaging and recruitment through the internet and social media. Recognizing the extensive combination of potential drivers, the 2016 Joint Strategy on CVE emphasized the importance of "ongoing research and analysis of the context, drivers, and most effective interventions against violent extremism."²

To execute this new strategy, then-Secretary of State John Kerry designated the Bureau of Counterterrorism and Countering Violent Extremism (CT) as the Department's lead coordinating bureau on CVE issues.³ CT was assigned to serve as "the hub for the Department's CVE policy planning, assistance coordination and innovation, and external engagement."⁴ CT takes the lead on engaging Department bureaus and other interagency partners to build both the capacity of partner nations and civil society to counter violent extremism—and terrorist narratives—and to build resilience among communities most at risk of radicalization.

¹ Department of State and USAID Joint Strategy on Countering Violent Extremism, May 2016.

² Ibid.

³ Prior to this designation, CT was known as the Bureau of Counterterrorism.

⁴ Cable 16 STATE 58992 "CVE Institutionalization Within the Department", May 24, 2016.

CT works with the Office of U.S. Foreign Assistance Resources, which leads the coordination of U.S. foreign assistance.⁵ The Office of U.S. Foreign Assistance Resources has designated CVE as a “key issue” or a cross-cutting topic that is considered to be of special interest to the Department. The Office of U.S. Foreign Assistance Resources closely monitors and tracks designated key issues because they represent the Department’s priorities. The Bureau of Budget and Planning (BP),⁶ in coordination with the Office of the Under Secretary of State for Public Diplomacy and Public Affairs, Office of Policy, Planning, and Resources (PPR),⁷ implements public diplomacy and public affairs programs, including those that include CVE elements.

In commenting on a draft of this report, BP officials suggested that OIG conflated foreign assistance and public diplomacy resources. OIG acknowledges that the Department manages public diplomacy and foreign assistance resources separately, and the report discusses this fact. Nevertheless, the report demonstrates that because foreign assistance and public diplomacy resources used to implement CVE activities are managed and tracked separately, there is a need to have a single definition for what constitutes a CVE program or project, as well as an effective method to track and report activities and performance, regardless of the funding source.

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. From FY 2015 through FY 2017, the Department and USAID reported spending almost \$497 million on CVE programs and projects.⁸ Within the Department, bureaus and missions currently provide grants and cooperative agreements to implement CVE programs and projects in 41 countries and locations.⁹ Table 1 summarizes funds spent on CVE programs and projects by the Department and USAID.

⁵ The Office of U.S. Foreign Assistance Resources was established in 2006 to enhance the effectiveness of foreign assistance. It is responsible for integrating foreign assistance planning and resource management across the Department, aligning resources with policy priorities, developing foreign assistance budget requests, and strengthening oversight and transparency of foreign assistance funds.

⁶ BP prepares and submits the Department’s budget requests and manages operational resource requirements. The bureau coordinates with the Office of U.S. Foreign Assistance Resources in developing policies, plans, and programs to achieve foreign policy goals.

⁷ PPR provides long-term strategic planning and performance measurement capability for public diplomacy and public affairs programs.

⁸ The Office of U.S. Foreign Assistance Resources defines foreign assistance as supporting global peace, security, and development efforts, as well as providing humanitarian relief during times of crisis.

⁹ These countries and locations consist of the following: Afghanistan, Albania, Algeria, Azerbaijan, Bangladesh, Benin, Bosnia and Herzegovina, Burkina Faso, Cameroon, Chad, Colombia, Ethiopia, Georgia, India, Indonesia, Iraq, Jordan, Kenya, Kosovo, Lebanon, Libya, Macedonia, Maldives, Mali, Mauritania, Morocco, Niger, Nigeria, Pakistan, Philippines, Senegal, Somalia, Syria, Sudan, Tajikistan, Tanzania, Tunisia, West Bank and Gaza, Uganda, and Yemen.

Table 1: Funds Expended to Counter Violent Extremism by the Department and USAID from FY 2015–2017 (Thousands), as of November 30, 2017

Region	FY 2015 Actual Spending	FY 2016 Actual Spending	FY 2017 Actual Spending	Total Actual Spending
Africa	\$78,895	\$35,805	\$85,173	\$199,873
Middle East and North Africa	\$25,555	\$10,012	\$31,888	\$67,455
South and Central Asia	\$47,013	\$32,662	\$31,351	\$111,026
Other Regions ^a	\$13,244	\$2,800	\$39,114	\$55,158
Global ^b	\$15,860	\$10,975	\$36,504	\$63,339
Total	\$180,567	\$92,254	\$224,030	\$496,851

a Includes the Bureaus of East Asian and Pacific Affairs, European and Eurasian Affairs, and Western Hemisphere Affairs.

b Includes funds that have not been allocated to a specific region.

Source: OIG generated from information obtained from the Office of U.S. Foreign Assistance Resources.

What OIG Reviewed

OIG reviewed Department strategies and spending for CVE in FYs 2015, 2016, and 2017. OIG focused on CT and the three Department regional bureaus that spent the largest amount on CVE programs and projects: the Bureau of African Affairs (AF), the Bureau of Near Eastern Affairs (NEA), and the Bureau of South and Central Asian Affairs (SCA). OIG further selected for review 12 grants and cooperative agreements valued at approximately \$14.4 million that the bureaus reported as CVE awards.¹⁰ For further review of the scope and methodology used for this audit, see Appendix A.

AUDIT RESULTS

Finding A: The Department Has Established Goals and Objectives for Countering Violent Extremism

OIG affirmed that the Department has developed goals, objectives, and guidance for its strategy to counter violent extremism and highlighted them in several documents, including the:

- Department of State and U.S. Agency for International Development Joint Strategic Plan, FY 2014–2017.
- Department of State and USAID Joint Strategy on Countering Violent Extremism, May 2016.
- Assistance Strategy and Spend Plan for Programs to Counter and Defeat Terrorism and Foreign Fighters Abroad for 2017.
- Department of State and U.S. Agency for International Development Joint Strategic Plan, FY 2018–2022.

¹⁰ A full list of the awards selected for review, including the awards' stated purposes, their respective values, their work locations, and the awarding bureaus, are in Table A-1 in Appendix A.

In addition, the Office of U.S. Foreign Assistance Resources defined and published in its FY 2016 Key Issues Guidance and Definitions what constitutes a CVE effort.

The Department Established CVE Goals and Objectives in Its Strategic Planning Documents

Goals, objectives, and guidance form the basis for the Department's CVE resource planning and set the parameters for determining whether the Department's actual performance is achieving its intended foreign policy outcomes. According to the Foreign Affairs Manual (FAM), "Goal and objective statements provide critical long- and medium-term guiding principles within the planning period."¹¹

Prior to the February 2015 White House Summit on CVE, the Department and USAID had already issued their FY 2014–2017 Joint Strategic Plan, as required by the FAM.¹² Issued in March 2014, the Joint Strategic Plan outlined plans for countering the drivers of recruitment and radicalization to violence but did not specifically include an objective for CVE efforts. The Department and USAID subsequently included goals and objectives in their joint strategic plan in 2018 and issued a joint strategy on CVE in 2016.

The Department and USAID included an objective for their CVE efforts in their FY 2018–2022 Joint Strategic Plan, issued in February 2018. Specifically, that plan included an objective to "defeat ISIS, al-Qa'ida and other transnational terrorist organizations, and counter state-sponsored, regional, and local terrorist groups that threaten U.S. national security interests." To support this objective, the plan included two performance goals:

- Reduce drivers of violent extremism in vulnerable countries, regions and locales, while also strengthening the capacity of partner governments and civil societies to prevent, counter, and respond to terrorism and violent extremism.
- Strengthen the capacity of partner governments and civil societies for data-driven approaches to counter messaging.

In addition to these FAM-required strategic plans, the Department and USAID also issued stand-alone guidance on countering the spread of violent extremism. As noted previously, the Department and USAID issued the Joint Strategy on CVE in 2016 subsequent to the 2015 White House Summit on CVE. The 2016 Joint Strategy on CVE not only addressed the importance of having a comprehensive approach to addressing the drivers of violent extremism but also stressed the importance of public diplomacy in countering terrorist messaging and amplifying credible voices against terrorism. The strategy also emphasized the roles of new stakeholders, such as the Bureau of Conflict and Stabilization Operations, which is responsible for conducting research and analysis of the factors that drive individuals to join violent extremist groups.

¹¹ 18 FAM 301.2-4 (B), "Strategic Plan Revisions."

¹² 18 FAM 301.2-4 requires the development of a joint strategic plan every 4 years. The manual requires the Department to conduct strategic planning to "achieve the most effective U.S. foreign policy outcomes, ensure alignment with key policies, and to create a framework for monitoring progress, measuring results, shaping resource decisions, and ensuring accountability."

The 2016 Joint Strategy on CVE contained five objectives:

- Providing international partners with an increased understanding of the drivers of violent extremism and effective interventions.
- Assisting partner governments to adopt more effective policies to counter violent extremism, including changing unhelpful practices.
- Employing foreign assistance tools to reduce political, social, and economic factors that contribute to violent extremism in identifiable areas or populations.
- Amplifying locally credible voices to lessen the appeal of violent extremist groups.
- Strengthening the capabilities of government and non-governmental actors to promote the rehabilitation and reintegration of individuals caught in the cycle of radicalization.

Finally, in November 2017, the Department and USAID developed and provided the Assistance Strategy and Spend Plan for Programs to Counter and Defeat Terrorism and Foreign Fighters Abroad for 2017 (CVE Assistance Strategy and Spend Plan) to Congress in response to the Consolidated Appropriations Act of 2017.¹³ The Act required the two agencies to develop a strategy to counter the recruitment, radicalization, movement, and financing of violent extremists and foreign fighters. For countries affected by violent extremism, the Act required the Department and USAID to provide a strategy to secure their borders, establish laws and policies to counter extremists and foreign fighters, and promote democratic institutions. OIG reviewed the Department and USAID response to the Act and found that it contained policies and plans similar to those expressed in the 2016 Joint Strategy on CVE. The CVE Assistance Strategy and Spend Plan also reiterated the role of CT as the lead bureau responsible for coordinating the Department's CVE efforts.

The Office of U.S. Foreign Assistance Resources Developed and Refined CVE Definition for Foreign Assistance Programs

Each year, the Office of U.S. Foreign Assistance Resources reviews its Key Issues Guidance and Definitions and updates the document to reflect the Department's priorities.¹⁴ In 2016, the Office of U.S. Foreign Assistance Resources updated its definition of CVE to align with the priorities established in the 2016 Joint Strategy on CVE. The 2016 Key Issues Guidance and Definitions outlined four focus areas for CVE programming: research, prevention, intervention, and rehabilitation/reintegration. According to the Office of U.S. Foreign Assistance Resources, a CVE program must:

- Focus on a particular geographic region or population segment identified as susceptible to violent extremism.
- Have an explicit objective addressing one or more drivers of violent extremism based upon an assessment or analysis of drivers that affect the region or population segment.

¹³ 2017 Department of State, Foreign Operations, and Related Programs Appropriations Act (P.L. 115-31), Sections 7073(a)(1) and 7076.

¹⁴ The Office of U.S. Foreign Assistance Resources develops "key issues" as a tracking and reporting mechanism to capture Department spending on important issues that span multiple bureaus and missions. These "key issues" do not fit neatly into standardized Department foreign assistance tracking structures.

OIG therefore concludes that the Department has developed and publicized CVE goals and objectives in accordance with the FAM and the aims of the 2015 White House Summit on CVE.

Finding B: The Department Cannot Demonstrate Whether All Grants and Cooperative Agreements Awarded To Counter Violent Extremism Achieved Desired Results

OIG could not affirm whether grants and cooperative agreements awarded to counter violent extremism were achieving desired results because CT had not ensured that the strategic plans and activities of Department bureaus aligned with the overall Department CVE goals, as outlined in the 2016 Joint Strategy on CVE. Specifically, OIG found that 5 of 12 (42 percent) CVE grants and cooperative agreements reviewed for this audit either did not align with or support the Department's CVE goals and objectives. The lack of alignment hinders the Department's ability to measure the results of CVE awards, identify best practices that could be replicated, or abandon ineffective efforts that do not advance CVE goals and objectives.

Bureau and Country Strategies Do Not Align With Department CVE Goals and Objectives

The Department's strategic planning occurs at several levels. At the Department level, joint strategic plans—with USAID—outline overarching goals and objectives for the agencies. Bureaus and offices use those goals and objectives to develop regional strategies and functional bureau strategies to help set priorities and allocate resources. Then, ambassadors and their staffs, including USAID staff, develop integrated country strategies to guide U.S. Government priorities within a given country.¹⁵ The FAM requires bureau and country strategies to align with the Department's strategic plans, stating, "In general the content of strategic plans is grounded in evidence and analysis, developed collaboratively with relevant stakeholders, sufficiently focused and realistic to facilitate decision-making and align with higher level strategy (i.e., National Security Strategy, Joint Strategic Plan, etc.)."¹⁶ The FAM also requires bureaus to identify specific goals, objectives, sub-objectives, performance indicators, and milestones¹⁷ and review their strategic plans at least once annually and update them in response to changing priorities.¹⁸ According to the FAM, "Goals and objective statements provide critical long- and medium-term guiding principles within the planning period."¹⁹

The Department's Bureau Strategy Guidance and Instructions defines goals, objectives, sub-objectives, indicators, and milestones to assist the Department bureaus and offices when developing their strategies. The Guide and Instructions states that goals are "topical statements that communicate the desired long-term [...] future vision or direction regarding the policy priorities that the authoring bureau or office intends to pursue" and requires that the bureaus

¹⁵ 18 FAM 301.2-1(b), "Purpose."

¹⁶ 18 FAM 301.2-4 (A), "Strategic Planning Standards."

¹⁷ "Bureau Strategy Guidance and Instructions," February, 2018.

¹⁸ 18 FAM 301.2-4 (A), "Strategic Planning Standards."

¹⁹ 18 FAM 301.2-4 (B), "Strategic Plan Revisions."

provide description of how the goals “link[] to or support[] higher-level strategies” when developing them. It states that “objectives serve as the primary unit for strategic analysis and decision-making. As such, objectives serve as the ‘building blocks’ for resource requests and performance reporting.” Furthermore, the Guide and Instructions state that “sub-objectives are more specific outcome-oriented end-states that contribute to or support the accomplishment of their associated goals and objectives.” Lastly, it states that “progress against bureau-level sub-objectives is measured and reported through the use of performance indicators and milestones.” Figure 1 illustrates the Department’s hierarchy for goals, objectives, sub-objectives, indicators, and milestones.

Figure 1: Goals, Objectives, Sub-Objectives, Indicators, and Milestones Hierarchy



Source: OIG analysis of 18 FAM 301.2.

OIG reviewed CT's functional bureau strategy for FYs 2015–2017; AF's joint regional strategy for FY 2016; NEA's joint regional strategy for FYs 2013–2017²⁰; SCA's joint regional strategy for FYs 2015–2018; and the integrated country strategies for the U.S. Missions Afghanistan, Lebanon, and Kenya. OIG found that the goals and objectives to counter violent extremism developed in some of these strategies aligned with those of the Department—and USAID—although some did not (see Appendix B for an examples of the cascading goals and objectives from the Department to the bureaus to post-specific CVE goals and objectives).

The bureau strategies for CT and AF aligned with the Department's and USAID's 2016 Joint Strategy on CVE, ensuring that all strategies worked toward the same purpose. Specifically, CT's functional bureau strategy for FY 2015–2017 (see Table B-1 in Appendix B, "CVE Strategic Objectives") and AF's joint regional strategy for FY 2016 (see Table B-2) included language that aligned with the objectives of the 2016 Joint Strategy on CVE. One goal in CT's strategy was "Building Partner Capacity: Foreign partners are capable and willing to counter terrorism and violent extremism within a rule of law framework."²¹ That goal was supported by the objective to increase "partner nation and civil society will and capacity in focus regions to effectively counter the drivers of recruitment and radicalization to violence" and the associated performance goal of increasing "the understanding and leadership of governmental and non-governmental actors in focus regions to pursue CVE strategies and initiatives."²² Similarly, AF's strategy included "Counter[ing] Transnational Threats, Including Terrorism and Crime"²³ as an objective, with a sub-objective to "Build the capacity of partners to counter the threat of violent extremism and address its root causes."²⁴ Finally, both the CT and AF strategies included performance indicators to measure progress toward achieving their respective CVE objectives.

Unlike CT's and AF's strategies, NEA's joint regional strategy for FYs 2013–2017 (see Table B-4) and SCA's joint regional strategy for FYs 2015–2018 (see Table B-3) contained only general language on countering terrorism and violent extremism and did not contain sub-objectives or performance indicators that explained how CVE objectives would be achieved or how drivers of violent extremism would be addressed. For example, one objective in NEA's strategy was to strengthen "U.S. bilateral and multilateral partnerships in the region to disrupt terrorist networks and reduce terrorist attacks."²⁵ The objective did not include sub-objectives or performance indicators that explained how the CVE objective would be achieved. Similarly, one objective in SCA's strategy was to "focus on the drivers of violent extremism and insurgency"²⁶ but did not contain sub-objectives or performance indicators explaining how the CVE objective would be achieved.

²⁰ The "Near Eastern Affairs USAID/Middle East Joint Regional Strategy (JRS)" did not include dates. On the basis of correspondence with NEA officials, OIG determined it covered FYs 2013–2017. NEA issued an updated Joint Regional Strategy for 2018–2022 in August 2018.

²¹ Bureau of Counterterrorism and Countering Violent Extremism, Functional Bureau Strategy FY 2015–2017, 9.

²² Ibid, 21.

²³ Bureau of African Affairs and Bureau for Africa's Joint Regional Strategy, April 2016, 28.

²⁴ Ibid, 30.

²⁵ Bureau of Near Eastern Affairs's Joint Regional Strategy, 2013–2017, 26.

²⁶ Bureau of South and Central Asia's Joint Regional Strategy, FY 2015–2018, 44.

The Mission Kenya integrated country strategy for FYs 2015–2017 included objectives for CVE that aligned with the Department’s objectives, but the country strategies for Mission Afghanistan and Mission Lebanon for the same period did not. The Mission Kenya integrated country strategy included objectives and sub-objectives that focused on specific drivers of violent extremism and also identified specific populations susceptible to violent extremism. Although the Mission Afghanistan integrated country strategy outlined several CVE-related activities, it did not include specific objectives, sub-objectives, or performance indicators that identified either the drivers of violent extremism or the target populations and geographic regions susceptible to violent extremism. The Mission Lebanon integrated country strategy included a sub-objective focused on addressing root causes of violent extremism, but it did not include an objective or sub-objective addressing a target population or geographic region susceptible to violent extremism, a component of the 2016 Joint Strategy on CVE and CT’s Functional Bureau Strategy for FYs 2015–2017.

2017 Assistance Strategy and Spend Plan Does Not Link Funding to Specific Department CVE Goals

The spend plan portion of the Assistance Strategy and Spend Plan for Programs to Counter and Defeat Terrorism and Foreign Fighters Abroad shows that the Department and USAID intended to spend the approximately \$259.6 million appropriated in 2017 for these activities. The spend plan further provided intended spending for each bureau, mission, and overseas program by appropriation funding source.

However, of this \$259.6 million, the spend plan did not identify how spending would be allocated between CVE and counterterrorism and among the four goals outlined in the strategy. The four goals were: (1) Counter the recruitment, radicalization, and financing of such extremists and foreign fighters; (2) Secure the borders of countries impacted by extremism; (3) Assist countries impacted by violent extremism to implement and establish criminal laws and policies to counter violent extremists and foreign fighters; and (4) Promote and strengthen democratic institutions and practices in countries impacted by extremism.²⁷ Although the Consolidated Appropriations Act of 2017 does not require an allocation among the four goals, the allocation is nevertheless important to differentiate between CVE spending by the Department and USAID.

Several Grants and Cooperative Agreements Did Not Align With Department CVE Goals and Objectives

Of the 12 grants and cooperative agreements OIG reviewed for this audit, the goals and objectives for 3 awards (25 percent) did not clearly identify a population segment or geographic region susceptible to violent extremism, as required by the 2016 Joint Strategy on CVE. For example, a grant to produce children’s educational television in Afghanistan did not explain how it determined that Afghan children were a population segment susceptible to violent extremism. Although high frequency viewership of the educational broadcast was associated

²⁷ Assistance Strategy and Spend Plan for Programs to Counter and Defeat Terrorism and Foreign Fighters Abroad, 2017, 1.

with positive views of gender equity in sports among children, SCA did not demonstrate that this outcome affected a population susceptible to violent extremism. In the second example, a cooperative agreement to produce children's educational television in Afghanistan also did not demonstrate whether the project beneficiaries—Afghan children—had been identified as a population susceptible to violent extremism. Finally, in the third example, a grant to create youth clubs to counter sectarianism by promoting inclusive citizenship in Lebanon did not document or explain whether the youth population targeted had been identified as susceptible to violent extremism.

In addition, the goals and objectives for 6 of 12 (50 percent) awards did not explicitly identify a driver of violent extremism on the basis of an assessment or analysis of drivers affecting the geographic region or population, also required by the 2016 Joint Strategy on CVE. For example, a CT award to provide psychological, social, technical, and academic support to incarcerated youth in a prison in Lebanon did not include objectives or performance indicators identifying a driver of violent extremism that the award was intended to address. In another example, an AF award to increase awareness of the Somali Government's program to rehabilitate and reintegrate disengaged fighters and facilitate reconciliation through community events did not include an objective explicitly addressing driver(s) of violent extremism. Finally, in a third example, a grant to support an online media portal highlighting alternative narratives to those presented by violent extremists in Lebanon did not have an objective identifying the driver(s) of violent extremism to be addressed.

Furthermore, the goals and objectives for five awards did not align with country, bureau, and Department CVE goals and objectives. For example, a grant in Lebanon to counter sectarianism by educating youth and raising awareness of inclusive citizenship did not clearly explain how programming aligned with the Department's objectives of expanding international partnerships and "empowering and amplifying locally credible voices that can change the perception of violent extremist groups." The award did not align with these objectives because it did not contain information explicitly explaining how the award activities would address these objectives and instead focused on reducing sectarianism within Lebanon. The grant's objectives did not align with the Mission Lebanon integrated country strategy for FYs 2015–2017, which focused on addressing the root causes of violent extremism. Specifically, the grant did not explain how promoting inclusive citizenship addressed the root cause(s) of violent extremism in Lebanon. Finally, 3 of the 12 (25 percent) CVE-designated awards (2 in Afghanistan and 1 in Lebanon) did not meet any of the three criteria OIG assessed for compliance. Table 2 summarizes OIG's analysis of awards designated as CVE efforts and specifies whether they identified susceptible populations or the driver of violent extremism and aligned with the Department's CVE goals and objectives.

Table 2: OIG Analysis of CVE Designated Awards Between FY 2015 and FY 2017

Bureau/ Award	Purpose	Identify a Susceptible Population?	Identify a Driver of Violent Extremism?	Align With Department Goals and Objectives?
Bureau of African Affairs				
CA-1198	counter violent extremism narratives	✓	✓	✓
GR-110	youth engagement	✓	✓	✗
GR-1255	rehabilitation/reintegration	✓	✗	✓
Bureau of Counterterrorism and Countering Violent Extremism				
CA-1120	entrepreneurship	✓	✓	✓
CA-1268	early warning mechanism	✓	✓	✓
GR-1264	rehabilitation/reintegration	✓	✗	✓
Bureau of Near Eastern Affairs				
GR-033	counter violent extremism narratives	✓	✗	✗
GR-041	youth engagement	✗	✗	✗
GR-042	education	✓	✓	✓
Bureau of South and Central Asian Affairs				
CA-007	children's educational television	✗	✗	✗
CA-019	youth engagement	✓	✓	✓
GR-021	children's educational television	✗	✗	✗
Total Noncompliance		3	6	5

Source: OIG analysis of CVE program and award information provided by AF, CT, NEA, and SCA.

CT Does Not Enforce Compliance With Department CVE Goals and Objectives or the Office of U.S. Foreign Assistance Resources Definition

CT officials said that they did not enforce compliance with the Department's CVE goals and objectives or the Office of U.S. Foreign Assistance Resources definition of CVE because they did not have the authority to do so. The officials viewed CT's role as establishing CVE policies but not reviewing bureau and country CVE strategies for alignment. CT officials stated that they relied on the Office of U.S. Foreign Assistance Resources to ensure programs aligned with the definition of a CVE effort when gathering data on CVE spending. Officials from the Office of U.S. Foreign Assistance Resources acknowledged that they are responsible for collecting and reporting the data but that they are not responsible for ensuring that bureau and country strategies align with those of the Department. Specifically, CT officials stated that CT does not have "clear" authority to enforce compliance with Department CVE goals and objectives or definition of a CVE effort outlined in Office of U.S. Foreign Assistance Resources Key Issues Guidance and Definitions. The officials further stated that CT should be designated as the "controlling authority" on CVE issues and policy rather than the lead coordinating bureau for CVE. As a "controlling authority," CT could compel the Department's bureaus and offices to comply with its guidance such as following a single definition of what constitutes a project or program for CVE when making decisions about providing awards.

The FAM requires that strategic plans undergo regular reviews and be updated to respond to changing priorities.²⁸ The FAM further states that at least one formal review be conducted annually and that the reviews should be conducted at the sub-objective level where progress against associated objectives is best observed.²⁹ Yet, not all the bureaus and missions reviewed their strategic plans to ensure continuing alignment with the Department's CVE strategies. For example, although the Department updated its goals and objectives in the 2016 Joint Strategy on CVE, the NEA and SCA joint regional strategies were not updated to incorporate the changes. OIG found this was not accomplished, in part, because NEA officials did not place sufficient emphasis on strategic planning, as reflected by the absence of sub-objectives related to CVE in NEA's joint regional strategy for FYs 2013–2017. SCA officials said CVE strategy is viewed through the specific conditions in each country and that updates should therefore be reflected in the integrated country strategy. However, OIG reviewed the Mission Afghanistan integrated country strategy for FYs 2015–2017 and found that it did not identify specific drivers of violent extremism or populations or regions most susceptible to recruitment.

This lack of alignment of goals and objectives hinders the Department's ability to measure results of CVE, identify best practices that could be replicated, or abandon ineffective efforts that do not advance CVE goals and objectives. Furthermore, unless mission and bureau strategies are aligned to the Department's strategy, the Department and its bureaus cannot fully evaluate whether the foreign policy outcome for CVE was effective.

Recommendation 1: OIG recommends that the Bureau of African 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.

Management Response: AF concurred with the recommendation, but noted that its implementation is contingent upon implementation of Recommendations 4, 6, 7, and 8, which would establish a "common definition" for CVE that would inform AF's standard operating procedures as well as regional strategy objectives, sub-objectives, and performance indicators. AF also stated it has requested that the Office of U.S. Foreign Assistance Resources and BP update the Bureau Strategy Guidance and Instructions "to specify that bureaus consult with CT/CVE on CVE objectives and sub-objectives." Finally, AF stated it intends to collaborate with CT/CVE and other regional bureaus on the development of standard operating procedures. In its response, CT noted that coordination had already improved. AF's official response to a draft of this report is reprinted in Appendix C and CT's official response is reprint in Appendix F.

OIG Reply: On the basis of AF's stated concurrence, OIG considers the recommendation resolved, pending further action (OIG addresses the specific issue of "common" versus a "single" definition in Recommendation 6.) OIG acknowledges that the recommendations

²⁸ 18 FAM 301.2-4 (C), "Strategic Progress Reviews."

²⁹ 18 FAM 301.2-4 (C), "Strategic Progress Reviews."

addressing CVE authorities, definitions, processes, and procedures must be addressed before this recommendation can be fully implemented. Therefore, OIG requests that AF's response to the final report include a corrective action plan with estimated timeframes for implementing this recommendation subsequent to the implementation of Recommendations 4, 6, 7, and 8. This recommendation will be closed when OIG receives and accepts documentation demonstrating that AF has implemented standard operating procedures to align its regional strategy objectives, sub-objectives, and performance indicators for countering violent extremism with Department and CT strategies, goals, and objectives.

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.

Management Response: NEA concurred with the recommendation but noted that its implementation is contingent upon implementation of Recommendations 4, 6, 7, and 8, which would establish a common definition for CVE. Similar to AF's response to Recommendation 1, NEA explained that this would inform NEA's standard operating procedures and regional strategy objectives, sub-objectives, and performance indicators. NEA also stated it had requested the Office of U.S. Foreign Assistance Resources and BP to update the Bureau Strategy Guidance and Instructions to specify that bureaus consult with CT on CVE objectives and sub-objectives. Finally, NEA stated it intends to collaborate with CT and other regional bureaus on the development of standard operating procedures. NEA's official response to a draft of this report is reprinted in Appendix D.

OIG Reply: On the basis of NEA's concurrence and stated actions, OIG considers the recommendation resolved, pending further action. OIG acknowledges that recommendations addressing CVE authorities, definitions, processes, and procedures must be addressed before this recommendation can be fully implemented. Therefore, OIG requests that NEA's response to the final report include a corrective action plan with estimated timeframes for implementing this recommendation subsequent to the implementation of Recommendations 4, 6, 7, and 8. This recommendation will be closed when OIG receives and accepts documentation demonstrating that NEA has implemented standard operating procedures to align its regional strategy objectives, sub-objectives, and performance indicators for countering violent extremism with Department and Bureau of Counterterrorism and Countering Violent Extremism strategies, goals, and objectives.

Recommendation 3: OIG recommends that the Bureau of South and Central Asian 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.

Management Response: SCA concurred with the recommendation but noted that its implementation is contingent upon implementation of Recommendations 4, 6, 7, and 8, which would inform SCA's standard operating procedures, regional strategy objectives, sub-objectives, and performance indicators. SCA also stated it requested the Office of U.S. Foreign Assistance Resources and BP update the Bureau Strategy Guidance and Instructions to specify that bureaus consult with CT on CVE objectives and sub-objectives. Finally, SCA stated it intends to collaborate with CT and other regional bureaus on the development of standard operating procedures. SCA's official response to a draft of this report is reprinted in Appendix E.

OIG Reply: On the basis of SCA's stated concurrence and stated actions, OIG considers the recommendation resolved, pending further action. OIG acknowledges that recommendations addressing CVE authorities, definitions, processes, and procedures must be addressed before this recommendation can be fully implemented. Therefore, OIG requests that SCA's response to the final report include a corrective action plan with estimated timeframes for implementing this recommendation subsequent to the implementation of Recommendations 4, 6, 7, and 8. This recommendation will be closed when OIG receives and accepts documentation demonstrating that SCA has implemented standard operating procedures to align its regional strategy objectives, sub-objectives, and performance indicators for countering violent extremism with Department and CT strategies, goals, and objectives.

Recommendation 4: OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism seek designation from the Secretary of State to be the controlling authority on countering violent extremism issues and policy.

Management Response: CT stated that it agrees with the recommendation stating that, although it "already works collaboratively with other Department bureaus on CVE policy and programming," it will build on its current CVE roles by "recommending to the Secretary [of State] that CT serve [in a] Department-wide coordination and leadership role – including a focus on ensuring broad alignment on policy, strategy, and program design." CT noted that serving in the position of controlling authority for CVE would require additional staff for CT. Although not listed as an action or coordinating office for the recommendation, the Office of the Under Secretary of State for Public Diplomacy and Public Affairs agreed that "further discussion of a 'controlling authority' within the Department on countering violent extremism issues and policy" was warranted, and that CT "may be best suited to that role." However, Office of the Under Secretary also stated that the role "must be defined in such a way as to preserve existing [Office of the Under Secretary] authorities, including the allocation of public diplomacy and public affairs resources." The Office of the Under Secretary of State for Public Diplomacy and Public Affairs' official response is reprinted in Appendix I.

OIG Reply: On the basis of CT's concurrence and planned actions, OIG considers the recommendation resolved, pending further action. With regard to the Office of the Under Secretary's comments pertaining to preserving existing authorities, OIG notes the intent of

the recommendation is to provide CT with authority for ensuring that bureau and mission CVE strategies, programs, and awards align with the Department's CVE goals, objectives, and requirements, as outlined in the Joint Strategic Plan and the Joint Strategy on CVE. The intent of the recommendation is not to provide CT with the authority to approve how other bureaus and missions allocate their resources. This recommendation will be closed when OIG receives and accepts documentation that CT has been designated the controlling authority on countering violent extremism issues and policy.

Bureaus Lack Guidance for Implementing Projects To Promote Rehabilitation and Reintegration of Individuals Defecting From Extremist Organizations

In its 2016 Key Issues Guidance and Definitions, the Office of U.S. Foreign Assistance Resources identified the rehabilitation and reintegration of former violent extremists as one of the four focus areas to advance the Department and USAID 2016 Joint Strategy on CVE. However, two federal laws—18 United States Code (U.S.C.) 2339A, Providing Material Support to Terrorists and 18 U.S.C. 2339B, Providing Material Support or Resources to Designated Foreign Terrorist organizations—prohibit the provision of material support to terrorists or designated foreign terrorist organizations. As a result, officials from CT, AF, and NEA stated they are reluctant to implement rehabilitation and reintegration programs and projects for fear of violating these laws.

For example, AF officials stated they changed the terms and conditions of a rehabilitation and reintegration grant in Somalia that had intended to work with disengaged combatants out of concern for potentially violating Federal laws. Rather than working directly with the former combatants, AF changed the award to focus on preparing communities to receive and reintegrate disengaged combatants. In another example, CT officials removed rehabilitation and reintegration from the scope of work of a cooperative agreement in Kenya because officials were concerned the award activities could violate Federal laws. A CT official said that because the term “disengaged” did not have a clear legal definition at the time CT awarded the cooperative agreement, rehabilitation and reintegration of disengaged combatants was deemed too risky and was removed from the scope of work. Finally, an NEA official said that the bureau did not consider proposals for rehabilitation and reintegration programs and projects to be implemented under the Trans-Sahara Counterterrorism Partnership³⁰ because it was concerned about the risk of violating Federal laws.

CT officials stated that the Department's Office of the Legal Adviser has provided guidance for implementing rehabilitation and reintegration projects on a project-by-project basis but that the Office responses are inconsistent across programs and projects. According to an Office of the Legal Adviser official, the Department issued guidance in 2008 on identifying and evaluating the risks that Department and USAID programs may provide material support to terrorists. This guidance, a memorandum written by then-Deputy Secretary of State John Negroponte, places responsibility on the Department and USAID policy offices providing the funding to evaluate the

³⁰ The Trans-Sahara Counterterrorism Partnership is an interagency partnership between the Department, USAID, and the Department of Defense, established in 2005 to eliminate terrorist safe havens in Northwest Africa.

risk that U.S. Government programs could inadvertently benefit terrorists or their supporters and to take appropriate steps to mitigate the risk. However, OIG reviewed the guidance in its entirety and found no reference to rehabilitation and reintegration of individuals defecting from extremist organizations. OIG also notes that this memorandum did not provide guidance on how to determine whether known violent extremists or terrorists could be rehabilitated and reintegrated into society or how to provide support for such efforts.

Officials from the Office of the Legal Adviser also stated that establishing a Department-wide policy specific to the types of rehabilitation and reintegration activities that may be conducted consistent with U.S. laws prohibiting the provision of material support to terrorists would not, in its view, be feasible because each case is different and because the nature of the criminal prohibitions (material support statutes) and existing Department-wide guidance require a fact-specific analysis, which precludes providing blanket guidance that particular types of programming are in compliance with material support statutes.

Implementers of CVE programs disagree with the Office of the Legal Adviser. CT and AF officials stated that additional guidance beyond the current project-by-project approach is needed to better understand the type of programs and projects that can be implemented to rehabilitate and reintegrate disengaged combatants. OIG agrees that project-by-project advice is helpful for Department personnel when developing a specific rehabilitation or reintegration program or project. However, OIG does not agree that the nature of the programs to rehabilitate and reintegrate former terrorists precludes more general guidance for developing and implementing such efforts. Moreover, given the lack of widely understood guidance and the importance of rehabilitation and reintegration programs as part of the Department's CVE goals and objectives, OIG believes that CT and the Office of the Legal Adviser should provide such Department-wide guidance to the extent that it can.

Recommendation 5: OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of the Legal Adviser, provide written guidance for developing and implementing programs and projects intended to rehabilitate and reintegrate former violent extremists into society in a manner consistent with U.S. laws prohibiting material support to terrorists and terrorist organizations.

Management Response: CT concurred with the recommendation, stating that it generally agreed clearer guidance is needed for rehabilitation and reintegration programming. The Office of the Legal Adviser also concurred with the recommendation, stating that it will work with CT to develop Department-wide policy guidance for developing and implementing programs and projects intended to rehabilitate and reintegrate former violent extremists into society, consistent with U.S. laws prohibiting material support to terrorists and terrorist organizations. The Legal Adviser also emphasized that it is "not a policy bureau or programmatic office, does not supervise any policy bureaus or programmatic offices, and does not run CVE or other programs. As such, it is not in a position to issue a policy or guidance on how they should structure these programs, or evaluate their risks." The Office of the Legal Adviser's official response to a draft of this report is reprinted in Appendix G.

OIG Reply: On the basis of CT's concurrence, OIG considers the recommendation resolved, pending further action. In a draft version of this report, OIG had initially addressed this recommendation exclusively to the Office of the Legal Adviser. In their written responses, CT and the Legal Adviser stated that CT should be designated as the action office for implementing the recommendation, in consultation with the Legal Adviser. Accordingly, OIG modified this recommendation to designate CT as the action office.

With respect to the Office of the Legal Adviser's comments regarding its role, OIG emphasizes that it is not suggesting that the Office can or should issue blanket guidance that could be applied in every case regardless of the facts at issue. Rather, as explained in the report itself, OIG is recommending the development of guidance that provides information regarding the relevant legal framework; as OIG notes in Appendix K, the Office of the Legal Adviser may wish, as appropriate, to suggest in this guidance that bureaus seek information from L regarding particular cases as the need arises. This recommendation will be closed when OIG receives and accepts documentation demonstrating that CT, in coordination with the Office of the Legal Adviser, has provided written guidance for developing and implementing programs and projects intended to rehabilitate and reintegrate former violent extremists into society in a manner consistent with U.S. laws prohibiting material support to terrorists and terrorist organizations.

Finding C: Reporting of Funds Used To Support CVE Goals and Objectives Needs Improvement

OIG also found that the reporting of funds used to support CVE goals and objectives needed improvement. Specifically, OIG found that reported spending on CVE efforts was inaccurate and incomplete because it included awards that did not align with Department CVE goals and objectives and excluded expenditures that supported CVE efforts such as public diplomacy spending. Public diplomacy-funded CVE efforts are not reported along with the information that the Office of U.S. Foreign Assistance Resources provides to Congress because they are not 'foreign assistance' funds. According to BP officials, the bureau did not report all spending on CVE-efforts that used public diplomacy resources in 2016 and 2017 but has since created a methodology to track and report on such spending. For its part, Office of U.S. Foreign Assistance Resources officials stated that they had responsibility to report only foreign assistance funded CVE. Finally, reporting on CVE spending did not differentiate between Department and USAID expenditures because bureaus and overseas missions do not always distinguish between Department and USAID expenditures. Establishing procedures to ensure all CVE funds are appropriately captured would improve the Department's reporting, accountability, and transparency of CVE expenditures and allow decision-makers to make informed decisions.

Spending Data on CVE Efforts Was Inaccurate and Incomplete

To obtain information about spending on CVE programs and projects, the Office of U.S. Foreign Assistance Resources sends “data calls” to bureaus and missions.³¹ The Department and USAID reported that they expended approximately \$180.6 million in FY 2015 and \$92.3 million in FY 2016.³² In providing data to the Office of U.S. Foreign Assistance Resources, bureaus and missions determine which programs and projects are considered CVE efforts. As OIG noted in Finding B of this report, not all bureaus and missions adhered to the Department’s and USAID’s 2016 Joint Strategy on CVE. Specifically, OIG found that 6 of 12 CVE awards reviewed for this audit either did not identify a vulnerable population or location or address one or more drivers of violent extremism. The six awards had a combined value of \$6.7 million. Officials from AF, NEA, and SCA explained that some ambiguity remained about what constitutes a CVE effort, and that personnel interpret the definition for CVE differently when reporting and submitting data to the Office of U.S. Foreign Assistance Resources. Office of U.S. Foreign Assistance Resources officials stated that they did not verify whether the information that the bureaus and missions submit met the definition for CVE programs and projects outlined in its Key Issues Guidance and Definitions because their role is to report on spending and not to vet whether programs are meeting policy guidance. CT officials also stated they do not overrule the bureaus’ or the missions’ characterization of a CVE effort.

In addition, the data that the bureaus and missions submitted to the Office of U.S. Foreign Assistance Resources did not include CVE programs and projects supported by funds appropriated for public diplomacy purposes.³³ This lack of inclusion occurred because Office of U.S. Foreign Assistance Resources officials did not request spending data on CVE efforts supported by funds appropriated for public diplomacy purposes; Office of U.S. Foreign Assistance Resources officials stated that their mission was to report only foreign assistance spending. According to CT, NEA, and SCA officials, funds appropriated for public diplomacy, in addition to funds appropriated for foreign assistance, were also used to pay for CVE projects. In fact, 4 of the 12 awards (33 percent) OIG reviewed for this audit were paid for with funds appropriated for public diplomacy purposes.³⁴ These four awards had a combined value of \$3.2 million. Overall, OIG estimates as much as \$18.6 million was expended on CVE but not reported to the Office of U.S. Foreign Assistance Resources in its data call between FY 2015 and FY 2017.

Public diplomacy officials from the regional bureaus stated that, pursuant to existing authorities, they reported public diplomacy spending used to implement CVE efforts to BP and

³¹ The bureaus and missions compile and provide information on past years obligated and spent funds as well as planned spending for the upcoming year. In some instances, CT reports the data directly to the Bureau of Legislative affairs, which then provides the information to Congress.

³² Of \$272.9 million spent, approximately \$217 million was spent by the Department and \$56 million spent by USAID’s Development Assistance account.

³³ Funds used to conduct public diplomacy are appropriated under the Diplomatic and Consular Programs. The appropriated funds are used to support the Department’s day-to-day operations, infrastructure, and global engagement needs.

³⁴ The four awards funded with public diplomacy funds are: GR-033, GR-041, and GR-042 awarded by NEA; and GR-021 awarded by SCA. See Table 1 and Table A-1.

PPR, which oversee public diplomacy programs and spending, rather than reporting the spending to the Office of U.S. Foreign Assistance Resources. According to regional bureau officials, awards “funded with Public Diplomacy (PD) resources [. . .] are not under the purview of [the U.S. Foreign Assistance Resources Key Issue] definition.” Accordingly, Congress is only informed of CVE projects and programs that use funds appropriated via foreign assistance and not funds designated as public diplomacy resources. As previously discussed, 4 of the 12 awards (33 percent) OIG reviewed for this audit were paid for with funds appropriated for public diplomacy purposes. The combined value of the four awards was \$3.2 million.

BP and PPR did not report public diplomacy-funded CVE efforts because the bureaus did not adopt the Office of U.S. Foreign Assistance Resources Key Issue Definition for what constitutes a CVE program or project. For their part, Office of U.S. Foreign Assistance Resources officials stated they have the responsibility to report on only foreign assistance-funded CVE efforts. In a response to a draft of this report, BP stated it did not report all public diplomacy-funded CVE programming to Congress during FYs 2016 and 2017. BP also stated that in February 2018, it created a methodology that links resource requirements to the Department’s strategic goals and objectives, the results of which were used for the FY 2020 Congressional Budget Justification submission. OIG reviewed the FY 2020 Congressional Budget Justification and found that, although it provided information on the amount of funding and human capital resources needed to implement each of the Department’s strategic goals and objectives, the information was not sufficiently detailed to determine how many of these resources would be applied to public diplomacy efforts to counter violent extremism.

Furthermore, OIG found that the spending data collected by the Office of U.S. Foreign Assistance Resources do not differentiate between Department and USAID spending. This occurred because bureaus and overseas missions do not always distinguish between Department and USAID expenditures when reporting CVE efforts using funds appropriated under the economic support fund account. Instead, the missions aggregate spending by both the Department and USAID even though economic support funds are appropriated to both the Department and USAID.³⁵ For example, the 2017 Assistance Strategy and Spend Plan did not differentiate \$88.3 million in economic support fund spending on CVE efforts by the Department and USAID. In one instance, the spend plan reported \$12.0 million in spending planned for “State Africa Regional (AF)” and reported \$25.6 million in spending planned for “USAID West Africa Regional.” In another instance, however, the spend plan reported approximately \$21.5 million in economic support funds planned for spending in SCA but did not differentiate between Department and USAID spending. From its analysis of funding data provided by SCA, OIG determined that only \$7.6 million of the \$21.5 million was associated with SCA expenditures and the remainder involved USAID programs and projects.

³⁵ Foreign assistance funds appropriated under the Nonproliferation, Anti-terrorism, and Demining and International Narcotics Control and Law Enforcement accounts are managed by the Department. Therefore, when missions report CVE spending using these funds, they are reporting the Department’s use of the funds.

Department Bureaus and Missions Managed and Oversaw Awards Reviewed for This Audit in Accordance With Federal Regulations and Department Policy

Although the reporting of funds used to support CVE goals and objectives needs improvement, OIG found that the Department bureaus and missions generally managed and oversaw the grants and cooperative agreements reviewed for this audit in accordance with Federal and Department policy. Responsible bureaus and missions generally:

- Completed risk assessments and developed and implemented monitoring plans based on those assessments.
- Established performance goals, objectives, and targets for each award and reviewed quarterly performance reports to assess progress toward goal achievement.
- Established award budgets for each award and reviewed quarterly financial reports submitted by the recipients.
- Conducted periodic site visits.

The Consolidated Appropriations Act of 2017 required monitoring of the funds, stating that the joint strategy should provide “a detailed description of proposed monitoring, oversight, and vetting procedures.”³⁶ Federal guidance for managing and overseeing cooperative agreements is also contained in the Code of Federal Regulations, Part 200.³⁷ The regulations require agencies to conduct risk assessments and monitor activities associated with Federal awards.³⁸ Department-specific requirements for managing assistance awards are included in Part 600.³⁹ In January 2016, the Department issued the Federal Assistance Policy Directive that established the Department’s policies, procedures, and guidance for implementing the requirements of Parts 200 and 600.⁴⁰ This policy directive required bureaus awarding cooperative agreements to prepare monitoring plans and conduct monitoring throughout the period of performance of the award.⁴¹

OIG concluded that the bureaus and missions generally complied with Federal regulations and Department guidance for managing and overseeing grants and cooperative agreements awarded to support efforts to counter violent extremism. However, the reporting of funds used to support CVE goals and objectives needs improvement. Specifically, procedures are needed to verify reported expenditures and ensure that all spending associated with CVE is captured.

³⁶ Pub. L. 115-31, “Consolidated Appropriations Act, 2017,” § 7073 (a)(1)(D).

³⁷ 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

³⁸ 2 C.F.R. § 200, § 200.205, “Federal awarding agency review of risk posed by applicants.”

³⁹ 2 C.F.R. § 600—the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Department of State), § 600.205, “Federal awarding agency review of risk posed by applicants.”

⁴⁰ The Department also issued the Procedural Guide for Grants and Cooperative Agreements to Non-Federal Entities not Recognized as Foreign Public Entities as a companion to the Federal Assistance Policy Directive. The guide provided instructions for developing, issuing, monitoring, and closing Federal assistance awards.

⁴¹ In May 2017, the Department revised and renamed the Federal Assistance Policy Directive to the Federal Assistance Directive. Because the awards OIG reviewed for this audit were awarded under the Federal Assistance Policy Directive, OIG used that guidance as the basis to form the audit’s findings and conclusions.

Implementing such procedures is important to obtain a full representation of expenditures in order to assist Congress and Department decision-makers in making informed decisions about U.S. policy and activities to counter violent extremism. Furthermore, establishing and implementing such procedures promotes both accountability and transparency of CVE investments and serves as the basis for evaluating results.

Recommendation 6: OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources, the Office of the Under Secretary of State for Public Diplomacy and Public Affairs, Office of Policy, Planning, and Resources, and the Bureau of Budget and Planning, develop and implement a single definition for what constitutes a countering violent extremism program or project.

Management Response: CT stated that it generally agrees with the recommendation, and that it would work with the Office of U.S. Foreign Assistance Resources and PPR to develop a “shared” CVE definition. The Office of the Under Secretary of State for Public Diplomacy and Public Affairs also stated that it will work with CT and the Office of U.S. Foreign Assistance Resources to develop and implement a “common” definition for what constitutes a CVE program or project for reporting purposes. However, both CT and PPR officials raised some points regarding the complexities associated with developing this definition. CT stated, for example, that “foreign assistance and PD funding have separate processes, systems, and timelines. This will make implementation of such a shared definition, as well as more consistent programmatic attributions to it, more challenging.” PPR stated that “public diplomacy programs and activities frequently have multiple goals and desired outcomes” and that the “common definition of what constitutes a program or project may necessarily exclude some public diplomacy programs and activities in which countering violent extremism is an ancillary objective.”

The Office of U.S. Foreign Assistance Resources also stated that it would work with CT, PPR, and other stakeholders to develop a “common definition” for a CVE program or project that “can apply to both foreign assistance and public diplomacy resources,” building on the Office of U.S. Foreign Assistance Resources’ Key Issue Definition for CVE. Lastly, although it was not listed as an action or coordinating office, AF agreed with the recommendation, but recommended using the term “common definition” rather than “single definition” for CVE. The official response of the Office of U.S. Foreign Assistance Resources to a draft of this report is reprinted in Appendix H, and that of the Office of the Under Secretary of State for Public Diplomacy and Public Affairs is reprinted in Appendix I.

OIG Reply: On the basis of CT’s stated agreement and planned actions, OIG considers CT’s reply as concurrence with the recommendation; therefore, the recommendation is resolved, pending further action. OIG acknowledges the complexities associated with developing a “single definition” for what constitutes a CVE program or project, but the report demonstrates a need to have a single definition regardless of the funding source, separate processes, systems, or timelines. Although certain Department responses refer to a “common definition” or use similar terminology, OIG disagrees with bureau proposals to

modify “single definition” to “common definition” in Recommendation 6. OIG addresses this point in Appendix K and notes there is a subtle, but key difference between the phrases: A “single definition” would set a uniform Department standard for CVE, whereas a “common definition” could be viewed as the standard most frequently applied. OIG believes the Department would benefit from a uniform standard for CVE programming. This recommendation will be closed when OIG receives and accepts documentation demonstrating that CT, in coordination with the Office of U.S. Foreign Assistance Resources and PPR, has implemented a single definition for what constitutes a CVE program or project.

Recommendation 7: OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources, the Office of the Under Secretary of State for Public Diplomacy and Public Affairs, Office of Policy, Planning, and Resources, and the Bureau of Budget and Planning, establish a process to verify that grants and cooperative agreements awarded for the purpose of countering violent extremism comply with the definition established in Recommendation 6 as to what constitutes a countering violent extremism program or project.

Management Response: CT agreed with the recommendation, stating that it will work with the Office of U.S. Foreign Assistance Resources and PPR to incorporate the shared definition developed in response to Recommendation 6 into strategic planning, programming, and reporting. However, CT noted that separate processes, systems, and timelines will make implementation of a shared definition, as well as more consistent programmatic attributions to it, more challenging. The Office of U.S. Foreign Assistance Resources also concurred in principle with the recommendation, stating that, although “it is the responsibility of the units managing those funds and the Bureau of Administration to craft appropriate award documents,” it can assist the bureau, as relevant, to apply the “principles of program and project design under 18 FAM 301.4-2” to ensure activities appropriately align with and support broader objectives. In addition, the Office of the Under Secretary of State for Public Diplomacy and Public Affairs concurred with the recommendation, stating PPR will work with CT and the Office of U.S. Foreign Assistance Resources to establish a process to verify that public diplomacy and public affairs grants and cooperative agreements awarded specifically and primarily for the purpose of CVE comply with the definition established in Recommendation 6.

OIG Reply: On the basis of CT’s stated agreement and planned actions, OIG considers CT’s reply as concurrence with the recommendation; therefore, the recommendation is resolved, pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that CT has established a process to verify that grants and cooperative agreements awarded for the purpose of CVE comply with the definition established when implementing Recommendation 6.

Recommendation 8: OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources, the Office of the Under Secretary of State for Public Diplomacy and Public Affairs, Office of Policy, Planning, and Resources, and the Bureau of Budget and Planning, develop and

implement procedures to ensure that bureaus and missions report only awards and expenditures that meet the definition of a countering violent extremism established in Recommendation 6 as to what constitutes a countering violent extremism program or project.

Management Response: CT concurred with the recommendation, stating that it will work with the Office of U.S. Foreign Assistance Resources and PPR to incorporate the shared definition developed in response to Recommendation 6 into strategic planning, programming, and reporting. The Office of U.S. Foreign Assistance Resources also concurred in principle with the recommendation, stating that, although it does not have a direct role in overseeing awards and expenditures, it would work with CT and other stakeholders to ensure foreign assistance funds requested or allocated for CVE comply with relevant policy goals and objectives. Finally, the Office of the Under Secretary of State for Public Diplomacy and Public Affairs concurred with the recommendation, stating PPR will work with CT and the Office of U.S. Foreign Assistance Resources to develop and implement procedures to ensure bureaus and missions report as CVE programs and projects only those awards and expenditures that meet the definition of CVE established in Recommendation 6.

OIG Reply: On the basis of CT's concurrence and planned actions, OIG considers the recommendation resolved, pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that CT has established a process to verify that grants and cooperative agreements awarded for the purpose of CVE comply with the definition established when implementing Recommendation 6.

Recommendation 9: OIG recommends that the Office of U.S. Foreign Assistance Resources, in coordination with the Bureau of Counterterrorism and Countering Violent Extremism, develop and implement procedures to differentiate Economic Support Fund funding managed by the Department of State and the U.S. Agency for International Development (USAID) in reports on countering violent extremism foreign assistance spending.

Management Response: The Office of U.S. Foreign Assistance Resources did not state whether it concurred or did not concur with the recommendation. It noted that some Economic Support Fund resources are "jointly managed by State and USAID" and that such bilateral funds provide "important flexibility for U.S. missions to determine how best to allocate resources." The Office stated that, through the existing processes, including the operational plan process, it asks that operating units differentiate whether the Department or USAID manages funds from the Economic Support Fund. The Office also stated it "can continue to work with CT and other stakeholders to ensure that any relevant reports are appropriately and adequately representing this information on an annual basis."

OIG Reply: OIG considers the recommendation unresolved because the Office of U.S. Foreign Assistance Resources did not state whether it concurred with the recommendation and did not provide information on how the recommendation would be addressed. Although the office stated that it already asks operating units to differentiate whether the Department or USAID manages funds, Office of U.S. Foreign Assistance Resources officials

also said that FACTSInfo, the system that the Office uses to collect data from bureaus and posts, only tracks planned spending and does not have the ability to differentiate CVE expenditures by the Department or USAID. The intent of the recommendation is to differentiate which agency manages funds from the Economic Support Fund in given locations when reporting on CVE spending. Doing so would provide a more accurate accounting and reporting of how these funds are allocated. This recommendation will be considered resolved when the Office of U.S. Foreign Assistance Resources agrees to implement it and provides OIG with a corrective action plan, including milestones, for implementation. This recommendation will be closed when OIG receives and accepts documentation demonstrating that the Office of U.S. Foreign Assistance Resources has developed and implemented procedures to differentiate Economic Support Fund funding managed by the Department and USAID in reports on CVE foreign assistance spending.

Additional Responses and Technical Comments

Although OIG did not direct any recommendations to BP, bureau officials provided an official response to a draft of this report. In its response, BP disagreed with Finding C, *Reporting of Funds Used To Support CVE Goals and Objectives Needs Improvement*. Specifically, BP officials contended that OIG misunderstood the functions of the Office of U.S. Foreign Assistance Resources and BP and that the report does not accurately reflect BP's policies and practices implemented in 2018 related to reporting CVE spending to Congress. BP also stated that OIG did not sufficiently acknowledge distinctions between the definition of CVE used for foreign assistance purposes and those used in other contexts. A summary of BP's response and OIG's reply are below. BP's official response to the draft report is reprinted in Appendix J.

BP Response: BP stated it did not agree with the conclusions for Finding C and requested "modification of the recommendations on coordinating entities to include BP."

OIG Reply: OIG modified recommendations 6 to 8 to include BP as a coordinating office. OIG encourages all CVE stakeholders to participate in the implementation of the recommendations.

BP Response: BP stated that OIG applied a narrow definition of CVE programming that may not reflect the Department's full scope of CVE activities. BP also stated that OIG misunderstood the shared functions of the Office of U.S. Foreign Assistance Resources and BP and that, although the Office of U.S. Foreign Assistance Resources definition for CVE is relevant for foreign assistance purposes, the Department manages other CVE funding beyond the scope of foreign assistance targeted to specific regions, countries, or populations or that do not have a specific objective addressing one or more drivers of violent extremism, such as the Bureau of Conflict and Stabilization Operations.

OIG Reply: OIG acknowledges that the Department manages public diplomacy and foreign assistance resources separately, and the report includes that discussion. However, as OIG explained in its response to Recommendation 6, the fact that foreign assistance and public

diplomacy resources used to implement CVE activities are managed and tracked separately supports a primary message of OIG's report: the need to have a single definition for what constitutes a CVE program or project, regardless of the funding source. OIG also acknowledges that the Key Issue Definition developed by the Office of U.S. Foreign Assistance Resources applies only to foreign assistance-funded CVE programs and projects. However, the CVE Key Issue Definition is a more detailed articulation of the Department's overall CVE strategy than what is included in the 2016 Joint Strategy on CVE. OIG notes that CT, PPR, the Office of U.S. Foreign Assistance Resources, and the three regional bureaus included in the scope of this audit support establishing a single, Department-wide CVE definition. Lastly, OIG addressed the role of the Bureau of Conflict and Stabilization Operations in the Background section of this report where we noted its role conducting research and analysis of the factors that drive individuals to join violent extremist groups.

BP Response: BP disagreed with the conclusions of Findings C *Reporting of Funds Used To Support CVE Goals and Objectives Needs Improvement*. BP stated that not all diplomatic engagement funded from 2016 to 2017 aligned with the Department's strategic goals and objectives, and in February 2018, it created a comprehensive methodology to do so. BP provided budget summary information along with its response. BP also disagreed with the statement attributed to BP officials in the draft report and requested that the report be revised as follows:

"Public diplomacy officials from the regional bureaus stated that they reported public diplomacy spending used to implement CVE efforts to BP rather than report the spending to the [Office of U.S. Foreign Assistance Resources]. Additionally, BP officials stated, during the review and comment period of this draft report, that the Bureau offers, as evidenced by its Congressional Budget Justification (CBJ) submission documents; Diplomatic Engagement FY 20 Pie Dashboard and the Joint Strategic Plan Staffing Report, that 100 percent of the funds used to support CVE goals and objectives, are reported."

OIG Reply: OIG did not make BP's requested revision because the budget summaries BP provided do not sufficiently detail Department-wide CVE spending. As we noted in the report, the Consolidated Appropriations Act of 2017 required the Department to develop a strategy to counter the recruitment, radicalization, movement, and financing of violent extremists and foreign fighters and to provide "a detailed description of proposed monitoring, oversight, and vetting procedures" associated with its efforts to implement CVE programming. Finding C describes the Department's efforts to track CVE-related funding as part of its efforts to fulfill the Act's requirements.

BP Response: BP stated that it has no record of being a participant in this audit, and, therefore, did not understand how BP became included or how BP "officials" became quoted without attribution in the report. BP also stated that it was unable to validate the source of the bureau officials cited in a draft of this report or identify any BP official who acknowledged speaking on the record with OIG.

OIG Reply: OIG began this audit in June 2018. The scope of work for the audit included 12 CVE grants and cooperative agreements from a population of 132 awards identified by AF, CT, the Office of U.S. Foreign Assistance Resources, NEA, and SCA. Four of the 12 awards were funded by public diplomacy funds. OIG noted in the report that public diplomacy funding derives from the Diplomatic and Consular Programs appropriations, which BP manages. No information that OIG received at the time suggested, however, that BP had an additional reporting role. During the course of the audit, OIG was told that no set criteria exist for what constitutes CVE for public diplomacy-funded programs and projects. The first acknowledgement that BP reported CVE funding to Congress occurred during the audit's Exit Conference, which was held on March 28, 2019. During that meeting, an NEA official stated that public diplomacy funds used for CVE are reported to BP and that BP has a CVE definition.

In response to this statement, on March 29, OIG contacted via email a BP official identified as someone who could verify the statements made during the exit conference. The email stated OIG was "recently advised that public diplomacy officials at several bureaus and missions report CVE spending to BP and BP may provide reports to Congress on CVE." The email also included the original audit notification. The BP recipient replied to OIG on March 29, 2019, referring OIG to two other individuals who could answer the question. On April 2, 2019, one of the two individuals replied that he was not familiar with any congressional reporting on CVE and that, in general, "we would work with the CT bureau to determine what qualifies as CVE funding." The individual copied the Division Director in the reply. OIG subsequently provided BP a draft of this report for review and comment. In short, OIG only became aware of BP's involvement during the exit conference and, in response, promptly sought information from BP personnel identified as knowledgeable about these questions.

In addition, several bureaus and offices provided technical comments as part of their official responses. OIG reviewed and incorporated the technical comments into the final report, as appropriate. A summary of each technical comment and OIG's assessment are included in Appendix K.

RECOMMENDATIONS

Recommendation 1: OIG recommends that the Bureau of African 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.

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.

Recommendation 3: OIG recommends that the Bureau of South and Central Asian 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.

Recommendation 4: OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism seek designation from the Secretary of State to be the controlling authority on countering violent extremism issues and policy.

Recommendation 5: OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of the Legal Adviser, provide written guidance for developing and implementing programs and projects intended to rehabilitate and reintegrate former violent extremists into society in a manner consistent with U.S. laws prohibiting material support to terrorists and terrorist organizations.

Recommendation 6: OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources, the Office of the Under Secretary of State for Public Diplomacy and Public Affairs, Office of Policy, Planning, and Resources, and the Bureau of Budget and Planning, develop and implement a single definition for what constitutes a countering violent extremism program or project.

Recommendation 7: OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources, the Office of the Under Secretary of State for Public Diplomacy and Public Affairs, Office of Policy, Planning, and Resources, and the Bureau of Budget and Planning, establish a process to verify that grants and cooperative agreements awarded for the purpose of countering violent extremism comply with the definition established in Recommendation 6 as to what constitutes a countering violent extremism program or project.

Recommendation 8: OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources, the

Office of the Under Secretary of State for Public Diplomacy and Public Affairs, Office of Policy, Planning, and Resources, and the Bureau of Budget and Planning, develop and implement procedures to ensure that bureaus and missions report only awards and expenditures that meet the definition of a countering violent extremism established in Recommendation 6 as to what constitutes a countering violent extremism program or project.

Recommendation 9: OIG recommends that the Office of U.S. Foreign Assistance Resources, in coordination with the Bureau of Counterterrorism and Countering Violent Extremism, develop and implement procedures to differentiate Economic Support Fund funding managed by the Department of State and the U.S. Agency for International Development (USAID) in reports on countering violent extremism foreign assistance spending.

APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

The Office of Inspector General (OIG) conducted this audit to determine whether the Department of State (Department) developed goals and objectives for its strategy to counter violent extremism, achieved desired results, and monitored funds provided to support those goals and objectives.

To answer the audit objectives, OIG reviewed Federal laws and regulations related to awards management and reporting requirements; Department guidance, policies, and procedures related to strategic planning, foreign assistance, and public diplomacy programs; Department cables describing its efforts and strategy in countering violent extremism (CVE); Office of Management and Budget and Government Accountability Office policies and guidance related to strategic planning and internal controls; and the U.S. Agency for International Development's Guide to the Drivers of Violent Extremism.

OIG reviewed 12 cooperative agreements and grants the Department awarded for the purpose of CVE to answer the audit objectives. Seven awards were funded with funds appropriated for foreign assistance purposes and five awards were funded with funds appropriated for public diplomacy purposes. OIG reviewed the awards to determine whether their stated goals and objectives aligned with the Department's CVE strategy. OIG also reviewed the awards' statements of work to determine whether they highlight geographic regions or population segments susceptible to violent extremism and drivers of violent extremism as required by the Department. OIG interviewed officials from the Bureau of Counterterrorism and Countering Violent Extremism (CT), the Bureau of African Affairs (AF), the Bureau of Conflict and Stabilization Operations, the Bureau of Near Eastern Affairs (NEA), the Bureau of South and Central Asian Affairs (SCA), the Office of Acquisitions Management, and the Office of U.S. Foreign Assistance Resources in Washington, DC. OIG also interviewed officials at U.S. Embassies Beirut, Lebanon, and Nairobi, Kenya, and the U.S. Mission to Somalia located in Embassy Nairobi. OIG also interviewed officials at Embassy Kabul, Afghanistan, via teleconference. Lastly, OIG interviewed award recipients implementing the denoted CVE awards in those countries.

OIG conducted this performance audit from June 2018 to March 2019. Issuance of this report was delayed because of the lapse in OIG's appropriations that occurred from 11:59 p.m. December 21, 2018, through January 25, 2019. This report relates to Overseas Contingency Operations Inherent Resolve and Freedom's Sentinel and was completed in accordance with OIG's oversight responsibilities described in Section 8L of the Inspector General Act of 1978, as amended. OIG conducted this audit in accordance with generally accepted government auditing standards. Those standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Work Related to Internal Controls

OIG performed steps to assess the adequacy of internal controls related to the monitoring of CVE grants and cooperative agreements, including a review of the Department's procedures for tracking and reporting these awards. OIG summarized deficiencies found in the Audit Results section of this report.

Use of Computer-Processed Data

OIG obtained spending and awards data from the Office of U.S. Foreign Assistance Resources, CT, NEA, SCA, AF, and the Office of Acquisitions Management as well as from Department- and federally managed online databases State Assistance Management System (SAMS) and USAspending.gov for FYs 2015 through 2017.⁴² From these data, OIG selected 12 of 132 grants and cooperative agreements awarded to recipients to implement CVE programs and projects. Although OIG found the initial universe sufficient to answer the audit objectives, OIG is not confident that the universe was complete because it was based on self-reported data from the bureaus and missions, which, as described in the body of the report, apply different interpretations of what constitutes CVE. To assess the completeness and accuracy of the data, OIG compared the information obtained from each of the sources against one another. For example, OIG compared the data provided by the bureaus against award data in SAMS and USAspending.gov and vice versa. OIG further assessed the reliability of the data by interviewing officials who had knowledge of the data and award recipients. OIG concluded that the data provided by the bureaus and obtained from SAMS and USAspending.gov were sufficiently reliable for the purposes of this report.

Detailed Sampling Methodology

OIG selected for review 12 grants and cooperative agreements valued at approximately \$14.4 million from a total of 132 grants and cooperative agreements valued at about \$65.3 million. The grants and cooperative agreements were awarded from FY 2015 through FY 2017 and were identified as CVE awards by the bureaus that awarded them. The value of the selected grants and cooperative agreements is approximately 22 percent of the total value of the grants and cooperative agreements the Department awarded. In selecting these awards, OIG considered several factors:

- 1) **Location.** The grants and cooperative agreements were implemented in countries where contingency operations were being executed.
- 2) **Awarding bureau.** The grants and cooperative agreements were awarded from several bureaus: AF, NEA, SCA, and CT.

⁴² SAMS is the Department's online assistance management system and contains information on its Federal assistance awards. USAspending.gov is a federally managed database of Federal contract, grant, loan, and other financial assistance awards valuing more than \$25,000.

- 3) **Time period.** The grants and cooperative agreements were awarded from FY 2015 through FY 2017, a period that coincided with an effort led by former Secretary of State John Kerry to formalize CVE activities. The timeframe was also sufficiently recent.
- 4) **Award value.** Within each country, the grants and cooperative agreements with the highest dollar value were selected for review.

OIG concluded that the selection of the 12 grants and cooperative agreements was sufficient, reliable, and valid to answer the audit objectives associated with this audit. Table A-1 lists the grants and cooperative agreements selected and their associated values.

Table A-1: Grants and Cooperative Agreements Selected for OIG Review

Bureau Award	Purpose	Funding Type	Value
Bureau of African Affairs			
CA-1198	To amplify local credible voices and to counter terrorist narratives through media campaigns	Foreign Assistance	\$2,473,437
GR-110	To engage youth in artistic and collaborative activities both in person and through media platforms to promote positive alternatives to violent extremism	Foreign Assistance	\$307,285
GR-1255	To support the Government efforts for rehabilitation and reintegration of disengaged combatants through community healing	Foreign Assistance	\$1,780,222
Bureau of Counterterrorism and Countering Violent Extremism			
CA-1120	To assist entrepreneurs with starting small businesses and income-generating projects	Foreign Assistance	\$693,000
CA-1268	To develop an early warning and response mechanism to report incidents and warning signs of violent extremism	Foreign Assistance	\$742,500
GR-1264	To support rehabilitation and reintegration of incarcerated youth in prisons	Foreign Assistance	\$240,405
Bureau of Near Eastern Affairs			
GR-033	To support an online media platform highlighting alternative narratives and countering the influence of violent extremist groups such as Hezbollah	Public Diplomacy	\$107,400
GR-041	To support the creation of youth clubs that promote inclusive citizenship	Public Diplomacy	\$200,309
GR-042	To provide university scholarships to 100 underserved youths	Public Diplomacy	\$474,400
Bureau of South and Central Asian Affairs			
CA-007	To produce episodes of the animated "1001 Nights" television show in Dari/Pashtun to promote literacy and civic values among youths	Foreign Assistance	\$1,969,782
CA-019	To provide rural youth with agricultural training opportunities and provide positive, licit alternatives to violent extremism	Foreign Assistance	\$2,949,733
GR-021	To produce season 6 of Baghch-e-Simsim (Sesame Street) on television and radio and expand its reach in rural and urban areas	Public Diplomacy	\$2,422,804
Total:			\$14,361,277

Source: OIG generated from information provided by AF, NEA, SCA, and CT.

APPENDIX B: STRATEGIC OBJECTIVES FOR COUNTERING VIOLENT EXTREMISM

Table B-1: Department of State (Department) and U.S. Agency for International Development (USAID) 2016 Joint Strategy on Countering Violent Extremism (CVE), FY 2016 Key Issues Guidance and Definitions and Bureau of Counterterrorism and Countering Violent Extremism (CT) Functional Bureau Strategy, FY 2015–2017

Department & USAID 2016 Joint Strategy on CVE	CT Functional Bureau Strategy, FY 2015–2017
<p>Strategic Objectives</p> <p>Expand international political will, partnerships, and expertise to better understand the drivers of [Violent Extremism (VE)] and mobilize effective interventions.</p> <p>Encourage and assist partner governments to adopt more effective policies and approaches to prevent and counter the spread of VE, including changing unhelpful practices where necessary.</p> <p>Employ foreign assistance tools and approaches, including development, to reduce specific political or social and economic factors that contribute to community support for VE in identifiable areas or put particular segments of populations at high risk of VE radicalization and recruitment to violence.</p> <p>Empower and amplify locally credible voices that can change the perception of VE groups and their ideology among key demographic segments.</p> <p>Strengthen the capabilities of government and non-governmental actors to isolate, intervene with, and promote the rehabilitation and reintegration of individuals caught in the cycle of radicalization to violence.</p>	<p>Objective 3.3: Increase partner nation and civil society will and capacity in focus regions to counter drivers of recruitment and radicalization to violence.</p> <p>Performance Goal 3.3.1: Increase the understanding and leadership of governmental and non-governmental actors in focus regions to pursue CVE strategies and initiatives.</p> <p>Performance Indicators 3.3.1: Number of 1) governments that adopt new CVE strategies and initiatives 2) CT funded CVE projects sustained beyond USG funding 3) new Global Community Engagement and Resiliency Fund CVE projects; and 4) Participation by governmental and non-governmental actors in CVE workshops, seminars, and trainings.</p> <p>Objective 4.2: De-legitimize VE narratives, messaging, and ideology in focus regions.</p> <p>Performance Goal 4.2.1: Enhance and expand efforts to counter VE narratives through local and media message dissemination.</p> <p>Performance Indicators 4.2.1: Increased partnerships with influential, credible voices; Number of 1) partner governments adopt strategies to counter VE messaging in online spaces and 2) media and public campaigns that counter VE messages in focus regions.</p>
<p>FY 2016 Key Issues Guidance and Definitions</p> <p>CVE Programming Criteria</p> <p>Be focused on a particular geographic region or population segment identified as susceptible to VE.</p> <p>Have an explicit objective addressing one or more drivers of VE. This explicit objective should be expressed through a program or a specific component of a larger program designed based on an assessment or analysis of the drivers of VE that impact the particular geographic region or population segment.</p>	<p>Objective 4.3: Build resilience among target populations in focus regions to counter terrorist recruitment and radicalization to violence.</p> <p>Performance Goal 4.3.1: Enhance analytical tools and interventions of USG and partners to identify address drivers of VE.</p> <p>Performance Goal 4.3.2: Increase positive alternatives for at-risk youth in targeted communities through outreach and community engagement.</p> <p>Performance Indicators 4.3.1: Number of public-private partnerships in promoting vocational, community, and civic engagement for youth; Increased percentage of 1) youth who are positive about future prospects and 2) local citizens stating youth make positive contributions to the community.</p>
<p>Source: OIG analysis of Department and USAID 2016 Joint Strategy on Countering Violent Extremism; the Office of U.S. Foreign Assistance Resources FY 2016 Key Issues Guidance and Definitions; and CT's Functional Bureau Strategy, FY 2015–2017.</p>	

Table B-2, Bureau of African Affairs and Bureau for Africa's Joint Regional Strategy, 2016, and Mission Kenya's Integrated Country Strategy, FY 2015–2017, Goals, Objectives, Sub-Objectives, Performance Indicators and Indicators/Milestones

Bureau of African Affairs and Bureau for Africa Joint Regional Strategy, 2016	Mission Kenya Integrated Country Strategy, FY 2015–2017
<p>Goal 3: Advance Peace and Security.</p> <p>Objective 3.1: Counter Transnational Threats, Including Terrorism and Crime.</p> <p>Sub-Objective 3.1.2: Build the capacity of partners to counter the threat of violent extremism and address its root causes.</p> <p>Performance Indicators:</p> <p>Increased number of partner governments that have developed a national action plan to counter violent extremism (CVE).</p> <p>Increased number of U.S. funded organizations working to combat violent extremism.</p>	<p>Goal 3: Kenya Is at Peace and Secure and Supports Regional Peace and Security.</p> <p>Objective 3.1: Capacity to Prevent and Respond to Threats of Crime, to Counter Terrorism and Violent Extremism and Contribute to Regional Peace and Security Strengthened.</p> <p>Sub-Objective 3.1.1: Capacity of Kenyan Security Institutions to Counter Terrorism and Violent Extremism Increased and Professionalized While Upholding Human Rights Protections.</p> <p>3.1.1: Indicators/Milestones National and select county level governments better understand VE causes and dynamics and effectively collaborate with at-risk communities to develop and implement responsive CVE policies and strategies.</p> <p>Sub-Objective 3.1.4: Root Causes of Terrorism/Violent Extremism Addressed at the Community Level.</p> <p>3.1.4 Indicators/Milestones: Kenya increases the number of programs targeting youth at risk for radicalization and coordinates with donors to fill capacity gaps 2) Number of engagement opportunities by Mission personnel increased 3) Number of media outreach activities increased 4) the USG as well as Kenyan national and country governments, increase the number and quality of consultations with civil society on CVE programming 5) IOs and Kenyan NGOs receive grants and are able to implement programming in prisons. Kenyan prison authorities incorporate CVE principles into their standard operating procedures. 6) Citizens increasingly view police as protection against extremist groups and assist in investigations.</p>

Source: OIG analysis of Bureau of African Affairs and Bureau for Africa's Joint Regional Strategy, 2016; Mission Kenya's Integrated Country Strategy, FY 2015–2017.

Table B-3, Bureau of South and Central Asia's Joint Regional Strategy FY 2015–2018, U.S. Mission Afghanistan's Integrated Country Strategy, FY 2015–2017, Goals, Objectives, Sub-Objectives, Indicators, and Milestones

Bureau of South and Central Asian Affairs Joint Regional Strategy, FY 2015–2018	Mission Afghanistan Integrated Country Strategy, FY 2015–2017
<p>Goal 5: a more secure and stable region in South and Central Asia that advances U.S. interests.</p> <p>Objective 5.2: Countering Terrorism and Violent Extremism: Prevent attacks against the U.S. homeland, U.S. interests, and our partners in the region.</p> <p>Sub-Objectives: NONE</p>	<p>Goal 1: a strategic partnership with Afghanistan that protects U.S. national security and denies safe haven for international terrorism.</p> <p>Objective 1.2: Influence and capabilities of violent extremists and terrorists are reduced.</p> <p>Sub-Objective 1.2.2: Government officials increasingly develop their own communication strategies to counter Taliban influences, including outreach to local elders, dispute mediation, information campaigns and anti-corruption measures.</p> <p>1.2.2: Indicators/Milestones 1) Increased number of registered mosques and madrassas 2) Developed a government-wide CVE strategy in partnership with donors 3) Increased educational opportunities to study moderate forms of Islam.</p> <p>Sub-Objective 1.2.3: National and local activities improve perceptions of regional relevance of Afghans and transcend regional and ethnic divides.</p> <p>1.2.3: Indicators/Milestones 1) Popularity/Sustainability of U.S. Government-supported sports leagues 2) the number of youths participating in community, cultural, and sporting events increases.</p>

Source: OIG analysis of Bureau of South and Central Asia's Joint Regional Strategy, FY 2015–2018; Mission Afghanistan's Integrated Country Strategy, FY 2015–2017.

Table B-4, Bureau of Near Eastern Affairs Joint Regional Strategy, 2013–2017, and U.S. Mission Lebanon’s Integrated Country Strategy, FY 2015–2017, Goals, Objectives, Sub-Objectives, Indicators, and Milestones

Bureau of Near Eastern Affairs Joint Regional Strategy, 2013–2017	Mission Lebanon Integrated Country Strategy, FY 2015–2017
<p>Goal: Enhanced Regional and Civilian Security.</p> <p>Objective 2: U.S. bilateral and multilateral partnerships in the region disrupt terrorist networks and reduce terrorist attacks.</p> <p>Sub-Objectives: NONE</p>	<p>Goal: State Institutions Exert Sovereign Authority and Effectively Counter Extremism.</p> <p>Objective 1.3: Lebanese state institutions effectively respond to extremist threats and the Syrian refugee crisis through increased institutional capabilities, diminishing extremist appeal to the population.</p> <p>Sub-Objective 1.3.2: Lebanese authorities better address the root causes of violent extremism and limit its spread among the population.</p> <p>Indicators/Milestones: 1) Number of public leaders who condemn violent extremism 2) Lebanese [G]overnment adopts and applies anti-ISIL social media strategy 3) Significant reduction in the number of extremist websites and users.</p> <p>Objective 2.2: Improved transparent provision of services across Lebanon so that all communities feel invested in stability and are less vulnerable to the advocates of extremism.</p> <p>Sub-Objective 2.2.1: Expanded access to quality education for all students in Lebanon.</p> <p>Sub-Objective 2.2.2: Improved quality of services across Lebanon, especially water-related services.</p>

Source: OIG analysis of Near Eastern Affairs Joint Regional Strategy, 2013–2017; Mission Lebanon’s Integrated Country Strategy, FY 2015–2017.

APPENDIX C: BUREAU OF AFRICAN AFFAIRS RESPONSE



United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

May 2, 2019

MEMORANDUM

TO: OIG/AUD – Norman P. Brown

FROM: AF – Tibor P. Nagy

SUBJECT: Draft Report on *Audit of Department of State Implementation of Policies Intended to Counter Violent Extremism*

Thank you for the opportunity to provide comments and initial response from the Bureau of African Affairs (AF) for the subject audit report.

Audit Results

AF Comments:

General Comment: We are concerned that the audit's results conflate foreign assistance and public diplomacy resources. Although Economic Support Funds (ESF) funded all of the AF awards evaluated by the Office of Inspector General, AF does also use Public Diplomacy funding to implement CVE activities through our Public Affairs sections at posts, funding which the Department treats separately from foreign assistance. As acknowledged in the report, awards funded with Public Diplomacy resources are not under the purview of the U.S. Foreign Assistance resources key issue definition of CVE, but rather fall under R's purview.

Comment on Categorization of 16-GR-110: On page 13, the report says "a grant to engage youth in artistic and collaborative activities through club meetings and online media platforms in Kenya (16-GR-110) did not include an objective **identifying a specific driver of violent extremism to be addressed**". However, on page 14, the chart indicates that this grant did not align with the Department Goals and Objectives. OIG should clarify.

- If the issue is that this grant does not identify a driver, AF requests that the OIG consider a change. Objective 1 of the grant states: "To discredit and delegitimize violent extremism messaging and narratives by generating, analyzing, and sharing CVE narratives and messages developed by youth for youth audiences." **Violent Extremism messaging is a driver that this grant is intending to address.**
- If the issue is that this grant does not align with Department Goals and Objectives, AF requests that OIG consider a different change. Just one example of how this grant aligns with Department Goals and Objectives: The 2016 Joint Strategy on CVE lists "Amplifying locally credible voices to lessen the appeal of violent extremist groups." The two objectives of this grant are in line with this strategic objective.

UNCLASSIFIED

UNCLASSIFIED

-2-

Comment on Categorization of 16-GR-1255: In the Chart on page 14, AF requests that OIG reconsider its determination that Somalia 16-GR-1255 did not identify a driver of violent extremism.

- Justification: The project's award documents make clear that the lack of a process for communicating to, processing, and reintegrating disengaged combatants in Somalia is a cause of continued violent extremist activity. The grant identifies and addresses this driver of violent extremism.

Comment on language on Page 16: AF requests revised language on page 16 to minimize any reader confusion on the action taken. "For example, AF officials stated they changed the terms and conditions of a rehabilitation and reintegration grant in Somalia to work with disengaged combatants out of concern for potentially violating Federal laws."

- AF recommends the following edit for clarification: "For example, AF officials stated they changed the terms and conditions of a rehabilitation and reintegration grant in Somalia **that had intended** to work with disengaged combatants out of concern for potentially violating Federal laws."

Correction to Table A-1: There seems to be a typo in Table A-1 on page 27 of the report, which lists the Kenya grant as 16-CA-110 with Public Diplomacy funding, however it was actually funded by foreign assistance and is a grant, not a cooperative agreement. It should be indicated as 16-GR-110, as it is listed in Table 2 on p. 14 of the report, and the funding type should be changed to Foreign Assistance.

Recommendation 1: *(U) OIG recommends that the Bureau of African 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.*

AF Response: AF concurs with recommendation 1, contingent upon the acceptance and implementation of recommendations 4, 6*, 7, and 8 by the Bureau of Counterterrorism and Countering Violent Extremism (CT/CVE), as these recommendations would establish a common definition of CVE and a review process that will inform AF's standard operating procedures (SOPs), regional strategy objectives, sub-objectives, and performance indicators. AF will request that F/BP update the guidance in the Bureau Strategy Guidance and Instructions to specify that bureaus consult with CT/CVE on CVE objectives and sub-objectives. AF intends to collaborate with CT/CVE and other regional bureaus on the development of SOPs.

***Recommendation 6:** *(U) OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources and the Office of the Under Secretary for Public Diplomacy and Public Affairs, develop and implement a single definition for what constitutes a countering violent extremism program or project.*

AF Response: AF concurs with the thrust of the recommendation, but recommends that it be amended to read, "...develop and implement a common definition for what constitutes a counter violent extremism program or project." It may be difficult to identify a "single" definition, and that could overly restrict the Bureau's ability and necessary flexibility to carry out its CVE objectives; however, a common framework of understanding would be possible.

UNCLASSIFIED

APPENDIX D: BUREAU OF NEAR EASTERN AFFAIRS RESPONSE



United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

May 1, 2019

MEMORANDUM

TO: OIG/AUD – Norman P. Brown

FROM: NEA – Joan A. Polaschik, Senior Bureau Official *4/30/19*

SUBJECT: Draft Report on *Audit of Department of State Implementation of Policies Intended to Counter Violent Extremism*

Thank you for the opportunity to provide comments and an initial response from the Bureau of Near Eastern Affairs for the subject audit report.

Audit Results

NEA Comments: We are concerned that the audit's results conflate foreign assistance and public diplomacy resources. All of the NEA awards evaluated by the Office of Inspector General were funded by Public Diplomacy resources, which the Department treats separately from foreign assistance and which fall under R's purview. NEA generally utilizes Public Diplomacy funding to implement CVE activities through our Public Affairs sections at post. As noted in the report, awards funded with Public Diplomacy resources are not under the purview of the U.S. Foreign Assistance resources key issue definition of CVE.

Recommendation 2: *OIG recommends that the Bureau of Near Eastern Affairs develop and implement standard operating procedures to align its regional strategic 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.*

NEA concurs with recommendation 2, contingent upon the acceptance and implementation of recommendations 4, 6, 7, and 8 by the Bureau of Counterterrorism and Countering Violent Extremism (CT/CVE), as these recommendations would establish a common definition of CVE and a review process that will inform NEA's standard operating procedures (SOPs), regional strategy objectives, sub-objectives, and performance indicators. NEA has requested that F/BP update the guidance in the Bureau Strategy Guidance and Instructions to specify that bureaus consult with CT/CVE on CVE objectives and sub-objectives. NEA intends to collaborate with CT/CVE and other regional bureaus on the development of SOPs.

UNCLASSIFIED

UNCLASSIFIED

UNCLASSIFIED

-2-

Approved: NEA: DAS Christopher Backemeyer (CRB)

Drafted: NEA/PPD – Saira Saced, ~~NEA/PPD – Saira Saced, NEA/PPD – Saira Saced~~

Cleared: NEA/PPD: Lynn Roche OK
NEA/AC: Greg Young OK
F/P: Peter Quaranto OK
CT: Irfan Saeed/Oliver Wilcox OK
AF: Margot Shorey Info
SCA: Ashley Clingman-Jackson OK

UNCLASSIFIED

APPENDIX E: BUREAU OF SOUTH AND CENTRAL ASIAN AFFAIRS RESPONSE



United States Department of State


Washington, D.C. 20520

UNCLASSIFIED

May 2, 2019

MEMORANDUM

TO: OIG/AUD – Norman P. Brown

FROM: SCA – Alice G. Wells, Senior Bureau Official 

SUBJECT: Draft Report on *Audit of Department of State Implementation of Policies Intended to Counter Violent Extremism*

Thank you for the opportunity to provide comments and initial response from the Bureau of South and Central Asian Affairs (SCA) for the subject audit report.

Audit Results

SCA Comments: In principle, SCA agrees with the core findings of the audit. However, SCA would like to point out that public diplomacy programs are not evaluated based on the criteria within the U.S. Foreign Assistance CVE Key Issues definition or guidance.

Recommendation 3: *OIG recommends that the Bureau of South and Central Asian Affairs develop and implement standard operating procedures to align its regional strategic 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.*

SCA Response: SCA concurs with recommendation 3, contingent upon the acceptance and implementation of recommendations 4, 6, 7, and 8 by the Bureau of Counterterrorism and Countering Violent Extremism (CT/CVE), as these recommendations would establish a common definition of CVE and a review process that will inform SCA's standard operating procedures (SOPs), regional strategy objectives, sub-objectives, and performance indicators. SCA has requested that F/BP update the guidance in the Bureau Strategy Guidance and Instructions to specify that bureaus consult with CT/CVE on CVE objectives and sub-objectives. SCA intends to collaborate with CT/CVE and other regional bureaus on the development of SOPs.

UNCLASSIFIED

APPENDIX F: BUREAU OF COUNTERTERRORISM AND COUNTERING VIOLENT EXTREMISM RESPONSE




United States Department of State

Washington, D.C. 20520

May 2, 2019

MEMORANDUM

TO: OIG/AUD – Norman P. Brown

FROM: CT –Nathan A. Sales, Coordinator 

SUBJECT: Bureau of Counterterrorism (CT) comments on Draft Report – *Audit of Department of State Implementation of Policies Intended to Counter Violent Extremism (CVE)*

Thank you for providing a draft of the subject report for CT review and comment. This memorandum outlines our comments on the draft report's recommendations, as well as recent CT actions or planned actions. Two notes on how our responses are structured:

- As **Recommendations 1-3** are substantively the same but deal with different regional bureaus, we have consolidated our comments into one response; and
- Similarly, because **Recommendations 6-8** deal with CVE programming definitions and reporting, and how these issues traverse the Department's J-Public Diplomacy (PD) bureaucratic and funding divides, our comments are also in one consolidated response.

General Comments

The draft report's characterization of CT's overall record on – and ability to promote – CVE program alignment with Department goals is inconsistent. On the one hand, there is a chart showing how the sampling of grants from the four different bureaus fared against the criteria of alignment to Department goals and objectives, the identification of a driver of violent extremism, and the identification of a susceptible population (p. 12). Three of the four CT grants met all three criteria; however, a Lebanon project did not identify a specific driver – a characterization with which CT agrees. Regional bureaus did not fare well in this assessment.

On the other hand, the conclusion on the report's Highlights page about CT's purported failure to ensure alignment to goals is inaccurate. It notes: "...OIG could not affirm that CVE grants and cooperative agreements awarded to counter violent extremism were achieving desired results because CT had not ensured that the strategic plans and activities of Department bureaus aligned with the Department's CVE goals and objectives and spend plan" (p. 2).

As the report implicitly acknowledges in Recommendation 4 (p. 12 and below), CT does not currently have the authority to ensure such broad alignment across the Department's bureaus. Within its existing parameters, CT has exerted significant efforts to shape and inform the rest of the Department's CVE

work, but this is not the same as exercising authority. These particular findings need clarification and to be made consistent.

The report needs to be clearer about the bureaucratic and funding differences and authorities between foreign assistance and public diplomacy (PD). The F key definition for CVE only governs foreign assistance –not PD funding. Also, PD funding, programming, and grants have their own systems and processes for project design and reporting.

Recommendation Responses

Recommendations 1-3: *OIG recommends that the Bureau of African Affairs/Bureau of Near Eastern Affairs/Bureau of South and Central Asian 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.*

- **CT Consolidated Response:** CT generally agrees that regional bureau coordination could be improved, but notes that we have worked with regional bureaus at the strategy and programming levels for a number of years. For example, our efforts with AF and NEA (for North Africa) have been guided in the context of the Trans-Sahara Counterterrorism Partnership and the Partnership for Regional East Africa Counterterrorism interagency coordination mechanisms.

Our coordination with SCA has expanded as our respective programming in Bangladesh has increased over the past few years. Also, CT has coordinated two CVE Planning and Advisory Team (CPAT) trips to four of the Central Asia republics resulting in a comprehensive policy and programming approach across the State Department on CVE programs that developed intervention programs to “off-ramp” potential terrorists. CPATs are intended to develop or refine State-USAID analysis, policy and assistance responses to preventing and countering terrorist radicalization and recruitment in particular countries. The 2018 and 2019 CPATs included various Washington and field-based State and USAID representatives.

CT worked collectively across the State Department to develop common F results indicators for CVE. CSO has developed a monitoring and evaluation guide particularly for headquarters and field use. CT will work with CSO to disseminate existing indicators and related program development guidance for greater use.

Recommendation 4: *OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism seeks designation from the Secretary of State to be the controlling authority on countering violent extremism policy and issues.*

- **CT Response:** CT agrees with this recommendation, and already works collaboratively with other Department bureaus on CVE policy and programming. Since 2015, CT has played a Department-wide policy coordination role. Mechanisms by which we have exercised this role include developing and disseminating CVE policy guidance; leading, shaping, collecting, and providing State input for White House and interagency CVE efforts; convening a regular CVE coordination Core Group of State and USAID officers; and organizing CVE assessments in a number of countries – CPATs (see examples below).

CT will seek to build on its current CVE roles by recommending to the Secretary that CT serves as the Department-wide CVE leadership and coordination role – including a focus on ensuring broad alignment on policy, strategy, and program design. Serving in a “controlling authority” position would require increased CT/CVE staffing.

Recommendation 5: *OIG recommends that **the Office of the Legal Advisor** provide a written policy for developing and implementing programs and projects intended to rehabilitate and reintegrate former violent extremists into society in a manner consistent with U.S. laws prohibiting material support to terrorists and terrorist organizations.*

- **CT Response:** CT generally agrees that clearer guidance for rehabilitation and reintegration programming is needed. We recommend that the above-bolded part of this recommendation be changed to the following: “CT, in close consultation with *the Office of the Legal Advisor*, develop guidance....”

Such guidance needs to seek to open the aperture to U.S. engagement and programming possibilities while remaining consistent with U.S. material support laws. The U.S. Department of Justice and USAID also will be consulted.

Recommendation 6: *OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources and the Bureau of Public Diplomacy and Public Affairs, develop and implement a single definition for what constitutes a countering violent extremism program or project.*

Recommendation 7: *OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources and the Bureau of Public Diplomacy and Public Affairs, establish a process to verify that grants and cooperative agreements awarded for the purpose of countering violent extremism comply with the definition established in Recommendation 6 as to what constitutes a countering violent extremism program or project.*

Recommendation 8: *OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources and the Bureau of Public Diplomacy and Public Affairs, develop and implement procedures to ensure that bureaus and missions report only awards and expenditures that meet the definition of a countering violent extremism established in Recommendation 6 as to what constitutes a countering violent extremism program or project.*

- **CT Consolidated Response:** CT generally agrees with these three recommendations. As the report mentions (p. 8), over the last several years, CT and F have worked together to further define the foreign assistance key definition of CVE, and to review and vet State and USAID operating unit programs tied to this definition. On the foreign assistance side, a more rigorous definition and review of attributions has led to clearer reporting and accounting. This streamlining will provide a foundation for these recommendations.

CT will work with F and PD – specifically, R/PPR – to develop a shared definition. CT will incorporate this definition into its strategic planning, programming, and reporting, and will ask other bureaus/offices managing foreign assistance funds to do the same. However, as we previously note, foreign assistance and PD funding have separate processes, systems, and timelines. This will make implementation of such a shared definition, as well as more consistent programmatic attributions to it, more challenging.

Recommendation 9: *OIG recommends that the Office of U.S. Foreign Assistance Resources, in coordination with the Bureau of Counterterrorism and Countering Violent Extremism, develop and implement procedures to differentiate Economic Support Fund funding managed by the Department of State and the U.S. Agency for International Development in reports on countering violent extremism foreign assistance spending.*

- CT Response: CT generally agrees with this recommendation, and can work with F to shape and inform the development of such procedures.

UNCLASSIFIED

Approved: CT/FO: Nathan A. Sales NAS

Drafted: CT/CVE: Oliver Wilcox – [REDACTED]

Cleared: CT/FO: Alina Romanowski (ok)
CT/FO: Chris Harnisch (ok)
CT/CVE: Irfan Saeed (ok)
CT/SPI: Melanie Smith (ok)
CT/P: Laurie Freeman (ok)

APPENDIX G: OFFICE OF THE LEGAL ADVISER RESPONSE



United States Department of State

Washington, D.C. 20520

May 1, 2019

MEMORANDUM

TO: OIG/AUD – David Bernet
FROM: State/L – Kathleen Hooke *KH*
SUBJECT: Draft Report on Audit of Department of State Implementation of Policies Intended to Counter Violent Extremism

Please accept this memorandum on behalf of the Office of the Legal Adviser (L) to reflect L's agreement with recommendation number five in the draft report, with one revision, and to provide two corrections to the draft report for accuracy and completeness.

Recommendation 5:

Recommendation number 5 of the draft report recommends that L "provide a written policy for developing and implementing programs and projects intended to rehabilitate and reintegrate former violent extremists into society in a manner consistent with U.S. laws prohibiting material support to terrorists and terrorist organizations." L agrees with this recommendation, subject to the recommendation being directed to the Bureau of Counterterrorism (CT), the Department's policy bureau responsible for policy relating to countering violent extremism (CVE) programming, in consultation with L. As is noted in the draft report, L provides legal advice to the Department, including in connection with specific programs that could potentially implicate the material support laws. However, L is not a policy bureau or programmatic office, does not supervise any policy bureaus or programmatic offices, and does not run CVE or other programs. As such, it is not in a position to issue a policy or guidance to bureaus on how they should structure these programs, or evaluate their risks. L can and does play a strong role in advising bureaus on how to comply with the material support laws (and other laws) in the context of specific programs. Furthermore, L agrees to work with CT on CT-developed Department-wide policy guidance on developing and implementing programs and projects intended to rehabilitate and reintegrate former violent extremists into society in a manner consistent with U.S. laws prohibiting material support to terrorists and terrorist organizations.

Requested Corrections for Accuracy:

With respect to the corrections, there are two references to statements by L attorneys in the draft that we would request that you revise for accuracy and completeness.

First, we seek revision of the second sentence of the third paragraph on page 16 of the draft to more accurately and completely describe the 2008 written guidance issued by Deputy Secretary Negroponte. The sentence currently reads as follows:

According to an Office of the Legal Advisor official, the Department did issue guidance in 2008 that addressed the provision of material support to terrorists.

We recommend that this sentence be revised to instead read as follows:

According to an Office of the Legal Adviser official, the Department did issue guidance in 2008 on identifying and evaluating the risks that State and USAID programs may provide material support to terrorists. This guidance places responsibility on the State and USAID policy offices providing the funding to evaluate the risk that U.S. government programs could inadvertently benefit terrorists or their supporters, and to take appropriate steps to mitigate the risk.

Second, we seek revision of the second sentence in the first paragraph on page 17 of the draft to more accurately and completely reflect L. written and oral comments during the audit process. The sentence currently reads as follows:

Officials from the Office of the Legal Advisor stated that establishing a Department-wide policy would not be effective because each case is different.

We recommend that this sentence be revised to instead read as follows:

Officials from the Office of the Legal Adviser stated that establishing a Department-wide policy on the types of rehabilitation and reintegration activities that may be conducted consistent with U.S. laws prohibiting the provision of material support to terrorists would not, in their view, be feasible because each case is different and because the nature of the criminal prohibitions (material support statutes) and existing Department-wide guidance require a fact-specific analysis which precludes providing blanket guidance that particular types of programing is in compliance with material support statutes.

APPENDIX H: OFFICE OF U.S. FOREIGN ASSISTANCE RESOURCES RESPONSE



United States Department of State


Washington, D.C. 20520

UNCLASSIFIED

April 30, 2019

MEMORANDUM

TO: OIG/AUD – Norman P. Brown

FROM: F – Lesley Ziman, Acting 

SUBJECT: Draft Report on *Audit of Department of State Implementation of Policies Intended to Counter Violent Extremism*

Thank you for the opportunity to provide comments and initial response from the Office of U.S. Foreign Assistance Resources (F) for the subject audit report.

Audit Results

F Comments: F recommends that OIG add clarification in its analysis of which awards were funded with resources under F's purview – and are therefore subject to the Key Issue Definition for CVE – and which did not. Several of the awards evaluated by OIG were funded by public diplomacy resources, which are not foreign assistance and, therefore, not tracked against the Key Issue Definition for CVE. OIG's findings highlight that F did not collect and report information on public diplomacy resources. Please note that F does not have authority over public diplomacy resources.

Furthermore, F recommends that OIG modify the report to say that awards did not *clearly or explicitly explain and/or document* how the programming aligned with CVE goals and objectives (or identify a driver), instead of simply saying the awards did not align. From F's review, many of these grants and cooperative agreements were aligned with Department CVE goals and objectives as well as the F Key Issue Definition for CVE. For example, OIG assessed that Kenya 16-GR-110 did not support Department goals and objectives. However, the project's award materials state that the project was intended to counter recruitment of youth in targeted geographic areas of Kenya. We believe this directly aligns with the State-USAID CVE Strategy Objective #3 (pg. 6), Africa JRS Sub-Objective 3.1.2, Kenya ICS Sub-Objective 3.1.4. As another example, OIG assessed that Somalia 16-GR-1255 did not identify a driver of violent extremism. The project's award documents make clear that the lack of a process for communicating to, processing, and reintegrating disengaged combatants in Somalia is a cause of continued violent extremist activity. We believe that is a specific driver.

Recommendation 6: *OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources and the Bureau of Public Diplomacy and Public Affairs, develop and implement a single definition for what constitutes a countering violent extremism program or project.*

UNCLASSIFIED

UNCLASSIFIED

-2-

F Response: F agrees with this recommendation. The definition of the terms “program” and “project” are established in 18 FAM 301.4-1(B). We look forward to working with CT, PD, R/PPR, and other stakeholders to develop a common definition for a CVE program or project that can apply to both foreign assistance and public diplomacy resources, building upon the F Key Issue Definition for CVE.

Recommendation 7: *OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources and the Bureau of Public Diplomacy and Public Affairs, establish a process to verify that grants and cooperative agreements awarded for the purpose of countering violent extremism comply with the definition established in Recommendation 6 as to what constitutes a countering violent extremism program or project.*

F Response: F agrees with this recommendation in principle, but notes that it is the responsibility of the units managing those funds and the Bureau of Administration to craft appropriate award documents. F does not provide guidance for or review grants and cooperative agreements, but F can assist the bureau, as relevant, in applying the principles of program and project design under 18 FAM 301.4-2 to its activities to ensure they appropriately align with and support broader objectives. We believe the existing definition and process for review of attributions have greatly improved our ability to ensure that foreign assistance funds requested and/or allocated for CVE comply with relevant policy goals and objectives.

Recommendation 8: *OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources and the Bureau of Public Diplomacy and Public Affairs, develop and implement procedures to ensure that bureaus and missions report only awards and expenditures that meet the definition of countering violent extremism established in Recommendation 6 as to what constitutes a countering violent extremism program or project.*

F Response: F agrees with this recommendation in principle, but notes that F does not have a direct role in overseeing awards or expenditures. Again, we believe the existing definition and process for review of attributions have greatly improved our ability to ensure that foreign assistance funds requested and/or allocated for CVE comply with relevant policy goals and objectives. We look forward to supporting CT and the other appropriate stakeholders to ensure that reporting on awards and expenditures is consistent with the attribution process. F provides guidance and tools to bureaus and missions to update their Operational Plans as needed, including as funds are obligated. We also look forward to working with CT, PD, and R/PPR – as well as the wider State and USAID stakeholder community – to develop standardized procedures that can be applied across foreign assistance and public diplomacy resources. These procedures will need to be flexible to address the unique authorities and timelines of different funding accounts.

Recommendation 9: *OIG recommends that the Office of U.S. Foreign Assistance Resources, in coordination with the Bureau of Counterterrorism and Countering Violent Extremism, develop and implement procedures to differentiate Economic Support Fund funding managed by the Department of State and the U.S. Agency for International Development in reports on countering violent extremism foreign assistance spending.*

UNCLASSIFIED

UNCLASSIFIED

UNCLASSIFIED

-3-

F Response: While some ESF is directly allocated to State or USAID entities to manage, some ESF is jointly managed by State and USAID. Bilateral ESF funds provide important flexibility for U.S. missions to determine how best to allocate resources across different implementation mechanisms. Through existing F-managed procedures and processes such as the Operational Plan (OP) process, F asks Operating Units to differentiate whether State or USAID is managing ESF funds, as well as funds across other foreign assistance accounts. We can continue to work with CT and other stakeholders to ensure that any relevant reports are appropriately and adequately representing this information on an annual basis.

UNCLASSIFIED

APPENDIX I: OFFICE OF THE UNDER SECRETARY OF STATE FOR PUBLIC DIPLOMACY AND PUBLIC AFFAIRS RESPONSE



UNDER SECRETARY OF STATE
FOR PUBLIC DIPLOMACY
AND PUBLIC AFFAIRS
WASHINGTON

May 6, 2019

UNCLASSIFIED

MEMORANDUM

TO: OIG – David Bernet, Director of Mid-East Region Operations

FROM: R – Michelle Giuda, Senior Official *AMG*

SUBJECT: Draft Audit of the Department of State Implementation of Policies Intended to Counter Violent Extremism

The Office of the Under Secretary for Public Diplomacy and Public Affairs (R) appreciates the opportunity to offer comments on the above captioned audit. R agrees with further discussion of a “controlling authority” within the Department on countering violent extremism issues and policy (Recommendation 4), and that the Bureau of Counterterrorism and Countering Violent Extremism may be best suited to that role. However, that role must be defined in such a way as to preserve existing R authorities, including the allocation of public diplomacy and public affairs resources.

R also agrees with the need for a common definition of what constitutes a countering violent extremism program or project to ensure full and accurate reporting. Public diplomacy programs and activities frequently have multiple goals and desired outcomes. The common definition of what constitutes a program or project may necessarily exclude some public diplomacy programs and activities in which countering violent extremism is an ancillary objective.

R’s Office of Policy, Planning and Resources (R/PPR) is charged with coordinating public diplomacy and public affairs policies. As such, please replace “Bureau of Public Diplomacy and Public Affairs” with “Office of Policy, Planning and Resources” in recommendations 6, 7, and 8. Additional comments specific to recommendations for which R is identified as a coordinating office are provided below.

UNCLASSIFIED

UNCLASSIFIED

-2-

OIG Recommendation 6: OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources and Bureau of Public Diplomacy and Public Affairs, develop and implement a single definition for what constitutes a countering violent extremism program or project.

Management Response: The Office of the Under Secretary for Public Diplomacy and Public Affairs concurs with this recommendation. R's Office of Policy, Planning and Resources will work with the Bureau of Counterterrorism and Countering Violent Extremism and the Office of U.S. Foreign Assistance Resources to develop and implement a common definition for what constitutes a countering violent extremism program or project for reporting purposes as described in the audit.

OIG Recommendation 7: OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources and the Bureau of Public Diplomacy and Public Affairs, establish a process to verify that grants and cooperative agreements awarded for the purpose of countering violent extremism comply with the definition established in Recommendation 6 as to what constitutes a countering violent extremism program or project.

Management Response: The Office of the Under Secretary for Public Diplomacy and Public Affairs concurs with this recommendation. R's Office of Policy, Planning and Resources will work with the Bureau of Counterterrorism and Countering Violent Extremism and the Office of U.S. Foreign Assistance Resources to establish a process to verify that public diplomacy and public affairs grants and cooperative agreements awarded specifically and primarily for the purpose of countering violent extremism comply with the definition established in Recommendation 6 as to what constitutes a countering violent extremism program or project.

OIG Recommendation 8: OIG recommends that the Bureau of Counterterrorism and Countering Violent Extremism, in coordination with the Office of U.S. Foreign Assistance Resources and the Bureau of Public Diplomacy and Public Affairs, develop and implement procedures to ensure that bureaus and missions report only awards and expenditures that meet the definition of a countering violent extremism established in Recommendation 6 as to what constitutes a countering violent extremism program or project.

Management Response: The Office of the Under Secretary for Public Diplomacy and Public Affairs concurs with this recommendation. The Office of Policy, Planning and Resources will work with the Bureau of Counterterrorism and Countering Violent Extremism and the Office of U.S. Foreign Assistance, to develop and implement procedures to ensure that bureaus and missions report as countering violent extremism programs or projects only those awards and expenditures that meet the definition of a countering violent extremism established in Recommendation 6.

UNCLASSIFIED

UNCLASSIFIED

UNCLASSIFIED

-3-

Approved: R/FO – Jennifer Hall Godfrey (JHG)

Drafted: R/PPR – Brian Heath, ext. 2-6359

Cleared: GEC: OK
L/PD: Meha Shah OK
L/PD: Lorie Nierenberg OK

UNCLASSIFIED

APPENDIX J: BUREAU OF BUDGET AND PLANNING RESPONSE

Bureau of Budget and Planning Response



United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

May 9, 2019

NOTE FOR: Director David Bernet, Middle East Region Operations

FROM: Bureau of Budget and Planning - Director Douglas Pitkin

SUBJECT: (U) RESPONSE to Draft Report - Audit of the Department of State Implementation of Policies Intended to Counter Violent Extremism

(U) The Bureau of Budget and Planning (BP) respectfully submits this response to the Office of Inspector General (OIG), in reference to its April 2019 Draft Audit of the Department of State Implementation of Policies Intended to Counter Violent Extremism.

(U) While there are no recommendations in the report pertaining specifically to the Bureau of Budget and Planning¹, BP disagrees with Finding C: Reporting of Funds (page 17) for reasons more fully explained below. Further, the report adopts an overly narrow definition of CT/CVE programming that was crafted specifically for foreign assistance, and may not reflect the full scope of CT/CVE activity across the Department of State. Additionally, BP requests revisions and or rephrasing of language characterizing its position on reporting of CT/CVE resources, as it does not accurately reflect BP policies and practices (page 18 paragraph 3). BP also requests modification of the recommendations on coordinating entities to include BP. These comments are outlined in greater detail below.

(U) Overall findings and recommendations of this audit pertain to linking CT/CVE strategic goals with funding and programmatic activity. Regarding BP equities, there appears to be a relevant misunderstanding pursuant to the shared functions of the Department's Office of Foreign Assistance Resources (F) and BP, more specifically, to the definition of a Countering Violent Extremism program (Page 8).

(U) While BP recognizes that the Office of Foreign Assistance Resources definition of Countering Violent Extremism (CVE) is valid for foreign assistance purposes, the Department manages other CVE funding beyond the scope of foreign assistance targeted to specific regions, countries or populations.

(U) The definition, as stated on page 8 of the 2019 draft report, fails to include those Department CVE initiatives that are not specific to a particular region or population or do not have an explicit objective addressing one or more drivers of violent extremism that affect a region or population segment. For example, the Bureau of Conflict and Stabilization Operations funding falls largely outside the parameters of Foreign Assistance, but its work is primarily related to better understanding and identifying the drivers and resiliencies of violent extremism in advance of

¹ Of all recommendations of the draft report listed, no recommendations pertain to the Bureau of Budget and Planning.



United States Department of State

Washington, D.C. 20520

civil unrest and or violence. Moreover, CSO does not limit its research and analysis to any one specific region, population segment, or extremism objective.

(U) To this point, BP respectfully maintains that not all Department CVE programs are bound by the CVE program definition as posited by the Office of Foreign Assistance Resources.

(U) In support thereof, page 15 - paragraph three of, the draft report states; "Public diplomacy officials from the regional bureaus stated that they reported public diplomacy spending, used to implement CVE efforts, to the Bureau of Budget and Planning rather than reporting the spending to the Office of Foreign Assistance Resources."

(U) BP acknowledges that during the 2016-2017 period, it was developing the methodology to track non-foreign assistance funding for all programs, inclusive of CVE initiatives under the framework of a revised Joint Strategic Plan (JSP). BP believes that it was during this period that regional public diplomacy offices may have provided the information to BP. BP acknowledges that during this period not all diplomatic engagement funding tracked to the alignment of the Departments strategic goals and objectives.

(U) It was for this reason, upon the completion of the State Department and USAID Joint Strategic Plan, that BP addressed the challenge to fully track and align all Department resources to its priorities. In February of 2018, BP created a comprehensive methodology alignment of financial and human resources to the Department's strategic goals and objectives. As evidenced in the FY 2020 Diplomatic Engagement Congressional Budget Justification submission, as shown in Attachment A and Attachment B, all Diplomatic Engagement funds, are tracked, aligned, and reported, including public diplomacy funded CVE initiatives.

(U) Therefore, BP disagrees with Finding C: Reporting of Funds Used to Support Goals and Objectives Needs Improvement (page 17). The Bureau offers, as evidenced by Attachments A and B, and supporting narratives, that the reporting of funds used to support CVE goals and objectives have already been improved to the extent that 100 percent of the funds are tracked, aligned to department strategic goals and objectives, and reported.

(U) To the Bureau's second point; BP respectfully disagrees with, and requests revisions and or rephrasing of, the report language pertaining to BP (page 18 paragraph 3). The Bureau's understanding and position on the matter is supported below.

(U) This audit began at some point in 2016, and during this intervening period, BP has no record of being an audit participant or being contacted for input, nor is there evidence of an Office of Inspector General job code introduction, entrance conference, or an exit conference.

(U) BP recognizes the audit's engagement with F, respective regional bureaus, CT, and PA. What remains vague and ambiguous to BP is that BP "officials" were quoted (page 18) without attribution, both directly and indirectly. BP has been unable to validate the source of the Bureau



United States Department of State

Washington, D.C. 20520

officials views cited on page 18. Any Bureau engagement information provided by the OIG, to BP, would be greatly appreciated.

(U) Because BP can find no record of being formally engaged by the Office of the Inspector General on this issue, and because the Bureau has been unable to identify any BP official that has acknowledged speaking on the record with the OIG about the matter, the Bureau respectfully disagrees with, and requests revisions and or rephrasing of, the report language pertaining to BP (page 18 paragraph 3).

(U) BP respectfully requests that paragraph 3 on page 18 of the OIG's report be rephrased as follows:

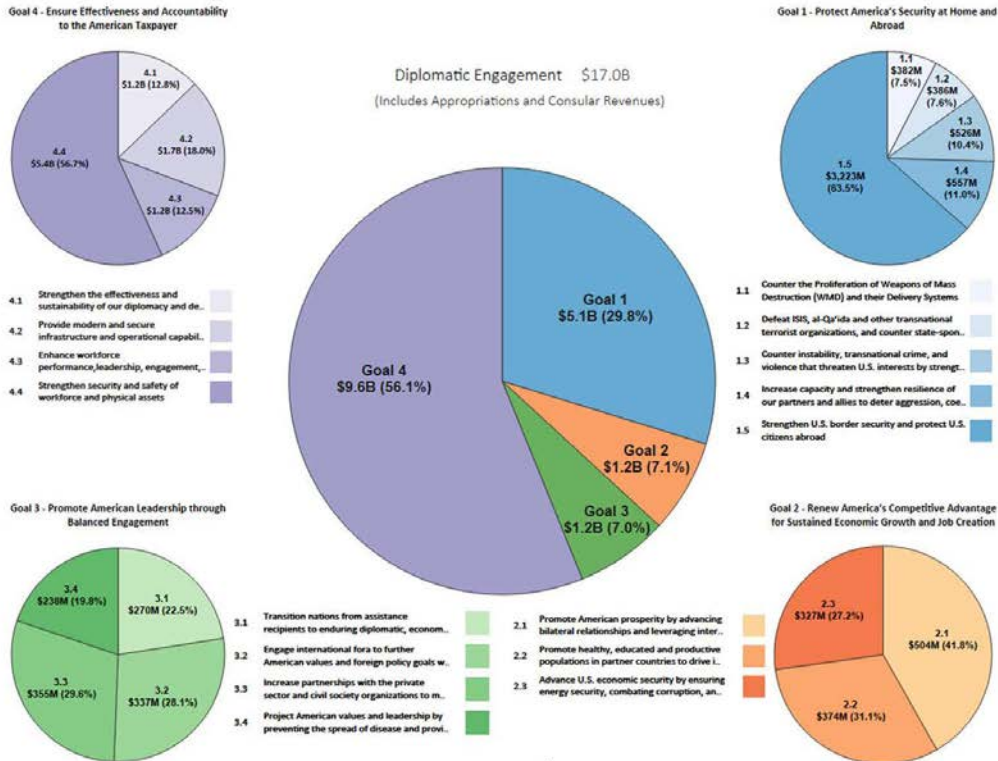
(U) "Public diplomacy officials from the regional bureaus stated that they reported public diplomacy spending used to implement CVE efforts to BP rather than reporting the spending to the office of Foreign Assistance Resources. Additionally, BP officials stated, during the review and comment period of this draft report, that the Bureau offers, as evidenced by its Congressional Budget Justification (CBJ) submission documents; Diplomatic Engagement FY20 Pie Dashboard and the Joint Strategic Plan Staffing Report, that 100 percent of the funds used to support CVE goals and objectives are tracked, aligned to department strategic goals and objectives, and reported."

(U) BP respectfully thanks the Office of the Inspector General for this opportunity to comment and respond to its 2019 Draft Report - Audit of the Department of State Implementation of Policies Intended to Counter Violent Extremism. In addition, BP thanks the Office of Inspector General for its consideration of BP's positions offered, viewpoints raised, and requests made, in this response.

Attachment A: DE FY20 CBJ Submission Pie Dashboard

Attachment B: JSP Staffing Report

Bureau of Budget and Planning Response: Attachment A

DIPLOMATIC ENGAGEMENT BUDGET SUMMARY
BY JOINT STRATEGIC PLAN GOAL AND OBJECTIVE

Bureau of Budget and Planning Response: Attachment B



United States Department of State

Washington, D.C. 20520

SEP 28 2018

The Honorable
Harold Rogers, Chairman
Subcommittee on State, Foreign
Operations, and Related Programs
Committee on Appropriations
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Pursuant to section 7081 (b)(1)(A) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018 (Div. K, P.L. 115-141), the Department is enclosing a report on the personnel required to implement the U.S. National Security Strategy and the Joint Strategic Plan of the Department of State and the United States Agency for International Development.

We hope this information will be helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, reading "Charles S. Faulkner".

Charles S. Faulkner
Acting Assistant Secretary
Legislative Affairs

Enclosure:
As stated.

UNCLASSIFIED

UNCLASSIFIED

**Department of State Personnel Required to Implement
the 2017 National Security Strategy and
the 2018 State Department/United States Agency for International Development
Joint Strategic Plan**

Introduction

Pursuant to section 7081(b)(1)(A) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018 (Div. K, P.L. 115-141), the Secretary of State and the USAID Administrator are each required to submit a report detailing the personnel requirements necessary to implement the 2017 National Security Strategy (NSS) and the 2018 Joint Strategic Plan (JSP) for the Department of State and USAID. This report includes Department of State staffing only, based on authorized personnel as of June 2018. USAID will submit its report separately.

UNCLASSIFIED

Staffing Alignment of JSP to NSS

		National Security Strategy										Total
		Pillar 1: Protect the American People, the Homeland, And the American Way Of Life		Pillar 2: Promote American Prosperity		Pillar 3: Preserve Peace through Strength		Pillar 4: Advance American Influence		Aligned to JSP Only		
		CS	FS	CS	FS	CS	FS	CS	FS	CS	FS	
Joint Strategic Plan	Goal 1: Protect America's Security at Home and Abroad	3,680	4,342									8,022
	Goal 2: Renew America's Competitive Advantage for Sustained Economic Growth and Job Creation			299	545	615	1,346					2,805
	Goal 3: Promote American Leadership through Balanced Engagement	234	249			445	732	445	732			2,836
	Goal 4: Ensure Effectiveness and Accountability to the American Taxpayer	1,268	930							4,019	4,764	10,981
	Total	5,182	5,522	299	545	1,059	2,078	445	732	4,019	4,764	24,644

*Figures are rounded and may not necessarily sum to individual totals identified. Personnel totals include Consular fellows.

Administration directives and policies, inclusive of the 2017 National Security Strategy, significantly shaped the State Department and USAID Joint Strategic Plan. Critical to mission success, the Department's workforce provides key support functions including management, human resources, security, and overseas presence; all which are vital to effectively achieving Department and National Security Strategy goals and pillars.

UNCLASSIFIED

UNCLASSIFIED

3

Staffing Alignment to JSP Objective

Goals	Objectives	Employee Type		Total
		CS	FS	
Goal 1: Protect America's Security at Home and Abroad	1.1: Counter the Proliferation of Weapons of Mass Destruction (WMD) and their Delivery Systems	389	273	661
	1.2: Defeat ISIS, al-Qa'ida and other Transnational terrorist organizations, and counter state sponsored, regional, and local terrorist groups that threaten U.S. national security interests	298	438	736
	1.3: Counter instability, transnational crime, and violence that threaten U.S. interests by strengthening citizen-responsive governance, security, democracy, human rights, and rule of law	424	737	1,161
	1.4: Increase capacity and strengthen resilience of our partners and allies to deter aggression, coercion, and malign influence by state and non-state actors	324	765	1,089
	1.5: Strengthen U.S. border security and protect U.S. citizens abroad	2,245	2,130	4,375
Goal 2: Renew America's Competitive Advantage for Sustained Economic Growth and Job Creation	2.1: Promote American prosperity by advancing bilateral relationships and leveraging international institutions and agreements to open markets, secure commercial opportunities, and foster investment and innovation to contribute to U.S. job creation	395	628	1,023
	2.2: Promote healthy, educated and productive populations in partner countries to drive inclusive and sustainable development, open new markets and support U.S. prosperity and security objectives	316	802	1,117
	2.3: Advance U.S. economic security by ensuring energy security, combating corruption, and promoting market-oriented economic and governance reforms	203	462	665
Goal 3: Promote American Leadership through Balanced Engagement	3.1: Transition nations from assistance recipients to enduring diplomatic, economic, and security partners	135	364	499
	3.2: Engage international fora to further American values and foreign policy goals while seeking more equitable burden sharing	356	438	794
	3.3: Increase partnerships with the private sector and civil society organizations to mobilize support and resources and shape foreign public opinion	398	662	1,060
	3.4: Project American values and leadership by preventing the spread of disease and providing humanitarian relief	234	249	484
Goal 4:	4.1: Strengthen the effectiveness and sustainability of	951	816	1,767

UNCLASSIFIED

UNCLASSIFIED

4

Ensure Effectiveness and Accountability to the American Taxpayer	our diplomacy and development investments			
	4.2: Provide modern and secure infrastructure and operational capabilities to support effective diplomacy and development	1,268	930	2,197
	4.3: Enhance workforce performance, leadership, engagement, and accountability to execute our mission efficiently and effectively	1,170	912	2,082
	4.4: Strengthen security and safety of workforce and physical assets	1,898	3,037	4,934
		11,004	13,640	24,644

The Department dedicates substantial effort to the JSP goals and objectives. For example, staff aligned to Objective 1.5 reflect Department responsibilities with respect to visas, passports, and other activities related to border security, and the support provided to Americans traveling abroad. In addition, staff aligned to Goal 4 reflect the Department's responsibility for advancing U.S. national interests through its management and security of its global diplomatic and development operations and workforce, often at times operating in harsh and dangerous environments.

UNCLASSIFIED



United States Department of State

Washington, D.C. 20520

SEP 28 2018

The Honorable
Lindsey O. Graham, Chairman
Subcommittee on State, Foreign
Operations, and Related Programs
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Pursuant to section 7081 (b)(1)(A) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018 (Div. K, P.L. 115-141), the Department is enclosing a report on the personnel required to implement the U.S. National Security Strategy and the Joint Strategic Plan of the Department of State and the United States Agency for International Development.

We hope this information will be helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink that reads "Charles S. Faulkner".

Charles S. Faulkner
Acting Assistant Secretary
Legislative Affairs

Enclosure:
As stated.



United States Department of State

Washington, D.C. 20520

SEP 28 2018

The Honorable
Nita M. Lowey
Committee on Appropriations
House of Representatives
Washington, DC 20515

Dear Ms. Lowey:

Pursuant to section 7081 (b)(1)(A) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018 (Div. K, P.L. 115-141), the Department is enclosing a report on the personnel required to implement the U.S. National Security Strategy and the Joint Strategic Plan of the Department of State and the United States Agency for International Development.

We hope this information will be helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles S. Faulkner".

Charles S. Faulkner
Acting Assistant Secretary
Legislative Affairs

Enclosure:
As stated.



United States Department of State

Washington, D.C. 20520

SEP 28 2018

The Honorable
Rodney Frelinghuysen, Chairman
Committee on Appropriations
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Pursuant to section 7081 (b)(1)(A) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018 (Div. K, P.L. 115-141), the Department is enclosing a report on the personnel required to implement the U.S. National Security Strategy and the Joint Strategic Plan of the Department of State and the United States Agency for International Development.

We hope this information will be helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, reading "Charles S. Faulkner".

Charles S. Faulkner
Acting Assistant Secretary
Legislative Affairs

Enclosure:
As stated.

UNCLASSIFIED



United States Department of State

Washington, D.C. 20520

SEP 28 2018

The Honorable
Patrick J. Leahy, Vice Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Senator Leahy:

Pursuant to section 7081 (b)(1)(A) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018 (Div. K, P.L. 115-141), the Department is enclosing a report on the personnel required to implement the U.S. National Security Strategy and the Joint Strategic Plan of the Department of State and the United States Agency for International Development.

We hope this information will be helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read "Charles S. Faulkner".

Charles S. Faulkner
Acting Assistant Secretary
Legislative Affairs

Enclosure:
As stated.



United States Department of State

Washington, D.C. 20520

SEP 28 2018

The Honorable
Richard Shelby, Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Pursuant to section 7081 (b)(1)(A) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018 (Div. K, P.L. 115-141), the Department is enclosing a report on the personnel required to implement the U.S. National Security Strategy and the Joint Strategic Plan of the Department of State and the United States Agency for International Development.

We hope this information will be helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, reading "Charles S. Faulkner".

Charles S. Faulkner
Acting Assistant Secretary
Legislative Affairs

Enclosure:
As stated.



United States Department of State

Washington, D.C. 20520

SEP 28 2018

The Honorable
Eliot Engel
Committee on Foreign Affairs
House of Representatives
Washington, DC 20515

Dear Mr. Engel:

Pursuant to section 7081 (b)(1)(A) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018 (Div. K, P.L. 115-141), the Department is enclosing a report on the personnel required to implement the U.S. National Security Strategy and the Joint Strategic Plan of the Department of State and the United States Agency for International Development.

We hope this information will be helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles S. Faulkner".

Charles S. Faulkner
Acting Assistant Secretary
Legislative Affairs

Enclosure:
As stated.



United States Department of State

Washington, D.C. 20520

SEP 28 2018

The Honorable
Edward R. Royce, Chairman
Committee on Foreign Affairs
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Pursuant to section 7081(b)(1)(A) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018 (Div. K, P.L. 115-141), the Department is enclosing a report on the personnel required to implement the U.S. National Security Strategy and the Joint Strategic Plan of the Department of State and the United States Agency for International Development.

We hope this information will be helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read "Charles S. Faulkner".

Charles S. Faulkner
Acting Assistant Secretary
Legislative Affairs

Enclosure:
As stated.

UNCLASSIFIED



United States Department of State

Washington, D.C. 20520

SEP 28 2018

The Honorable
Bob Menendez
Committee on Foreign Relations
United States Senate
Washington, DC 20510

Dear Senator Menendez:

Pursuant to section 7081 (b)(1)(A) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018 (Div. K, P.L. 115-141), the Department is enclosing a report on the personnel required to implement the U.S. National Security Strategy and the Joint Strategic Plan of the Department of State and the United States Agency for International Development.

We hope this information will be helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, reading "Charles S. Faulkner".

Charles S. Faulkner
Acting Assistant Secretary
Legislative Affairs

Enclosure:
As stated.



United States Department of State

Washington, D.C. 20520

SEP 28 2018

The Honorable
Bob Corker, Chairman
Committee on Foreign Relations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Pursuant to section 7081 (b)(1)(A) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018 (Div. K, P.L. 115-141), the Department is enclosing a report on the personnel required to implement the U.S. National Security Strategy and the Joint Strategic Plan of the Department of State and the United States Agency for International Development.

We hope this information will be helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, reading "Charles S. Faulkner".

Charles S. Faulkner
Acting Assistant Secretary
Legislative Affairs

Enclosure:
As stated.

APPENDIX K: OIG ASSESSMENT OF DEPARTMENT TECHNICAL COMMENTS

In addition to the official responses to the recommendations, the Bureaus of African Affairs (AF), Counterterrorism and Countering Violent Extremism (CT), Near Eastern Affairs (NEA), South and Central Asian Affairs (SCA); the Office of U.S. Foreign Assistance Resources; and the Office of the Legal Adviser provided technical comments to a draft of this report. OIG incorporated the technical comments into the final report when appropriate. Table K-1 summarizes each technical comment and OIG's assessment and reply.

Table K-1: Summary of Department Technical Comments and OIG Reply

No.	Technical Comment	OIG Reply
Bureau of African Affairs (AF)		
1	AF stated that the audit results conflated foreign assistance and public diplomacy resources, which the Department treats separately. AF stated that it also uses public diplomacy funding to implement Countering Violent Extremism (CVE) activities at posts, which is under the purview of the Office of the Under Secretary of State for Public Diplomacy and Public Affairs, not the Office of U.S. Foreign Assistance Resources.	OIG acknowledges that the Department manages public diplomacy and foreign assistance resources separately, and the report includes this discussion at page [17-18]. We recognize that the Office of U.S. Foreign Assistance Resources reports only foreign assistance spending and that public diplomacy officials report public diplomacy spending used to implement CVE efforts to PPR. In fact, that is the reason that OIG included both the Office of Foreign Assistance Resources and PPR in Recommendations 6-8 pertaining to CVE definitions, processes, and procedures; OIG understands separate entities are involved. Moreover, the fact that foreign assistance and public diplomacy resources used to implement CVE activities are managed and tracked separately supports a primary message of OIG's report: the need to have a single definition for what constitutes a CVE program or project, as well as an effective method to track and report activities and performance, regardless of the funding source.
2	AF stated that Table 2 shows that GR-110 did not align with Department goals and objectives, even though Objective 1 identified messaging as a driver of violent extremism to be addressed. AF also stated that GR-110 aligned with the 2016 Joint Strategy on CVE, Objective 4, "amplifying locally credible voices to lessen the appeal of violent extremist groups."	OIG agrees with AF that award GR-110 included an objective identifying violent extremist messaging as the specific driver to be addressed and modified the report accordingly. However, OIG disagrees with AF that GR-110 aligned with Department, bureau, and mission CVE goals and objectives. Although the award objectives

No.	Technical Comment	OIG Reply
		generally addressed violent extremist messaging as a driver, they did not address root cause, as required by Kenya ICS Sub-Objective 3.1.4 and AF Bureau JRS Sub-Objective 3.1.2. OIG also disagrees that the award aligned with the 2016 Joint Strategy on CVE, Objective 4, because it did not address the credibility of the individuals generating the CVE messages. The 2016 Joint Strategy on CVE also describes a leadership role for the Global Engagement Center under Objective 4, which the award did not address.
3	AF requested OIG reconsider its determination that award GR-1255 did not identify a driver of violent extremism, stating that the award identified the lack of a process for communicating to, processing, and reintegrating disengaged combatants in Somalia as the driver of violent extremism to be addressed.	OIG disagrees that award GR-1255 identified a driver of violent extremism. The objectives of the awards focused on increasing public awareness of programs to reintegrate disengaged combatants and facilitating reconciliation through community events but did not identify the specific driver(s) of violent extremism. The objectives also did not specifically identify the lack of a process for communicating to, processing, and reintegrating disengaged combatants as the driver to be addressed.
4	AF recommended that OIG clarify that AF officials changed the terms and conditions of a grant “that had intended” to work with disengaged combatants out of concern for potentially violating Federal laws.	OIG agrees with AF’s recommendation and modified the language accordingly to include “that had intended.”
5	AF stated that Table A-1 incorrectly identified award GR-110 as “CA-110.” AF stated that Table A-1 also incorrectly identified this award as a public diplomacy funded-project; it was funded with foreign assistance funds.	OIG corrected the information presented in Table A-1. OIG notes that the award file stated that the Smith-Mundt Act, which applies to public diplomacy funded awards, was used to justify the granting of GR-110. OIG also notes that GR-110 was managed by a Public Affairs section at post.
Bureau of Near Eastern Affairs (NEA)		
6	NEA stated that OIG’s results conflate foreign assistance and public diplomacy resources. NEA noted that each NEA award selected for review for this audit was funded by Public Diplomacy resources, which the Department treats separately from foreign assistance and which fall under the purview of the Bureau of Public Affairs and Public Diplomacy.	As we noted in our reply to AF’s first technical comment, OIG acknowledges that the Department manages public diplomacy and foreign assistance resources separately, and the report includes this discussion. The fact that foreign assistance and public diplomacy resources used to implement CVE activities are managed and tracked separately supports a primary message of

No.	Technical Comment	OIG Reply
		OIG's report: the need to have a single definition for what constitutes a CVE program or project, as well as an effective method to track and report activities and performance, regardless of the funding source.
Bureau of South and Central Asian Affairs (SCA)		
7	SCA agreed "in principle" with the core findings of the report. However, SCA noted that public diplomacy programs are not evaluated based on the criteria within the Office of U.S. Foreign Assistance Resources Key Issues Guidance and Definition for CVE.	OIG acknowledges that public diplomacy programs are not evaluated based on the criteria within the Office of U.S. Foreign Assistance Resources Key Issues Guidance and Definition for CVE. OIG's analysis reviewed awards against the 2016 Joint Strategy on CVE, which applies to public diplomacy and foreign assistance-funded CVE programs.
Bureau of Counterterrorism and Countering Violent Extremism (CT)		
8	CT stated three of four CT awards met all criteria OIG assessed in Table-2; however, award GR-1264 did not identify a specific driver, a determination CT agreed with. CT also stated OIG's conclusion that CT did not ensure alignment of bureau strategic plans and activities to Department CVE goals is inaccurate because, as the report implicitly acknowledges in Recommendation 4, CT does not currently have authority to ensure broad alignment across the Department's bureaus. CT stated it has made significant efforts to shape and inform the rest of the Department's CVE work, but this is not the same as exercising authority.	For the three CT awards reviewed for this audit, OIG reported that two met all criteria assessed in Table 2. Moreover, CT agreed with OIG's determination that GR-1264 did not identify a specific driver of violent extremism. OIG maintains that its conclusion that CT did not ensure alignment of strategic plans and activities of Department bureaus to the Department's CVE goals and objectives and spend plan is correct. The Secretary of State directed CT to guide and coordinate CVE policy, programs, and assistance for the Department. In this capacity, CT should have consulted with other bureaus and missions to ensure alignment of strategic plans and programs with Department CVE goals and objectives. Because CT officials stated they do not have authority to enforce compliance with Department CVE goals and objectives, OIG recommended that CT be granted "controlling authority" on CVE issues and policy. OIG believes the facts presented in the report demonstrate the need to designate CT "controlling authority" on CVE issues and policy.
9	CT stated that the report needs to be clearer regarding the bureaucratic and funding differences and authorities between foreign assistance and public diplomacy.	As we noted in our reply to AF and NEA's technical comments, OIG acknowledges that the Department manages public diplomacy and foreign assistance resources separately,

No.	Technical Comment	OIG Reply
		and the report includes this discussion. The fact that foreign assistance and public diplomacy resources used to implement CVE activities are managed and tracked separately supports a primary message of OIG’s report: the need to have a single definition for what constitutes a CVE program or project, as well as an effective method to track and report activities and performance, regardless of the funding source.
Office of the Legal Adviser		
10	The Office of the Legal Adviser requested that OIG revise the sentence in the draft report that stated, “According to an Office of the Legal Adviser official, the Department did issue guidance in 2008 that addressed the provision of material support to terrorists” to the following: “According to an Office of the Legal Adviser official, the Department did issue guidance in 2008 on identifying and evaluating the risks that State and USAID programs may provide material support to terrorists. This guidance places responsibility on the State and USAID policy offices providing the funding to evaluate the risk that U.S. government programs could inadvertently benefit terrorists or their supporters, and to take appropriate steps to mitigate the risk.”	OIG revised the statement attributed to the Office of the Legal Adviser, as requested. However, OIG notes that the language in a draft of this report was derived from statements made by officials from the Legal Adviser’s Office of Legislation and Foreign Assistance and Office of Law Enforcement and Intelligence at a meeting OIG held on December 18, 2018, as well as in correspondence in March and April 2019.
11	The Office of the Legal Adviser requested that OIG revise a sentence in the draft report that stated, “Officials from the Office of the Legal Adviser stated that establishing a Department-wide policy would not be effective because each case is different” to the following: “Officials from the Office of the Legal Adviser stated that establishing a Department-wide policy on the types of rehabilitation and reintegration activities that may be conducted consistent with U.S. laws prohibiting the provision of material support to terrorists would not, in their view, be feasible because each case is different and because the nature of the criminal prohibitions (material support statutes) and existing Department-wide guidance require a fact-specific analysis which precludes providing	OIG revised the statement attributed to the Office of the Legal Adviser, as requested. As set forth in the report itself, however, OIG disagrees that the fact-specific nature of programs to rehabilitate and reintegrate former terrorists precludes the development of more general guidance that could inform the development and implementation of such efforts. Indeed, consulting with the Office of the Legal Adviser could be one requirement incorporated into such guidance. Moreover, the Office of the Legal Adviser’s revised statement is inconsistent with its response to Recommendation 5, on which it concurred and stated it will work with CT to develop Department-wide policy guidance for developing and implementing programs and projects intended to

No.	Technical Comment	OIG Reply
	blanket guidance that particular types of programming is in compliance with material support statutes.”	rehabilitate and reintegrate former violent extremists into society consistent with U.S. laws prohibiting material support to terrorists and terrorist organizations.
Office of U.S. Foreign Assistance Resources		
12	The Office of U.S. Foreign Assistance Resources recommended that OIG clarify which awards were funded with foreign assistance resources under its authority and which were funded with public diplomacy resources (and therefore, not under its authority nor tracked against its Key Issue Definition for CVE).	Table A-1 identifies the source of funding for each award. OIG reviewed the awards against the 2016 Joint Strategy on CVE, which applies to both foreign assistance and public diplomacy funded awards. Moreover, the fact that public diplomacy CVE awards are not tracked against the Key Issue Definition for CVE supports the need for a single definition of what constitutes a CVE program or project. OIG recognizes that the Office of U.S. Foreign Assistance Resources does not have authority over public diplomacy resources and acknowledges this fact in the report.
13	The Office of U.S. Foreign Assistance Resources recommended OIG modify the report to state that awards did not “clearly or explicitly explain and/or document” how programming aligned with CVE goals and objectives or identified a driver of violent extremism.	OIG modified language in the report to state awards did not “clearly or explicitly explain and/or document” how programming aligned with CVE goals and objectives or identified a driver of violent extremism.
14	The Office of U.S. Foreign Assistance Resources stated that award GR-110 (to counter violent extremist recruitment of youth in targeted geographic areas) was aligned with the Department and USAID 2016 Joint Strategy on CVE Objective 3, AF Joint Regional Strategy Sub-Objective 3.1.2, and the Kenya Integrated Country Strategy Sub-Objective 3.1.4.	OIG disagrees that award GR-110 aligned with the Department and USAID 2016 Joint Strategy on CVE Objective 3, AF Joint Regional Strategy Sub-Objective 3.1.2, and the Kenya Integrated Country Strategy Sub-Objective 3.1.4. Although the objectives of the award generally addressed violent extremist messaging and narratives, they did not address root causes, as required by Sub-Objective 3.1.4 of the Integrated Country Strategy and Sub-Objective 3.1.2 of the AF Joint Regional Strategy. The objectives also did not identify specific political, social, or economic factors contributing to violent extremism that the award intended to reduce, as required by Objective 3 of the 2016 Joint Strategy on CVE.
15	The Office of U.S. Foreign Assistance Resources stated that award GR-1255 identified a specific driver of violent extremism: the lack of a process for communicating to, processing, and reintegrating disengaged combatants.	OIG disagrees that award GR-1255 identified a driver of violent extremism. The objectives of the award focused on increasing public awareness of efforts to reintegrate disengaged combatants and facilitating

No.	Technical Comment	OIG Reply
		reconciliation through community events and did not identify the specific driver(s) of violent extremism. The objectives also did not specifically identify the lack of a process for communicating to, processing, and reintegrating disengaged combatants as the driver to be addressed.
Office of the Under Secretary of State for Public Diplomacy and Public Affairs		
16	In separate correspondence during the comment period for a draft of this report, the Office of the Under Secretary requested that OIG change the title of its office to the “Office of Policy, Planning, and Resources (R/PPR) in the Office of the Under Secretary of State for Public Diplomacy and Public Affairs.”	OIG revised the title to “Office of the Under Secretary of State for Public Diplomacy and Public Affairs, Office of Policy, Planning, and Resources” and used “PPR” as the abbreviation.
17	In the same correspondence, the Office of the Under Secretary also requested that OIG revise the language in Recommendation 6 from “single” definition for CVE to “common” definition.	OIG notes that this point is similar to the comments incorporated into the report with respect to Recommendation 6. OIG disagrees with the suggested revision. A “single” definition would require that CVE programming meet a uniform standard for CVE, whereas a “common” definition could be viewed as the standard most frequently applied. OIG believes the Department would benefit from a uniform standard defining what constitutes CVE programming.

Source: OIG assessment of technical comments.

ABBREVIATIONS

AF	Bureau of African Affairs
BP	Bureau of Budget and Planning
C.F.R.	Code of Federal Regulations
CT	Bureau of Counterterrorism and Countering Violent Extremism
CVE	Countering Violent Extremism
FAM	Foreign Affairs Manual
OIG	Office of Inspector General
PPR	Office of the Under Secretary of State for Public Diplomacy and Public Affairs, Office of Policy, Planning, and Resources
USAID	U.S. Agency for International Development

OIG AUDIT TEAM MEMBERS

David G. Bernet, Director
Middle East Region Operations
Office of Audits

David Chappell, Audit Manager
Middle East Region Operations
Office of Audits

Aaron Caffrey, Management Analyst
Middle East Region Operations
Office of Audits

Caitlin Etienne, Management Analyst
Middle East Region Operations
Office of Audits

Matthew Tomlin, Management Analyst
Middle East Region Operations
Office of Audits



HELP FIGHT

FRAUD, WASTE, AND ABUSE

1-800-409-9926

[Stateoig.gov/HOTLINE](https://stateoig.gov/HOTLINE)

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

WPEAOmbuds@stateoig.gov