



Office of Inspector General
United States Department of State

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Office of Audits

July 2021

Audit of Department of State Protocols for Establishing and Operating Remote Diplomatic Missions

MIDDLE EAST REGION OPERATIONS



HIGHLIGHTS

Office of Inspector General
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What OIG Audited

To ensure the safety of mission personnel during political instability or other security threats, the Department of State (Department) may evacuate an embassy and establish remote operations in a new location. Often the newly established “remote mission” is co-located with an established embassy in another country, where its mission-essential functions can continue. Examples of such missions include the Yemen Affairs Unit (YAU), the Venezuela Affairs Unit (VAU), the Somalia Unit (SU), and the Libya External Office.

The Office of Inspector General (OIG) conducted this audit to determine whether the Department had instituted protocols to (1) inform the decision to establish a remote diplomatic mission, (2) identify and provide resources to support mission-essential functions, (3) guide daily operations, and (4) evaluate and mitigate risks associated with the execution of foreign assistance programs that are overseen remotely.

What OIG Recommends

OIG made 16 recommendations to the Department that are intended to address challenges impacting remote missions. On the basis of the Department’s responses and planned actions, OIG considers 2 recommendations closed and the remaining 14 recommendations resolved, pending further action. A synopsis of management’s comments and OIG’s reply follow each recommendation in the Audit Results section of this report. Responses received from the Department are reprinted in Appendices B through H.

July 2021

OFFICE OF AUDITS

MIDDLE EAST REGION OPERATIONS

Audit of Department of State Protocols for Establishing and Operating Remote Diplomatic Missions

What OIG Found

The Department has not instituted formal protocols and guidance to inform decisions regarding when and how remote missions should be established, or a methodology to identify and provide resources to support mission-essential functions and guide daily operations. Instead, the Department has primarily relied on informal advice from Department personnel that have experience establishing and operating remote missions. According to Department officials, one reason formal protocols and guidance have not been established is because of the infrequency and temporary nature of remote missions. Consequently, there has not been a strong incentive to invest resources to establish and institute formal protocols and guidance for remote missions. However, it is important to consider that the Department currently has three remote missions operating worldwide: the VAU, which has been open for almost 2 years; the YAU, which has been open for more than 6 years; and the Libya External Office, which has been open for almost 7 years. Moreover, the Somalia Unit operated from U.S. Embassy Nairobi, Kenya, for more than 9 years before the Department reestablished a permanent diplomatic presence in Somalia. Some Department officials stated that they believe developing policies, as well as documenting best practices and lessons learned, would help inform how remote missions are established, how best to manage daily operations, and alleviate common challenges inherent to remote missions.

With respect to foreign assistance programs overseen remotely, OIG found that Department bureaus did not always increase risk ratings and develop corresponding mitigation strategies to reflect the changing operating environment. This occurred in part because there is no Department-wide policy requiring bureaus to consider elevating risk ratings in response to significant changes in the security environment such as when operations have been suspended. Until this deficiency is addressed, the Department will have limited assurance foreign assistance funds in countries facing volatile security challenges are positioned to achieve desired results and outcomes.

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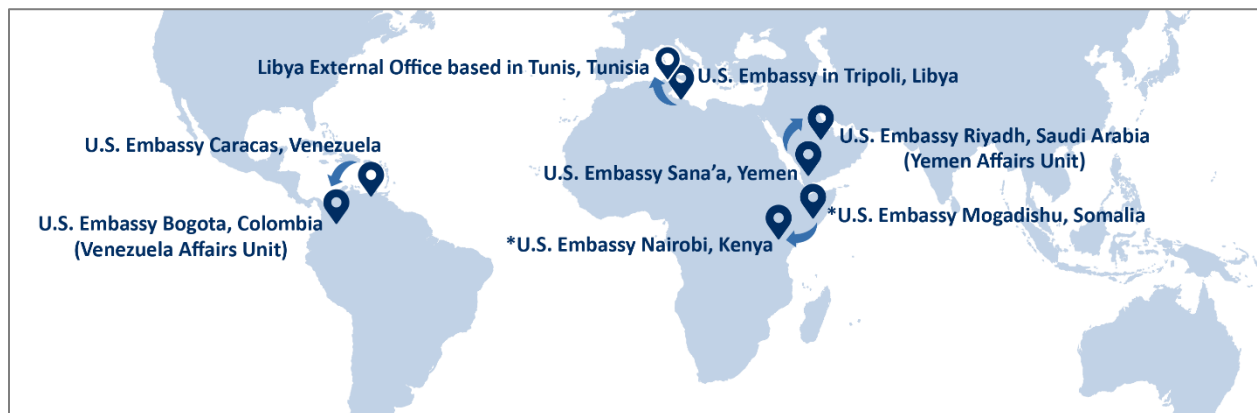
OBJECTIVE

The Office of Inspector General (OIG) conducted this audit to determine whether the Department of State (Department) had instituted protocols to (1) inform the decision to establish a remote diplomatic mission, (2) identify and provide resources to support mission-essential functions, (3) guide daily operations, and (4) evaluate and mitigate risks associated with the execution of foreign assistance programs that are overseen remotely.

BACKGROUND

To ensure the safety of mission personnel during natural disasters, political instability, or other security threats, the Department may evacuate an embassy or consulate and establish operations in a separate location. Often, the new location is in another country, where mission-essential functions continue and the embassy effectively operates as a “remote mission.”¹ Among the missions that have established remote operations are the Somalia Unit (SU), the Libya External Office, the Yemen Affairs Unit (YAU), and the Venezuela Affairs Unit (VAU). Figure 1 illustrates the initial locations of embassies where operations were suspended and the new location of the remote mission.

Figure 1: Remote Mission Locations



Note: U.S. Embassy Mogadishu receives support from U.S. Embassy Nairobi, but no longer functions as a remote mission.

Source: OIG generated based on information provided by the Department’s regional bureaus.

- Somalia Unit (Remote Mission Site: U.S. Embassy Nairobi, Kenya).** The Department closed Embassy Mogadishu in 1991 after the collapse of Somalia’s central government. In 2007, the Department established the SU within Embassy Nairobi. In 2015, the SU was renamed the “U.S. Mission to Somalia” and in December 2018, the Department established a permanent diplomatic presence at the airport in Mogadishu and in October 2019, it was officially renamed “Embassy Mogadishu.” Although the SU

¹ The Department generally refers to these missions as “missions in exile,” “external offices,” or “affairs units.” OIG uses the term “remote missions” in this report.

no longer exists and Embassy Mogadishu does not currently function as a remote mission, some staff continue to be based at Embassy Nairobi, and Embassy Mogadishu continues to rely on Embassy Nairobi for some support services.

- **Libya External Office (Remote Mission Site: U.S. Embassy Tunis, Tunisia).** In July 2014, the Department suspended operations at U.S. Embassy Tripoli, Libya, due to civil unrest, and established the Libya External Office at the U.S. Embassy in Malta. In June 2015, the Department moved the Libya External Office to Embassy Tunis, where it continued to reside at the time of this review.²
- **Yemen Affairs Unit (Remote Mission Site: U.S. Embassy Riyadh, Saudi Arabia).** In February 2015, the Department suspended operations at U.S. Embassy Sana'a, Yemen, due to deteriorating security conditions resulting from the Houthis' takeover of the government.³ One month later, the Department established the YAU remote mission at U.S. Consulate Jeddah, Saudi Arabia. In October 2018, the YAU relocated from the consulate in Jeddah to the embassy in Riyadh, Saudi Arabia.
- **Venezuela Affairs Unit (Remote Mission Site: U.S. Embassy Bogota, Colombia).** In March 2019, the Department suspended operations at U.S. Embassy Caracas, Venezuela, due to security concerns and the deteriorating political situation in the country. In August 2019, the Department established the VAU at the embassy in Bogota, Colombia.

Department Entities With Responsibilities Relevant to Remote Missions

Several Department bureaus and offices play important roles in the establishment and operation of remote missions. The Under Secretary for Political Affairs serves as the day-to-day manager of overall regional and bilateral policy issues and oversees the regional bureaus of Africa, East Asia and the Pacific, Europe and Eurasia, the Near East, South and Central Asia, and the Western Hemisphere. Reporting to the Under Secretary for Political Affairs, each of the regional bureaus oversees the U.S. embassies and consulates and coordinates U.S. foreign relations in its respective geographic area. For example, the Bureau of Near Eastern Affairs leads U.S. foreign policy in the Middle East and North Africa region and is responsible for oversight of the YAU and the Libya External Office. The Bureau of Western Hemisphere Affairs coordinates foreign policy for the region stretching from the Arctic Ocean to the Antarctic and from the Atlantic to the Pacific oceans and is responsible for oversight of the VAU. The Bureau of African Affairs is responsible for the development and management of U.S. policy concerning sub-Saharan Africa, oversees Embassy Mogadishu, and was also responsible for oversight of the former SU.

The Under Secretary for Management is responsible for management improvement initiatives, security, the information technology infrastructure, support services for domestic and overseas

² OIG did not include the Libya External Office in the scope of this audit because of a recent OIG inspection. See Appendix A, Purpose, Scope, and Methodology for details.

³ The Houthis are an armed Islamic group that emerged in northern Yemen in the 1990s. The Houthi movement is officially called Ansar Allah.

operations, consular affairs, and personnel matters such as retirement programs, recruitment, career development, training, and medical services. Reporting to the Under Secretary for Management, the Office of Management Strategy and Solutions supports the Department's internal management policy, consulting, and data analytics capability and has consulted on a variety of issues relevant to remote missions. Additionally, the Bureau of Budget and Planning and the Office of Foreign Assistance oversee the Department's Mission Resource Request process, which requires each mission to complete a request for the resources needed to support the mission's foreign policy, and where applicable, its development and management objectives.

Lastly, the Bureau of Global Talent Management is responsible for recruiting, retaining, and sustaining the Department's workforce. Within the bureau, the Office of Overseas Employment formulates policies, regulations, and programs for the overseas employment of locally employed (LE) staff and family members serving the Department of State and other U.S. Government agencies at U.S. missions abroad. In 2017, the Office of Overseas Employment issued the *Policy on Employment on Locally Employed Staff at U.S. Missions in Suspended Operations Status*, which provides additional guidance on how remote missions should manage and support those LE staff who continue to work in the host country following a suspension of operations.⁴

Guidance for Establishing and Maintaining an Overseas Post

The Foreign Affairs Manual (FAM) defines the procedures that should be followed when opening, closing, or reopening an overseas mission.⁵ Specifically, 2 FAM 400, "Opening, Closing, or Changing the Status of a Foreign Post," explains the process to open, close, or change the status of a foreign service post, including the process for requesting authorization and the factors to consider in making, clearing, and approving the request. For an embassy or consulate that is open, the FAM, the Foreign Affairs Handbook (FAH), and the Federal Assistance Directive (FAD) provide guidance on a range of operational issues.⁶

In 2017, the Department developed and implemented the Senior Committee for Overseas Risk Evaluation (SCORE) process to aid the Department when making decisions to begin, restart, continue, reconsider the personnel footprint, or discontinue operations.⁷ This process takes place annually for all posts on the "high threat, high risk" list, although it can also be executed

⁴ See the Bureau of Global Talent Management, Office of Overseas Employment, *Policy on Employment of Locally Employed Staff at Missions in Suspended Operations Status*, 2017.

⁵ According to 2 FAM 111.2, "Definitions," a "mission" is any diplomatic mission, any consular post, or any post maintained to conduct relations between the United States and a public international organization or other international entity.

⁶ The FAD establishes internal guidance, policies, and procedures for all domestic and overseas grant-making bureaus, offices, and posts within the Department when administering Federal financial assistance. See Bureau of Administration, Office of the Procurement Executive, *Federal Assistance Directive 1*, October 2020.

⁷ See 12 FAM 490, "Diplomatic Security High Threat High Risk Post Review Process Responsibilities." The SCORE process officially replaced the previously established Vital Presence Validation process that was established in 2014.

on an ad hoc basis.⁸ The annual SCORE assessments are facilitated by the Office of Crisis Management and Strategy and consider factors such as ongoing threats to a post including any mitigating factors, as well as the post's staffing and mission.

Both the FAM and the FAH also provide guidance on the hiring and training of Department personnel, including Civil Service employees, Foreign Service personnel, and LE staff. Personnel at embassies and consulates usually include a combination of direct-hires—that is, U.S. citizens who are Foreign Service or Civil Service employees—and LE staff. LE staff are typically citizens of the host country and are employed under the authority of the chief of mission. Following an evacuation or suspension of operations, LE staff may remain in the host country and continue to work, depending on the mission's needs.

AUDIT RESULTS

Finding A: The Department Has Not Instituted Formal Protocols To Inform the Establishment and Operations of Remote Diplomatic Missions

The Department has not instituted formal protocols and guidance to inform decisions regarding when and how remote missions should be established or a methodology to identify and provide resources to support mission-essential functions and guide daily operations. Although the Department has established procedures that outline the process for requesting authorization to open, close, or change the status of an overseas post, these provisions are applicable only to the opening of a new foreign post where the Department has not previously had an official presence. Specifically, 2 FAM 400, "Opening, Closing, or Changing the Status of a Foreign Service Post," explains the process for requesting authorization to open, close, or change the status of a Foreign Service post; identifies the offices that are involved in the decision-making process; and lists the many factors, including resource and operational issues, to consider during that process. Among these factors are the following:

- Advantages to the U.S. Government in maintaining U.S. representation in the locality.
- Availability of housing and office space, food, communication and transportation, recreation and medical facilities, and other conditions that would affect the personnel assigned to the post.
- Availability of personnel, funds, office furniture and supplies, and automotive equipment from other posts in the area.
- Estimated initial and long-range requirements for additional personnel, funds, supplies, and equipment.⁹
- Anticipated operational security risks.

⁸ 22 U.S.C. § 4803(d)(2), "Designation of high risk, high threat posts," defines "high risk, high threat post" as a diplomatic or consular post or other U.S. mission abroad, as determined by the Secretary, that, among other factors, is located in a country with high to critical levels of political violence and terrorism, and the government of which lacks the ability or willingness to provide adequate security; and has mission physical security platforms that fall below the Department's established standards.

⁹ 2 FAM Exhibit 411.2(A), "Factors to Consider."

However, 2 FAM 400 does not address the resumption of operations of a post that has been suspended or closed for an extended period of time or the changing of an established post's location. Specifically, existing FAM provisions do not provide for the relocation of an established mission to another country. In fact, according to Department officials, which OIG confirmed, there are no provisions in the FAM that govern the establishment or daily operations of remote missions.

Based on discussions with Department officials, OIG determined there are two main reasons for the lack of formal protocols and guidance for remote missions. First, historically, the Department has established relatively few remote missions. Second, a remote mission is viewed as a temporary measure with the intent to return to normal diplomatic operations inside the host country as soon as possible. Consequently, there has not been a strong incentive to invest resources to establish and institute formal protocols and guidance for remote missions.

However, it is important to consider that the Department currently has three remote missions operating worldwide: the VAU, which has been open for almost 2 years; the YAU, which has been open for more than 6 years; and the Libya External Office, which has been open for almost 7 years. Moreover, the SU operated from U.S. Embassy Nairobi, Kenya, for more than 9 years before moving back to Somalia and establishing a diplomatic presence at the airport in Mogadishu. One Department official observed that remote missions are no longer a temporary phenomenon and there needs to be established guidance and standards that remote missions can follow. Therefore, OIG concludes that establishing formal policies and guidance, as well as documenting best practices and lessons learned regarding the establishment and operations of remote missions, would help alleviate common challenges inherent to these missions.

Remote Diplomatic Missions Have Been Established Without Formal Guidance, and Their Status Has Not Been Regularly Reviewed

Because there is no FAM provision providing criteria for when and how a remote mission should be established and instituted, OIG found that the Department's regional bureaus typically collaborated with each other, relying on informal advice, and utilizing ad hoc approaches when establishing remote missions.¹⁰

¹⁰ Office of Management Strategy and Solutions officials stated that they drafted unique President's Letters of Instruction for the Yemen Affairs Unit and Mission Somalia, but the letters have not been signed by the President. (At the time they initially drafted the President's Letters of Instruction, the VAU had not yet been established.) President's Letters of Instruction communicate the President's foreign policy priorities and define the chief of mission authority and security responsibilities for the assigned post. The President's Letters of Instruction are generally revised by each new administration. Officials told OIG that they are reluctant to update guidance regarding when and how a remote mission should be established until the President's Letters of Instruction are signed, indicating the administration's approval for the remote missions model.

The Somalia Unit

The Department closed U.S. Embassy Mogadishu, Somalia, on January 5, 1991, but established a special representative based at the U.S. Embassy in Nairobi, Kenya. According to Department officials, Kenya was chosen as the location for the SU when it was established in 2007 because of its proximity to Somalia and because a significant portion of Somali expatriates were based in Kenya. In addition, Embassy Nairobi is one of the Department's largest embassies and, as a result, was able to provide the SU with needed services and support. In January 2013, the U.S. Government formally recognized the newly formed Federal Government of Somalia. In February 2015, the Department began the process of normalizing diplomatic relations with Somalia and appointed an ambassador to the post. In December 2018, the Department returned to Somalia, setting up operations at the airport in Mogadishu. One year later, the Department officially established Embassy Mogadishu as a permanent post. Although the Somalia Unit no longer exists as a remote mission, some staff continue to be based at Embassy Nairobi, and Embassy Mogadishu continues to rely on Embassy Nairobi for support services.

The Yemen Affairs Unit

According to Department officials, the YAU was placed at the U.S. consulate in Jeddah, Saudi Arabia, partly because of its proximity to Yemen. In addition, because Saudi Arabia was heavily involved in the ongoing conflict in Yemen and was conducting airstrikes in the country and backing Yemeni allies in their fight against the Houthis, it was believed that both the YAU and Embassy Riyadh would face common diplomatic interests with respect to Yemen. Before the Department suspended operations at Embassy Sana'a in February 2015, the Bureau of Near Eastern Affairs began coordinating with Mission Saudi Arabia for the necessary management support and briefing the Yemeni government on its plans to establish the YAU.¹¹ Additionally, Department officials involved in establishing the YAU consulted with post officials at the Libya External Office, asking them about lessons learned regarding establishing a remote mission and navigating relationships with the host mission. The YAU was formally established at U.S. Consulate Jeddah, Saudi Arabia, in March 2015. In May 2018, the YAU moved to Embassy Riyadh because the YAU staff spent considerable time in Riyadh working with their Yemeni counterparts who were based in Riyadh.

The Venezuela Affairs Unit

When operations at Embassy Caracas were suspended in March 2019, a senior post official stated that it was necessary to establish a base of operations elsewhere in the region because "Washington [DC] would not be viable as the base of operations for addressing the U.S. Government's interests in Venezuela and for conducting diplomacy." In determining how to proceed, officials from the Bureau of Western Hemisphere Affairs consulted with their counterparts in the Bureau of Near Eastern Affairs regarding their experiences in establishing

¹¹ According to 2 FAM 111.2, a diplomatic mission is a post, generally designated as an embassy maintained to conduct continuing diplomatic relations between the Government of the United States and another government. The Department has three posts in Saudi Arabia: Embassy Riyadh, U.S. Consulate General in Jeddah, and the U.S. Consulate General in Dhahran. Collectively, these three posts represent Mission Saudi Arabia.

the Libya External Office and the YAU. Bureau of Western Affairs officials considered several locations for the VAU and developed a decision matrix outlining the strengths and weaknesses of each possible location. Although there is no Department-wide policy requiring the use of such a decision matrix, officials created the matrix to help inform their decision about where to locate the VAU and to provide transparency to anyone who might want to understand how they ultimately arrived at the conclusion that the VAU should be located at Embassy Bogota. Bureau of Western Hemisphere Affairs officials then made the recommendation to the Under Secretary for Management, who in turn, approved the decision. The Department then sent a letter of intent to Congress about its plan to open the VAU in Bogota. Department officials ultimately decided that Colombia made the most sense because of its proximity to Venezuela and because Embassy Bogota had space available to accommodate the VAU staff.

Although all three missions followed slightly different paths when establishing a base of operations in another country, officials stated that they had limited institutional knowledge to draw on when making decisions about how to establish the mission and institute daily operations. They further noted that the Department now has enough experience with establishing remote missions that it can use that institutional knowledge to develop guidance to inform decisions regarding when and how future remote missions should be established. One Ambassador stated that policies outlining how remote missions are established, to include the respective roles and responsibilities of both the remote mission and the host mission, should be institutionalized in the FAM.

In addition to the lack of guidance regarding when and how to establish a remote mission, Department officials also noted that remote missions are not subject to regularly scheduled status reviews by senior Department officials. Several Department officials stated that remote missions should be subject to regular status reviews similar to the SCORE process.¹² These reviews might consider whether remote missions should continue to exist indefinitely as independent posts with their own chief of mission or whether they should be restructured in some way to make them sustainable over the long term. One Ambassador observed that the YAU was established as a temporary measure following the Department's decision to suspend operations in Yemen. Because the Department initially believed that they would be able to return to Sana'a within a few months of the suspension of operations in 2015, there has been no long-term planning or regular reviews of the YAU even though it has operated as a remote mission for more than 5 years. A former YAU Ambassador stated that, to his knowledge, the last review of the YAU was conducted in 2016 when the change of administration prompted a review of the YAU's staffing and functions. At that time, it was discussed whether the YAU should remain a stand-alone accredited mission with its own chief of mission or be restructured as a unit within Embassy Riyadh under the direction of Embassy Riyadh's chief of mission. Ultimately, Department senior leadership decided that the YAU would remain a remote mission with its own chief of mission. Similarly, a senior official at the VAU stated that he was unaware

¹² One Department official stated that SCORE assessments would not typically be performed for remote missions until the Department was ready to consider reestablishing a presence in the host country. For example, a SCORE assessment would not be performed for the YAU until the Department initiated plans for a return to Yemen.

of any periodic reviews of the status of the VAU but pointed out that the VAU has only been operational since August 2019.

A former YAU Ambassador stated that the recent change of administration may provide an opportunity for the Department to review the status of those remote missions currently in operation to determine whether they should continue in their current form or perhaps be restructured in some way to better reflect the administration's priorities. Another senior official at the YAU concurred, stating that there should be "trigger points" for periodically reviewing the status of a remote mission and that the reviews should be conducted by senior staff with feedback from relevant stakeholders. Another senior official at Embassy Riyadh concurred, telling OIG that remote missions may exist for years under conditions that were originally intended to be temporary. Multiple officials OIG interviewed stated that they would like to see more formal and regular reviews of the status of these remote missions. Therefore, OIG is offering the following recommendations.

Recommendation 1: OIG recommends that the Under Secretary for Management, in coordination with the regional bureaus, develop and implement guidance to include criteria, standards, and other direction, as appropriate, for opening and closing those missions that may temporarily establish operations outside of their respective host countries. The guidance should include criteria and standards to inform when, where, and how such missions should be established.

Management Response: The Acting Under Secretary for Management concurred with the recommendation, stating that the Under Secretaries for Management and Political Affairs would work in coordination with Policy Planning Staff, the regional bureaus, and other stakeholders to "review the practice of establishing remote missions, to include eventually determining whether a policy should be codified in the Foreign Affairs Manual."

OIG Reply: On the basis of the Acting Under Secretary's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the Under Secretary for Management has developed and implemented guidance to include criteria, standards, and other direction, as appropriate, for opening and closing those missions that may temporarily establish operations outside of their respective host countries.

Recommendation 2: OIG recommends that the Under Secretary for Management, in coordination with the regional bureaus, develop guidance requiring regional bureaus to implement a process to periodically reevaluate the status of those missions that have temporarily established operations outside of their respective host countries to determine whether those missions should continue to exist in their current form.

Management Response: The Acting Under Secretary for Management concurred with the recommendation, stating that the Department "will direct the regional bureaus to draft

action memos to the Under Secretary for Political Affairs, requesting approval of continued use of a given remote mission.”

OIG Reply: On the basis of the Under Secretary’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the Under Secretary for Management has developed guidance requiring regional bureaus to implement a process to periodically reevaluate the status of those missions that have temporarily established operations outside of their respective host countries to determine whether those missions should continue to exist in their current form.

Remote Missions Officials Must Address Working Relationships and Resource-Sharing Agreements With the Host Mission

In the course of establishing a remote mission, Department officials must address issues stemming from the mission being located outside the borders of its host country in the facilities of another U.S. diplomatic mission, known as the “host mission.” These issues include diplomatic privileges and immunities, mechanisms for coordination related to each chief of mission’s roles and responsibilities, shared services, and other resource issues, such as staffing and space.

Diplomatic Privileges and Immunities

An official in the Department’s Office of the Legal Adviser stated that one challenge related to establishing remote missions is negotiating diplomatic privileges and immunities. When staff depart a country, the diplomatic privileges and immunities afforded to them in that country typically end—even when they continue to perform diplomatic duties related to that country from outside its borders. In addition, although remote mission staff are physically co-located with another mission, they are not performing diplomatic duties related to the host country. For example, the staff serving at the YAU primarily perform diplomatic duties related to Yemen. Although they are physically located at Embassy Riyadh with permission from the Kingdom of Saudi Arabia, they do not perform diplomatic duties related to Saudi Arabia.

Regardless, the Department must ensure that these staff are provided diplomatic privileges and immunities in both countries. For the YAU, the Department negotiated a bilateral agreement with the Saudi government, in which YAU staff retained the privileges and immunities originally granted by Yemen, but also received many of the same privileges and immunities from the Kingdom of Saudi Arabia as staff posted at Embassy Riyadh. When staff at the SU were still based at Embassy Nairobi, the Department was able to obtain dual accreditation, gaining agreements for staff to be provided diplomatic immunity and privileges from the governments

of both Somalia and Kenya.¹³ For VAU staff, the Department also pursued dual accreditation, seeking diplomatic privileges and immunities in both Venezuela and Colombia.¹⁴

Memoranda of Understanding Provide Mechanisms for Coordination Between the Remote Mission and the Host Mission

Lacking formal guidance on how to operate a remote mission, Department officials use memoranda of understanding (MOUs) to establish the relationship between the remote mission and its host mission. Because there is no standardized template for these MOUs, officials shared copies of previously established MOUs with each other and then adapted them to reflect the specific needs of their mission. For example, officials at the YAU utilized lessons learned from the Libya External Office when drafting its MOU with Embassy Riyadh. Similarly, VAU officials used the MOU between the YAU and Embassy Riyadh as a template to develop their own MOU with Embassy Bogota. With regard to the SU, a formal MOU was not established with Embassy Nairobi until 2015, 8 years after it was established in 2007. A Department official stated that prior to 2015, the two missions verbally agreed on areas of coordination.

OIG reviewed the MOUs established between the remote missions and their respective host missions and found that they addressed many of the same issues. For example, common subjects addressed in the MOUs included:

- Roles, responsibilities, and general management of the relationship between the remote mission and the host mission.
- Information and communication management.
- Financial management.
- Committee representation.
- Emergencies and safety policies.
- Representational events.
- Security of personnel.
- Housing policies.

Officials from the YAU, VAU, and Embassy Mogadishu agreed that the MOUs are necessary and important, in part, because they memorialize agreements and understandings between the remote mission and the host mission. These officials said that having a record of established agreements is particularly valuable when there is staff turnover. A VAU official stated that, among other things, MOUs clarify day-to-day responsibilities, such as who is responsible for sending diplomatic cables when one chief of mission is co-located with another chief of mission, as well as defining opportunities for coordination between the two missions. For example, an official at the YAU stated that its MOU with Embassy Riyadh includes provisions for YAU officials

¹³ Diplomatic accreditation is the act of sending an envoy with letters of authorization or credentials guaranteeing his or her status from the head of their government to the head of state of another government.

¹⁴ According to a Western Hemisphere Affairs official, as of March 2021, dual accreditation to staff assigned to the VAU had not yet been provided.

to participate in Embassy Riyadh's weekly country team meetings and to be members of that embassy's Emergency Action Committee, Awards Committee, and Housing Committee.

Although the MOUs are a valuable tool for documenting agreements between the remote mission and the host mission, they have not been consistently updated to reflect changing needs. For example, a post official at Embassy Mogadishu stated that its MOU was out-of-date almost as soon as it was drafted.¹⁵ He said that at the time the MOU was drafted, it was difficult to envision Embassy Mogadishu's procurement needs. As a result, in the MOU, there are provisions for Embassy Mogadishu to receive support from one dedicated procurement agent based in Nairobi, but they already have more work than one person can handle. Further, staff at remote missions reported that they were sometimes reluctant to request a revision to the MOU because they wanted to be seen as good "guests" of the host mission. Officials in the Office of Management Strategy and Solutions stated that even though they facilitated the development of the MOU between the SU and Embassy Nairobi, there is no Department-wide policy regarding the use of MOUs or how frequently they should be updated.

Shared Services and Other Resources

In addition to MOUs, remote missions also entered into International Cooperative Administrative Support Services (ICASS) agreements with the host missions to obtain various support services.¹⁶ Although each remote mission subscribes to the ICASS services offered by its host mission, it does not necessarily receive all of its support services from that mission. For example, the VAU and the YAU did not initially receive financial support services from the Financial Management Centers at their respective host missions. Such services—which include payroll, cashier services for post personnel, and processing payments for travel vouchers and procurements—are typically provided under the terms of ICASS agreements.¹⁷

The VAU and YAU instead received financial support from the Department's Post Support Unit in Charleston, South Carolina. Post officials at the VAU reported that receiving support from the Post Support Unit in Charleston was problematic because, in their view, the Post Support Unit in Charleston is not as familiar as the embassy-based financial centers with the needs of overseas posts.¹⁸ For example, at one point, LE staff who remained in Venezuela after the suspension of operations had accrued a \$0.13 phone bill. VAU officials said that staff at the Post Support Unit did not understand the severe impact of hyperinflation on the exchange rates in

¹⁵ Although the Somalia Unit no longer functions as a remote mission, Embassy Mogadishu still relies on Embassy Nairobi for a number of support services.

¹⁶ The ICASS system is the mechanism by which agencies manage and pay for shared administrative services at U.S. embassies and consulates abroad. 6 FAH-5 H-441, "Bill Payments Policy," outlines how the ICASS platform is used to collect payments from all agency programs operating abroad to meet the costs of providing support services at a post.

¹⁷ 6 FAH-5 H-341.10, "Financial Management Services."

¹⁸ In response to a draft of this report (see Appendix H), the Bureau of the Comptroller and Global Financial Services requested that OIG explain that the statements made by VAU officials regarding the Post Support Unit's familiarity with the needs of overseas posts were based on the individual experiences of those interviewed for this audit.

Venezuela and did not believe that the bill was legitimate. According to VAU officials, the Post Support Unit refused to pay the bill and phone service was consequently cut off due to nonpayment. The VAU terminated its agreement with the Post Support Unit in January 2020, and now receives support from the Financial Management Center at Embassy Bogota through its existing ICASS agreement. According to officials at the Bureau of Western Hemisphere Affairs, this arrangement better meets their needs. Conversely, current YAU officials noted that they have a good working relationship with the Post Support Unit and believe that their needs are being met. Further, Embassy Riyadh officials explained that its Financial Management Center does not have the resources to provide needed financial support services to the YAU. Therefore, the YAU continues to receive financial support services from the Post Support Unit in Charleston.

Office space is another issue for remote missions that has not been fully addressed in the MOUs or ICASS subscriptions. At the YAU, the Ambassador, the Deputy Chief of Mission, and the United States Agency for International Development Mission Director are the only staff that have their own offices at Embassy Riyadh. The remaining YAU staff share a single room divided into cubes—a space called the “bullpen.” Staff at the VAU also reported that while the Ambassador has his own office, the rest of the staff share a single, narrow room divided into cubes, and referred to as the “submarine.” The YAU determined that it needed space at Embassy Riyadh for 21 U.S. direct-hire staff and the VAU determined that it needed space at Embassy Bogota for 14 U.S. direct-hire staff. In both cases, the remote missions were established under the premise that they would be temporary, and the limited space provided by the host mission was an adequate solution in the short-term. However, over time, the space limitations for the two remote missions have, in part, impacted their ability to hire additional staff. As a result, the assigned staff have had to take on more duties. Staff at the YAU and VAU reported that they sometimes work long hours, including nights and weekends, to keep up with their work requirements. Figures 2 and 3 show the workspaces assigned to the YAU and VAU.



Figure 2: The “bullpen” where the majority of staff at the YAU work. (Source: OIG, February 18, 2020)



Figure 3: The “submarine” where the majority of staff at the VAU work. (Source: Venezuela Affairs Unit, January 27, 2021)

The Bureau of Budget and Planning and the Office of Foreign Assistance oversee the Department's Mission Resource Request process. Specifically, the Mission Resource Request is the first step in the Department's budget formulation process. Each mission completes a request for the resources needed to support its integrated country strategy's mission and management objectives. The Mission Resource Request is part of an interagency process that informs the Regional Bureau Resource Request, the Office of Management and Budget Submission, and the Congressional Budget Justification.

According to regional bureau officials, the Mission Resource Request is the process by which each remote mission should request needed resources to include additional staff and office space. However, there is some confusion about whether the Mission Resource Requests should reflect the ongoing operational needs in the host country, the remote mission, or both. Specifically, the Mission Resource Requests completed for Yemen from FY 2016 to FY 2020 did not reflect the actual staffing pattern at the YAU. Instead, they appeared to be based on Embassy Sana'a staffing figures prior to the suspension of operations in 2015.¹⁹ Based on information previously provided to OIG, the YAU underwent a significant staffing reduction when operations were suspended in Sana'a and the YAU was first established in Saudi Arabia. For example, in September 2015, there were a total of 12 U.S. direct-hire staff assigned to the YAU. Furthermore, in 2018, the YAU reduced the total number of LE staff working in Sana'a by almost 70 percent. Similarly, in FY 2018, a Mission Resource Request was completed which reflected Embassy Sana'a staffing figures, but the Ambassador also issued a memo in April of the same year which noted that, "There is no Mission Resource Request or Rightsizing exercise specific to an Embassy in suspended operations." The memo then goes on to note the YAU's specific staffing needs in Riyadh. According to a YAU official, it is likely that Mission Resource Requests for the first few years after the YAU was established reflected the Department's anticipated needs in Sana'a in the event that the Department was able to reestablish a presence in Yemen rather than the remote mission's needs in Saudi Arabia. The same YAU official noted that, due to their unique circumstances, remote missions may need additional guidance on how to complete Mission Resource Requests and that, ideally, they should address both the needs of the LE staff who continue to work in the host country as well as the needs of those staff who are based at the remote mission. To address the identified deficiencies, OIG offers the following recommendations.

Recommendation 3: OIG recommends that the Under Secretary for Management, in coordination with the regional bureaus and the Office of the Legal Adviser, develop and implement guidance regarding the creation, content, and periodic reevaluation of memoranda of understanding to facilitate working relationships and resource sharing

¹⁹ According to YAU officials, some of the Mission Resource Requests for the time period in question may have been completed prior to the suspension of operations in 2015. For example, the FY 2016 Mission Resource Request would likely have been completed in 2014. However, starting in FY 2021, the Mission Resource Requests completed for the YAU reflected correct staffing figures for both U.S. direct-hire staff based in Riyadh as well as those LE staff who continue to work in Sana'a.

agreements between those missions that have temporarily established operations outside of their host countries and their respective host missions.

Management Response: The Acting Under Secretary for Management concurred with the recommendation, stating that the Under Secretaries for Management and Political Affairs would work in coordination with Policy Planning Staff, the regional bureaus, and other stakeholders, to “review the practice of establishing remote missions, to include consideration of the development and implementation of guidance regarding the creation, content, and periodic reevaluation of [MOUs] to facilitate working relationships and resource sharing agreements between those missions that have temporarily established operations outside of their host countries and respective host missions.”

OIG Reply: On the basis of the Acting Under Secretary’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the Under Secretary for Management has developed and implemented guidance regarding the creation, content, and periodic reevaluation of MOUs. The guidance will aim to facilitate working relationships and resource sharing agreements between those missions that have temporarily established operations outside of their host countries and their respective host missions.

Recommendation 4: OIG recommends that the Under Secretary for Management, in coordination with the regional bureaus, develop and implement a template for the memoranda of understanding that can be used to facilitate working relationships and resource sharing agreements between those missions that have temporarily established operations outside of their host countries and their respective host missions.

Management Response: The Acting Under Secretary for Management concurred with the recommendation, stating that the Under Secretaries for Management and Political Affairs would work in coordination with Policy Planning Staff, the regional bureaus, and other stakeholders to “review the practice of establishing remote missions, to include the consideration of the development and implementation of guidance regarding the creation, content, and periodic reevaluation of [MOUs] to facilitate working relationships and resource sharing agreements between those missions that have temporarily established operations outside of their host countries and their respective host missions.”

OIG Reply: On the basis of the Acting Under Secretary’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the Under Secretary for Management has developed and implemented a template for the MOUs that can be used to facilitate working relationships and resource sharing agreements between those missions that have temporarily established operations outside of their host countries and their respective host missions.

Recommendation 5: OIG recommends that the Bureau of Budget and Planning, in coordination with the Office of Foreign Assistance and the regional bureaus, develop and implement guidance to ensure that those missions that have temporarily established operations outside of their respective host countries complete annual Mission Resource Requests that reflect both the ongoing operational needs in the host country as well as those of the remote mission.

Management Response: The Bureau of Budget and Planning concurred with the recommendation, stating that for the next Mission Resource Request cycle, beginning in January 2022 for FY 2024, the Bureau and the Office of Foreign Assistance “will develop specific guidance for how remote diplomatic missions should be incorporated into the [Mission Resource Requests].” The bureau also noted that the “specifics of such guidance may still depend on the size and location of each mission, and the perspective of the regional bureaus.”

OIG Reply: On the basis of the Bureau of Budget and Planning’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the Bureau of Budget and Planning has developed and implemented guidance to ensure those missions that have temporarily established operations outside of their respective host countries complete annual Mission Resource Requests that reflect both the ongoing operational needs in the host country as well as those of the remote mission.

Department Officials Confronted Challenges Related to Managing Daily Operations and Mission Resources in the Host Country After the Suspension of Operations

When operations were suspended at the embassies reviewed in this audit, all of the U.S. direct-hire staff employed at the embassies left the country, leaving behind evacuated embassy buildings, facilities, and equipment. Some of the U.S. direct-hire staff who worked at these embassies moved to the newly established remote mission. At the same time, some LE staff remained behind and continued to work in the host country supporting the newly established remote mission. This situation created operational and management challenges for the remote mission.²⁰ For example, there are no protocols in place to help posts determine whether vacated embassy buildings and facilities in the host country can or should be subject to routine maintenance following a suspension of operations, nor is there guidance on the unique decisions remote missions may have to make when it comes to keeping or terminating leases in the host country. There is also limited guidance on how to oversee, train, and procure equipment for LE staff who remain in the host country. Finally, there is no guidance on how to provide consular

²⁰ In two previously issued reports, OIG addressed some of the operational and management challenges faced by remote missions including the oversight of LE staff and communication with LE staff and host country government officials. See OIG, *Management Assistance Report: Additional Guidance Needed to Improve the Oversight and Management of Locally Employed Staff Serving at Remote Missions* (AUD-MERO-20-40, September 2020); and *Management Assistance Report: Remote Missions Face Challenges Maintaining Communications With Locally Employed Staff and Host Country Government Officials* (AUD-MERO-21-16, March 2021).

services (such as issuing passports and visas), conduct oversight of security operations, and organize meetings with diplomatic counterparts when working in a remote mission.

Maintenance and Retention of Vacated Embassy Buildings

“Overseas Buildings Operations” in the FAM establishes policies and guidelines for the acquisition, construction, management, maintenance, and disposal of real property abroad for all foreign affairs agencies represented at overseas posts.²¹ Specifically, 15 FAM 113.3-2 (8), “Single Real Property Manager (SRPM) Responsibilities,” states that the Bureau of Overseas Buildings Operations (OBO) is responsible for ensuring that U.S. Government-held real property is safe for use and occupancy and is maintained in good condition. In addition, the FAM states that the chief of mission, or his or her designee, is responsible for ensuring that preventive, routine, and special maintenance programs are implemented and provides examples of those maintenance and repair activities, including the maintenance and repair of electrical, plumbing, heating and air conditioning, and mechanical systems.²² However, there are no provisions in the FAM outlining how or whether posts should attempt to maintain vacated properties, including embassy compounds, following a suspension of operations.²³

When the Department suspended operations at the U.S. Embassy Sana’a in 2015, it vacated a compound that included the main chancery, staff housing, a warehouse, and other buildings. In addition, at the time, a \$235 million construction project to upgrade existing buildings and build new facilities on the compound was 92 percent complete. In the lead-up to the suspension of operations, embassy staff took some steps in response to the drawdown, including shutting down IT servers and destroying sensitive materials. However, according to Department officials, the evacuation was sudden and there was no time to properly shut down all embassy facilities. For example, generators and other building systems were left running at the time of the evacuation. Since then, the embassy buildings have not been subject to routine maintenance or repairs. Figure 4 shows a recent photo of the evacuated embassy compound in Sana’a.

²¹ See Volume 15 of the FAM, “Overseas Buildings Operations.”

²² 15 FAM 630, “Maintenance, Repair, and Custodial Responsibilities;” 15 FAM 631, “General;” and 15 FAM 632, “Responsibilities of U.S. Government and Occupant.”

²³ 15 FAM 773, “Closings and Evacuations,” includes provisions for protecting and transferring cultural heritage collection assets, and 15 FAM 736, “Post Closings and Evacuations,” includes provisions for evacuating posts to safeguard sterling silver flatware, as well as directs posts to request instructions for transferring, selling, or disposing of representational supplies, furniture, furnishings, and equipment, and for protecting and transferring cultural heritage assets.



Figure 4: Exterior photo of U.S. Embassy in Sana'a, Yemen
(Source: Regional Security Office, Yemen Affairs Unit, 2021.)

One OBO official stated that it is difficult to speculate on the condition of the embassy buildings without seeing them firsthand, but because the embassy has not been subject to routine maintenance for more than 6 years, the costs of repairs and renovations are “going to be at the high-end of cost spectrum” when the Department returns to Sana’a. The same OBO official added that many building systems may be worn out as result of environmental distress and will likely need to be replaced. In addition, the costs of shipping parts, material, and equipment into the country to support needed repairs is likely to be high.

In Caracas, Venezuela, the Department vacated an embassy compound of more than 27 acres. The chancery and the Marine security guard quarters are the two major buildings that make up the compound. According to the VAU Facilities Manager, LE staff in Caracas have been running the chillers, air handlers, and electrical systems in those buildings to keep them operational since the suspension of operations. Each time LE staff enter the compound to carry out maintenance, they must get formal, written permission from the Regional Security Office and the Under Secretary for Management. In addition, LE staff are not allowed to enter the chancery building because of security restrictions.²⁴ The VAU Facilities Manager further stated that mold is endemic to the region and, without access to the building, the LE staff cannot determine if there are environmental problems that need to be mitigated.

The Department owns the embassy compounds in Caracas and Sana’a and has also leased some property outside the compounds. Officials stated that because the cost of constructing embassies is high and the political implications of the Department divesting an embassy compound are significant, the Department would only consider divesting an embassy compound in very extraordinary circumstances. Therefore, even if an embassy compound is in poor condition after years of neglect, it is unlikely that the Department would consider divesting it. With regard to leased property, Bureau of Western Hemisphere Affairs officials stated that they have terminated some leases around Caracas and as a result, have significantly reduced costs in support of leased properties since the suspension of operations in 2019. In Sana’a, in the years following the suspension of operations in 2015, the Bureau of Near Eastern Affairs also terminated all previously held leases. OBO officials stated that 15 FAM 512.1, “General,” outlines requirements for annual reviews of leased properties in open posts, but that guidance does not explicitly address leased properties in those missions that have

²⁴ Although LE staff in Caracas are not allowed to enter the main chancery building, they are allowed to enter a mechanical room that can be accessed from the back of the chancery. Additionally, LE staff can access mechanical equipment located on the roof of the building via external ladders.

suspended operations and are operating remotely.²⁵ Both OBO and Western Hemisphere Affairs officials stated they would like guidance for downsizing a post to include a timeline for reducing the number of leased properties by a certain percentage, a checklist for evaluating and making decisions about discontinuing leases, and advice on using data and policy to drive decisions. The officials stated they planned to develop a working group to address ongoing decisions relevant to properties in Caracas. To support this effort, among others, OIG offers the following recommendations.

Recommendation 6: OIG recommends that the Bureau of Overseas Buildings Operations develop and implement guidance for (a) shutting down embassy compounds and other facilities and (b) evaluating the feasibility of conducting routine maintenance and repairs following a suspension of operations.

Management Response: OBO concurred with the recommendation, stating that its Facility Management Guidebook published in May 2021 includes a “Facility Deactivation and Preservation Guide.” Included in the guidebook are “The Seven Major Steps of the Deactivation Process,” which specifically address shutting down facilities. OBO also stated that the guidebook includes guidance “on when a post is shut down entirely (i.e., Sana’a and Tripoli), as no maintenance and repairs are expected to be performed.” According to OBO, in other cases when it may be feasible for LE staff to perform some maintenance and repair, such as in Caracas, embassy Facilities staff work with the regional bureau to make a case-by-case assessment. OBO provided OIG with a copy of the May 2021 guidebook in addition to its response to the recommendation.

OIG Reply: Based on documentation provided by OBO, OIG considers this recommendation closed and no further action is required. Specifically, OBO explained that Chapter 4.2.10 of the recent May 2021 Facility Management Guidebook includes information on the steps that can be used by post in preparing for deactivation or shutting down of an embassy compound for an extended period. Among other things, the Guidebook directs Facilities Managers to conduct a condition assessment of the facility and its systems, to correct deficiencies which might slow the deterioration of the facility during the period in which it is unoccupied, and to determine which utilities and systems must be kept running versus those that must be shut down. In addition, one of the “Seven Major Steps of the Deactivation Process” listed is the requirement for Facilities Managers to “develop a maintenance and monitoring plan” as the last step in the process. Specifically, the Guidebook states that, “The optimum schedule for surveillance visits to the property will depend on the location of the property and the number of people who can assist with these activities.”

Recommendation 7: OIG recommends that the Under Secretary for Management, in coordination with the Office of the Legal Adviser and the Bureau of the Comptroller and

²⁵ Remote missions do not have a real property manager assigned to their staff. For posts operating under normal circumstances, the real property manager would be responsible for completing annual reviews of leases in accordance with 15 FAM 512.1.

Global Financial Services, develop and implement guidance in the Foreign Affairs Handbook, 12 FAH-1 Addendum 2.1, for those missions that have temporarily established operations outside of their host countries to consult with the Office of the Legal Adviser, and Bureaus of the Comptroller and Global Financial Services and Overseas Buildings Operations for legal, financial, and operational information to determine retention or disposition of leased property.

Management Response: The Acting Under Secretary for Management stated that “each decision to suspend operations comes with unique circumstances such as the political and/or security environment surrounding the suspended post, and the property portfolio of that location. These circumstances do not lend to universal guidance or policy to systematically scale down or divest of unneeded properties.” However, the Acting Under Secretary for Management also stated that, in coordination with the Office of Management Strategy and Solutions, the Under Secretary for Management will “update 12 FAH-1 Addendum 2.1 with guidance that when post and the regional bureau determine, and [the Under Secretary for Management] approves, to suspend operations that include leased properties, they will consult with the Office of the Legal Adviser, the Bureau of the Comptroller and Global Financial Services, and the Bureau of Overseas Buildings Operations for legal, financial, and operational information to decide on the retention or disposition of those leased properties.”

OIG Reply: OIG’s recommendation in a draft of this report included evaluating what steps are contractually appropriate with regard to continuation, scaling down, or divestiture of leases following suspension of operations, and if appropriate, developing guidance for remote missions. The Acting Under Secretary for Management’s planned actions outlined in a response to a draft of this report, when implemented, will meet the intent of this recommendation because it addresses the need to evaluate the leased property for each remote mission, individually, through guidance to be published in the FAH. Therefore, OIG modified the recommendation to align with the Acting Under Secretary’s planned actions and considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the Under Secretary for Management has developed and implemented guidance in the FAH. The guidance should direct those missions that have temporarily established operations outside of their host countries to consult with the Office of the Legal Adviser and Bureaus of the Comptroller and Global Financial Services and Overseas Buildings Operations for legal, financial, and operational information to determine retention or disposition of leased property.

Locally Employed Staff Continue to Support the Remote Mission from the Host Country

Depending on a mission’s needs, LE staff may continue to work in the host country following an evacuation or suspension of operations. Since 2015, LE staff based in Yemen have worked to support the YAU in Saudi Arabia. Similarly, since 2019, LE staff based in Venezuela have worked to support the VAU in Colombia.

Procuring Equipment for Locally Employed Staff Teleworking

Both the YAU and the VAU have purchased equipment and services—including laptops, cell phones, internet hotspots, and even solar panels—to facilitate the ability of LE staff to work remotely. However, Department officials have cited challenges related to procuring the equipment. For example, it is difficult to ship equipment into Venezuela because of unsecure logistical channels and the current embargo on U.S. goods entering Venezuela.²⁶ It is also expensive and logistically challenging to ship equipment to Yemen, and direct-hire staff cannot travel there to hand-deliver needed equipment. As a result, the YAU makes purchases through local Yemeni vendors.

Officials at both remote missions also stated that because they are not on the ground to supervise the purchase and receipt of equipment, it is difficult for them to provide oversight and accountability for goods and services purchased for use in Venezuela and Yemen. VAU officials stated that, although they have purchased services such as internet hotspots for their LE staff, they have avoided purchasing equipment in Venezuela and most LE staff have continued to work using their own personal devices. In Yemen, the Regional Security Officer found that the LE Procurement Officer based in Sana'a made an estimated \$700,000 in fraudulent procurements between August 2016 and August 2018, including some items that were never delivered. Following an investigation, the LE Procurement Officer was terminated.

The YAU subsequently developed and implemented additional controls to prevent future instances of procurement fraud, including taking additional steps to ensure that local vendors in Yemen are legitimate and requiring LE staff in Sana'a to provide date-stamped photographs of purchased items upon receipt. Officials from the Department's Office of the Procurement Executive—which is in charge of Department-wide acquisition policies and acquisition management—stated that existing procurement steps are well established and have worked in other contingency environments but added that the “scrutiny applied [by the YAU] appears to be a prudent exercise in ensuring an offeror is responsible and qualified.”

Officials from the Office of Logistics Management, which is in charge of Department-wide supply chain activities and logistics policies and procedures, added that the additional procurement controls implemented by the YAU including the YAU's use of date-stamped photographs is essential in those cases where in-person verification cannot be done. Although the YAU has taken steps to document their own additional procedures to ensure adequate oversight over procurements carried out in Yemen and the VAU has attempted to limit the need for procuring supplies in Venezuela, Department officials stated that formalizing additional internal control measures for all remote missions could prevent future instances of fraud. Therefore, OIG offers the following recommendation.

Recommendation 8: OIG recommends that the Bureau of Administration, in coordination with the regional bureaus, establish and implement a process to (a) identify additional

²⁶ The U.S. Embassy in Caracas is not recognized by the Maduro regime; therefore, shipments are not granted diplomatic handling to Venezuela.

internal controls over the procurement of goods and services that can be used to improve oversight and accountability in those countries where there are no U.S. direct-hire staff to oversee the procurement process and (b) share them with those missions that temporarily establish operations outside of their respective host countries.

Management Response: The Office of the Procurement Executive within the Bureau of Administration concurred with the recommendation and stated that the Policy Division, in coordination with the regional bureaus, will develop a Procurement Information Bulletin that establishes and communicates the implementation of a process. The Office of the Procurement Executive further stated that the Procurement Information Bulletin, “will define additional internal controls over the procurement of goods and services for use in countries where there are no U.S. direct-hire staff to oversee the procurement process.”

OIG Reply: On the basis of the Office of the Procurement Executive’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the Bureau of Administration has established and implemented a process to (a) identify additional internal controls over the procurement of goods and services that can be used to improve oversight and accountability in those countries where there are no U.S. direct-hire staff to oversee the procurement process and (b) share them with those missions that temporarily establish operations outside of their respective host countries.

Telework Guidance for Locally Employed Staff

In 2017, the Office of Overseas Employment in the Bureau of Global Talent Management issued the *Policy on Employment on Locally Employed Staff at U.S. Missions in Suspended Operations Status*, which states, “If a U.S. mission has an established telework policy and a [U.S. direct-hire] supervisor determines that it is feasible for certain Caretaker LE Staff to telework during suspended operation status, the [U.S. direct-hire] supervisor may approve telework within country.”²⁷ According to the policy, LE staff designated as “caretaker staff” are authorized by the Under Secretary for Management to continue to perform duties as assigned and receive a full salary following a suspension of operations. In June 2020—5 years after the suspension of operations in Yemen—the YAU initiated the process of establishing telework agreements with its LE staff in Yemen. YAU officials stated that the telework agreements were not established earlier because the embassy compound was closed and those LE staff designated as caretaker staff were expected to continue their work remotely in Sana’a. Thus, YAU officials believed that telework approval was an implicit part of the caretaker staff arrangement.

The VAU, on the other hand, has not established telework agreements with its LE staff in Venezuela. Western Hemisphere Affairs officials stated that LE staff did not voluntarily choose

²⁷ According to the 2017 policy, LE staff not designated as “caretaker staff” are placed on administrative leave while the Department assesses the needs of the mission; their status can be extended every 30 days for a period not to exceed 180 days.

to telework, but instead were forced to work from home because of the suspension of operations, the unstable security situation in Caracas, and the COVID-19 pandemic.²⁸ VAU officials also believed that formal telework agreements were not necessary under the circumstances. Although both the YAU and the VAU believed that LE staff's need to telework was necessitated by the suspension of operations and therefore not voluntary, having formal telework agreements in place can be important for a number of reasons. For example, written telework agreements set expectations about work assignments and performance while teleworking, establish guidelines regarding supervisory oversight and reporting, and ensure compliance with records management and IT policies to include the protection of sensitive information.

An official from the Office of Overseas Employment stated that 3 FAM 2360, "Telework," provides the Department's current framework for telework but it does not address telework arrangements for LE Staff. Office of Overseas Employment officials further noted, "LE Staff employment policies often have unique nuances due to the hiring authority used for LE Staff, local law considerations, and the differing needs of overseas missions." As a result, Office of Overseas Employment officials stated that they are in the process of updating the FAM to include provisions for LE staff telework. The office issued interim guidance on LE staff telework until formal FAM guidance could be drafted and published. Furthermore, in November 2020, Office of Overseas Employment updated its 2017 policy on posts in suspended operations status to include additional guidance regarding telework. To ensure full implementation of its plans, OIG offers the following recommendation and will track its implementation through the audit compliance process.

Recommendation 9: OIG recommends that the Bureau of Global Talent Management update the Foreign Affairs Manual to include provisions for locally employed staff to telework.

Management Response: The Bureau of Global Talent Management concurred with the recommendation and stated, "A new FAM subchapter that provides telework guidance specific to LE Staff has been cleared by Department stakeholders and is being finalized. [The Bureau of Global Talent Management] expects the new FAM subchapter to be published by August 1, 2021." Subsequent to the bureau's response, on June 30, 2021, the Bureau of Global Talent Management provided documentation to OIG demonstrating that 3 FAM 7760 was issued on June 24, 2021, to include provisions for locally employed staff to telework.

OIG Reply: On the basis of recent actions undertaken by the Bureau of Global Talent Management to update the FAM and provide telework guidance specific to LE Staff, OIG considers the recommendation closed, and no further action is required.

²⁸ As a result of the suspension of operations in Caracas and the COVID-19 pandemic, LE staff based in Caracas had limited access to the embassy compound. With the exception of security and maintenance staff, many LE staff were expected to work from home.

Training for Locally Employed Staff

According to 13 FAM 301.1-2b, "Counterintelligence and Insider Threat Training," "Annual online training is required for all Department employees, contractors, and persons who fall under chief-of-mission authority, regardless of agency, who have an OpenNet account."²⁹ For employees without computer access, or for those who may have language barriers, 13 FAM 301.1-2c states that the Bureau of Diplomatic Security offers in-person oral briefings. At overseas posts, the Regional Security Officer conducts the in-person briefings. The VAU Regional Security Officer stated that he held counterintelligence briefings with LE staff in Venezuela through a combination of in-person and virtual briefings. However, the YAU Regional Security Officer stated that he had not provided counterintelligence briefings to the LE staff in Yemen because there was no way to provide the briefings in-person and he had security concerns about providing virtual briefings.

According to 13 FAM 301.1-1a, "Cyber Security Awareness Training," "all Department computer users are required to complete and pass the annual online Cyber Security Awareness course (PS800) before the 1-year anniversary of their last cyber security awareness test." Moreover, in accordance with 12 FAH-10 H-212, "Cybersecurity Awareness and Training Security Controls," Information Systems Security Officers at each post are responsible for ensuring that users whose access is restricted receive the Annual Cybersecurity Awareness for Users with Restricted Access briefing.³⁰ YAU officials stated that they are not currently providing the briefings to LE staff in Yemen. With respect to LE staff in Venezuela, officials in the Bureau of Western Hemisphere Affairs stated that these staff complete the online version of the course when they gain access to OpenNet during occasional visits to the VAU or during short-term assignments to other posts in the region.

According to 13 FAM 301.1-4, "Records Management," "Statutory requirements of the Federal Records Act and mandates by the U.S. National Archives and Records Administration (NARA) Bulletin 2017-01 require all State Department employees (Civil Service, Foreign Service, Locally Employed Staff), contractors ([Personal Services] and Third Party [Contractors]), and other agency personnel with OpenNet access to complete Records Management for Everyone (PK217) once each calendar year." LE staff in Yemen stated that they do not have access to OpenNet and have not taken records management training since the embassy suspended operations in 2015. Furthermore, most reported that they have not taken steps to archive official correspondence sent or received from unofficial email accounts, nor had they received any instruction to do so.³¹ LE staff in Venezuela are able to access OpenNet and enroll in the Department's mandatory training courses during their visits to the VAU and when they deploy on short-term duty assignments to other embassies and consulates in the region.

²⁹ OpenNet is the Department's Sensitive But Unclassified Computer network.

³⁰ 12 FAH-10 H-212.1-3(3), "Cybersecurity Awareness – [Information Systems Security Officer] Responsibilities."

³¹ LE staff based in Yemen established official Department e-mail accounts in 2019, but prior to that, relied primarily on unofficial e-mail accounts for official correspondence. YAU officials noted that LE staff's correspondence with their U.S. direct hire supervisors at the YAU would have been automatically archived through their supervisors' OpenNet e-mail accounts.

In a previously issued report,³² OIG reported that current and former YAU staff stated that LE staff in Yemen do not have access to regular training opportunities. LE staff based in Sana'a explained that although there are occasional opportunities for them to attend training and conferences in other countries, it is difficult for them to obtain visas and passports for travel and to safely travel in and out of Sana'a. Although the 2017 *Policy on Employment of Locally Employed (LE) Staff at Missions in Suspended Operations Status* states that LE staff may request training to complete their work commitments, it did not offer guidance on how U.S. direct-hire supervisors might overcome the challenges specific to remote missions. As a result, OIG recommended that the Office of Overseas Employment develop guidance outlining specific mechanisms for providing LE staff at posts in suspended operations status with ongoing opportunities for training, including those required to fulfill position-specific training requirements and to promote professional development. The Office of Overseas Employment implemented the recommendation and added language to the policy highlighting the need for post management and the regional bureau to work with the Foreign Service Institute in identifying opportunities for training that are available to [LE] staff at remote missions. Although the update to the 2017 policy will generally address the need for LE staff at posts in suspended operations status to have access to training, LE staff working for remote missions continue to face challenges accessing mandatory training, largely due to the fact that they do not have access to OpenNet. To address these shortcomings, OIG is making the following recommendations.

Recommendation 10: OIG recommends that the Yemen Affairs Unit provide Counterintelligence Awareness briefings in accordance with the Foreign Affairs Manual, 13 FAM 301.1-2, "Counterintelligence and Insider Threat Training," to locally employed staff based in Yemen or seek a waiver from the Bureau of Diplomatic Security if it is not feasible to provide the briefings.

Management Response: The YAU concurred with the recommendation, stating that it will request a waiver from the Bureau of Diplomatic Security for those LE staff caretakers without OpenNet access, since in-person training cannot be safely conducted in Sana'a. The YAU also noted that, as of June 9, 2021, eight LE staff caretakers have OpenNet access and have completed the training online.

OIG Reply: On the basis of the YAU's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the YAU has provided Counterintelligence Awareness briefings in accordance with the Foreign Affairs Manual, 13 FAM 301.1-2, "Counterintelligence and Insider Threat Training," to LE staff based in Yemen or sought a waiver from the Bureau of Diplomatic Security if it is not feasible to provide the briefings.

Recommendation 11: OIG recommends that the Yemen Affairs Unit provide Annual Cybersecurity Awareness for Users with Restricted Access briefings in accordance with the

³² AUD-MERO-20-40, September 2020, at 16, 19.

Foreign Affairs Handbook, 12 FAH-10 H-212, "Cybersecurity Awareness and Training Security Controls," to locally employed staff based in Yemen or seek a waiver from the Bureau of Diplomatic Security if it is not feasible to provide the briefings.

Management Response: The YAU concurred with the recommendation, stating that it will request a waiver from the Bureau of Diplomatic Security for those LE staff caretakers without OpenNet access because in-person training cannot be safely conducted in Sana'a. YAU officials further noted that, as of June 9, 2021, eight LE staff caretakers have OpenNet access and have completed the training online.

OIG Reply: On the basis of the YAU's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the YAU has provided Annual Cybersecurity Awareness for Users with Restricted Access briefings in accordance with the Foreign Affairs Handbook, 12 FAH-10 H-212, "Cybersecurity Awareness and Training Security Controls," to LE staff based in Yemen or sought a waiver from the Bureau of Diplomatic Security if it is not feasible to provide the briefings.

Recommendation 12: OIG recommends that the Yemen Affairs Unit, in coordination with the Bureau of Administration, obtain guidance on and implement corrective actions for archiving relevant messages transmitted via locally employed staffs' unofficial email accounts.

Management Response: The YAU concurred with the recommendation but noted that "as stated in the OIG report, messages from LE [s]taff caretakers who communicate with YAU employees are archived via the YAU employees' state.gov accounts." YAU officials further noted that LE staff caretakers no longer use unofficial email accounts for work purposes and those LE staff that need to conduct official email correspondence have America.gov email addresses.

OIG Reply: On the basis of the YAU's concurrence with the recommendation and stated actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the YAU, in coordination with the Bureau of Administration, has fully implemented actions that ensure relevant messages transmitted via LE staff's unofficial email accounts are appropriately archived.

Recommendation 13: OIG recommends that the Bureau of Administration make records management training mandatory for all Department of State personnel who have responsibilities to create, manage, and preserve records that properly and adequately document the policies, decisions, and essential transactions of the Department of State, regardless of whether they have access to OpenNet.

Management Response: The Bureau of Administration stated that it “concurs with the recommendation to make records management training mandatory for all Department personnel regardless of OpenNet access” and confirmed that the mandatory Records Management for Everyone training course (PK217) is currently administered by the Foreign Service Institute via OpenNet. The Bureau of Administration further stated that it “offers as a suggestion to allow post-conducted briefings such as the one mentioned in recommendation 11 for Cybersecurity Awareness training but welcomes any OIG recommended methods to administer PK217 to Department personnel without timely or dedicated access to OpenNet.” The bureau stated that it will work with the Foreign Service Institute to provide a stand-alone version of the course that posts and remote missions could use to comply with mandatory PK217 training. Finally, the bureau stated that it would disseminate a cable to all diplomatic and consular posts announcing the changes.

OIG Reply: On the basis of the Bureau of Administration’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the Bureau of Administration has taken steps to make records management training mandatory for all Department of State personnel who have responsibilities to create, manage, and preserve records that properly and adequately document the policies, decisions, and essential transactions of the Department, regardless of whether they have access to OpenNet.

Provision of Consular Services, Security Operations, and Meeting with Diplomatic Counterparts

Following the suspension of operations, neither the VAU nor the YAU retained consular services. People in Venezuela seeking consular services must contact Embassy Bogota and people in Yemen seeking consular services must contact Embassy Riyadh for assistance.³³ Although LE staff in Caracas and Sana’a assist with consular work, officials at Embassy Bogota and Embassy Riyadh stated that their workload has increased as a result of the suspension of operations of their neighboring missions. For example, according to the Embassy Bogota Consular Officer, work related to Venezuela comprises 25 percent of their workload. In addition, consular affair officials at Embassy Riyadh have also devoted time to cases of detained Americans in Yemen.

The VAU and YAU Regional Security Officers stated that maintaining security operations remotely is also challenging. The Regional Security Officers stated that they rely heavily on the LE staff supervisors working on the ground in Caracas and Sana’a to provide accurate reports on events happening in each country where the LE security staff are located. Both officers stated that they communicate with the LE staff supervisors on a daily basis, either by phone or email and that, given the number of LE security staff in Caracas and Sana’a, it is impossible to have one-on-one interactions with each of the LE staff. As a result, the officers must rely on LE staff

³³ Prior to 2020, Embassy Cairo provided American Citizen Services and Embassy Djibouti provided nonimmigrant and immigrant visa services on behalf of the Yemen Affairs Unit.

supervisors to give them accurate information on which LE security personnel are reporting to work.³⁴ Both Regional Security Officers also stated that they rely on electronic communications applications to communicate with their LE staff. Electronic communications applications are applications that are typically installed on a phone and allow users to text, chat, and share media, including voice messages and video, with individuals or groups. For example, the YAU Regional Security Officer stated he might receive anywhere from 25 to 75 messages per day from his staff regarding the status of security operations on the ground in Sana'a.

In March 2021, OIG reported on the challenges remote missions face maintaining communications with LE staff and host country government officials.³⁵ In that report, OIG explained that LE staff who remained behind in Yemen or Venezuela after the suspension of operations lost access to OpenNet, which hindered their ability to carry out their day-to-day responsibilities. OIG also reported that U.S. direct-hire staff at the VAU, YAU, and Embassy Mogadishu rely on the use of electronic messaging applications to communicate with LE staff in the host country, as well as with host country government officials to continue diplomatic relations. However, the use of these applications does not always align with Department guidance, which, among other things, is designed to safeguard sensitive information and promote compliance with Federal record-keeping requirements. OIG made four recommendations to address the identified deficiencies. Based on the Department's response, OIG considered all four recommendations resolved, pending further action.

Finally, staff at both remote missions reported that they have limited options to meet with their diplomatic counterparts in person. A VAU official stated that almost all of her communications with her contacts in Venezuela are through an electronic communications application. A YAU official stated that her work requires regular contact with Yemeni tribes and diplomatic counterparts but meeting them in person is difficult because she is based in Riyadh, Saudi Arabia. In addition, YAU U.S. direct-hire and LE staff both stated they rely heavily on electronic communications applications to stay in touch with their counterparts.

Although OIG previously identified deficiencies related to the use of electronic communications applications, during this audit, OIG found that these missions face additional challenges related to managing day-to-day operations as a result of operating remotely. As a result, OIG offers the following recommendation.

Recommendation 14: OIG recommends that the Under Secretary for Management, in coordination with the regional bureaus, develop and implement guidance regarding the day-to-day operations of remote missions with a focus on those functions that may be impacted by operating remotely such as the provision of consular services, security operations, and managing diplomatic relations.

³⁴ See, for example AUD-MERO-20-40, September 2020, in which OIG identified challenges remote missions face in overseeing and managing locally employed staff who continue to work from the host country following the suspension of operations.

³⁵ AUD-MERO-21-16, March 2021.

Management Response: The Acting Under Secretary for Management concurred with the recommendation, stating that the Under Secretaries for Management and Political Affairs would work in coordination with Policy Planning Staff, the regional bureaus, and other stakeholders to “review the practice of establishing remote missions, including the consideration of developing and implementing guidance regarding day-to-day operations of remote missions.”

OIG Reply: On the basis of the Acting Under Secretary’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the Under Secretary for Management has developed and implemented guidance regarding the day-to-day operations of remote missions with a focus on those functions that may be impacted by operating remotely such as the provision of consular services, security operations, and managing diplomatic relations.

Documentation of Lessons Learned Would Be a Valuable Resource for Future Remote Missions

The lack of formal policies and guidance for establishing, resourcing, and operating remote missions led regional bureau officials to figure out the details for themselves. Although most officials OIG interviewed agreed that formal policies and guidance are needed, they also felt that documentation of their experiences, including how they addressed unforeseen challenges, would be valuable for officials in the future who suddenly find themselves having to evacuate an embassy and set up operations in another country. They emphasized that remote missions need some latitude in identifying those practices that may work well for their mission versus those that will not. Some officials recommended that a “playbook” or a compilation of best practices and lessons learned should be developed in addition to formal guidance. They stated that, even though guidance such as those directives outlined in the FAM can articulate the Department’s policy as it relates to remote missions, a playbook could include a summary of issues to consider and actions to be taken when establishing and operating a remote mission.

In February 2020, the Bureau of Western Hemisphere Affairs developed a draft cable, “Trials and Triumphs: one year into Suspended Ops - Embassy Caracas,” which summarized their experiences in suspending operations in Caracas and highlighted best practices and lessons learned in establishing the VAU. Among other things, the cable stated that the VAU put in place a robust communications plan and transferred positions to the Venezuela desk in Washington, DC, to help handle the workload. As a result, compiling and sharing advice from those missions that had to suspend operations and establish remote operations would be a valuable step in preventing the need to “reinvent the wheel” when the next remote mission is established. Therefore, OIG offers the following recommendation.

Recommendation 15: OIG recommends that the Under Secretary for Political Affairs, in coordination with the Bureaus of African Affairs, Western Hemisphere Affairs, and Near Eastern Affairs, develop and implement a process to collect, compile, and share best practices, lessons learned, and advice to inform the establishment and operations of

future missions that have temporarily established operations outside of their respective host countries.

Management Response: In an informal response to a draft of this report, the Under Secretary for Political Affairs concurred with the recommendation, stating that in coordination with the regional bureaus and other stakeholders, the Department will “review options to collect and share best practices lessons learned from the establishment of temporary missions outside of their host countries.”³⁶

OIG Reply: On the basis of the Under Secretary’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the Under Secretary for Political Affairs has developed and implemented a process to collect, compile, and share best practices, lessons learned, and advice to inform the establishment and operations of future remote missions.

Finding B: The Department Did Not Always Increase Risk Ratings for Foreign Assistance Awards Executed in Countries Where Operations Were Suspended

OIG found that Department bureaus did not always increase risk ratings and develop corresponding risk mitigation strategies to address the changing operating environment for the grants and cooperative agreements reviewed for this audit. Specifically, six of the eight grants and cooperative agreements reviewed by OIG were designated by the bureaus as “low or medium risk,” rather than “high risk,” despite being implemented in Yemen and Venezuela where the security situation is considered volatile. This occurred in part because there is no Department-wide policy requiring bureaus to consider elevating risk ratings in response to significant changes in the security environment, such as when operations have been suspended. Until this deficiency is addressed, the Department will have limited assurance foreign assistance funds in countries facing volatile security challenges are positioned to achieve desired results and program outcomes.

The Department Currently Does Not Require Reassessments of Risks and Mitigation Strategies Even After the Embassy Suspends Operations

The FAD establishes internal guidance, policies, and procedures for all domestic and overseas bureaus, offices, and posts within the Department with regard to administering Federal financial assistance.³⁷ The FAD states that all bureaus, offices, or posts involved in the awarding of Federal financial assistance “must take a proactive approach to detecting potential risks and mitigating the impact prior to making an award.”³⁸ The FAD states that prior to awarding funds, the awarding bureau, office, or post must conduct a risk assessment for all awards to “estimate

³⁶ Because the Under Secretary for Political Affairs did not provide a formal, signed response to the recommendation per OIG’s protocol, the response was not reprinted as an appendix to this report.

³⁷ FAD, October 2020, at 1.

³⁸ Ibid., at 59.

the significance of an identified weakness or concern, the likelihood of a problem developing, and the possible consequences.”³⁹ According to the FAD, in completing risk assessments, bureaus must use the Risk Assessment Worksheet developed by the Office of the Procurement Executive. Finally, bureaus must conduct risk assessments annually for those grants and cooperative agreements that have a period of performance that exceeds 12 months in duration and use the FAD’s Risk Assessment Worksheet to document the assessments.⁴⁰

OIG selected eight grants and cooperative agreements implemented in Yemen and Venezuela and reviewed documentation to determine how risk assessments were completed for each award. For the eight grants and cooperative agreements that OIG reviewed for this audit, all eight were initially designated by the bureaus as “low or medium risk,” rather than “high risk,” despite being implemented in Yemen and Venezuela where the security situation was considered volatile. According to bureau officials, the designation was based on the results of the Risk Assessment Worksheet developed by the Office of the Procurement Executive. Of the eight grants and cooperative agreements reviewed for this audit, OIG found that only the Bureau of Near Eastern Affairs “overrode” the initial results of the Risk Assessment Worksheet for the grants it managed and increased the risk rating to “high.” Specifically, the bureau designated the *Enhancing the Role of Citizens and Religious Leaders in Yemen’s Political Transition* grant as “high risk” for all 3 years of the grant. The Bureau of Near Eastern Affairs also overrode the results of the Risk Assessment Worksheet for the *Youth Restoring Hope: Nahdhat Shabab Project* and rated it as “high risk” for the first year of the grant. According to the Grants Officer overseeing these projects, the rationale for overriding the results of the initial Risk Assessment Worksheet and rating the grants as “high risk” was “due to the potential loss of life, property and impediment of program activities resulting from the ongoing conflict in Yemen.” However, from 2018 to 2021, OIG noted that although the grant was again rated as “low risk” based on the results of the Risk Assessment Worksheet, the Grants Officer did not override the rating and designate it as “high risk” even though the conflict in Yemen was ongoing. Table 1 shows the risk ratings for each of the eight grants and cooperative agreements that OIG reviewed. Risk ratings that changed over time are noted in the table. Otherwise, the last column of the table indicates the most recent risk rating.

Table 1: Foreign Assistance Awards in Yemen and Venezuela OIG Reviewed

Award	Awarding Bureau	Period of Performance	Award Amount	Risk Rating
Yemen Awards				
Strengthening Yemen: Local and National Capacity to Support the Peace Process	Bureau of Conflict and Stabilization Operations	September 2016 to July 2018	\$1,900,255	Low

³⁹ Ibid., at 60.

⁴⁰ FAD, May 2017, at 57-58; FAD, October 2017, at 58-59; FAD, October 2018, at 59-60; FAD, October 2019, at 58-59; FAD, October 2020, at 61-62.

Award	Awarding Bureau	Period of Performance	Award Amount	Risk Rating
Accountability for Peace: Advancing Transitional Justice Through Human Rights Awareness and Community Reconciliation	Bureau of Democracy, Human Rights, and Labor	April 2017 to September 2021	\$2,172,839	Low/Medium
Youth Restoring Hope: Nahdhat Shabab Project	Bureau of Near Eastern Affairs	August 2017 to May 2021	\$1,999,752	High/Low ^a
Enhancing the Role of Citizens and Religious Leaders in Yemen's Political Transition	Bureau of Near Eastern Affairs	October 2017 to December 2020	\$1,825,110	High ^b
Venezuela Awards				
Emergency Food and Medical Assistance for Venezuela	Bureau of Population, Refugees, and Migration	March 2019 to September 2020	\$8,100,000	Medium
Mitigating Non-State Armed Group Impact on Democratic Transition in Venezuela	Bureau of Conflict and Stabilization Operations	September 2019 to March 2022	\$2,656,375	Medium
Supporting a Political Resolution in Venezuela	Bureau of Conflict and Stabilization Operations	September 2017 to January 2020	\$1,752,996	Medium
Providing Legal Defense to Political Prisoners amidst Repression	Bureau of Democracy, Human Rights, and Labor	May 2017 to August 2021	\$2,172,262	Low

^a This grant was rated as “low risk” in 2017 based on the results of the Risk Assessment Worksheet, but the grants officer overrode the initial risk rating, stating, “Despite the numerical score being low, this project has been designated as high risk due to potential of loss of life, property and impediment of program activities resulting from the ongoing conflict in Yemen.”

^b Although this project was rated as “medium risk” based on the results of the risk assessment worksheet, the grants officer overrode the initial risk assessment for each of the years that the grant was active, stating, “Despite the numerical score being moderate, this award has been designated as “high risk” due to potential of loss of life, property and impediment of program activities resulting from the ongoing conflict in Yemen.”

Source: OIG generated based on data obtained from the respective award agreements.

Although bureau officials designated most of the grants and cooperative agreements as “low to medium risk” despite the volatile security environment, officials told OIG they were cognizant of the environment in Yemen and Venezuela and put in place additional measures to mitigate risks. For example, because bureau officials were unable to conduct in-person site visits, as recommended by the FAD,⁴¹ they required more reporting from the award recipients. Specifically, recipients were required to submit more written progress reports and provide photographic evidence of program activities. Bureau officials also stated that they conducted

⁴¹ See, for example, FAD, October 2020, at 129-130.

more frequent conference calls with the award recipients and program participants and met with the recipients in a third-country location when they could. Nevertheless, bureau officials acknowledged that the Risk Assessment Worksheet they are required to use may not accurately capture the risk.

Specifically, the Risk Assessment Worksheet developed by the Office of the Procurement Executive includes questions that address three broad areas of risk: organizational risk, programmatic risk, and country- or region-specific risk. Each risk category is given an individual score that is weighted and combined into an overall score. Based on the combined score, the project is then designated as “low,” “medium,” or “high risk.” As a result, in Yemen or Venezuela, where there is high country-/region-specific risk, the overall risk designation could be lower if the project is rated “low” in the organizational or programmatic risk categories. OIG highlighted the deficiencies with the Risk Assessment Worksheet in a September 2020 report.⁴² In that report, OIG recommended that the Bureau of Administration, Office of the Procurement Executive, reevaluate the weighting in the Risk Assessment Worksheet and the standardized questions to better account for the unique risks posed by certain high-threat environments. The Department concurred and implemented the recommendation, updating the FAD to explicitly allow officials to adjust the Risk Assessment Worksheet to address organizational, programmatic and country-specific concern.”⁴³ The FAD now states that Federal assistance personnel should not rely solely on the score generated by the template, but also ensure that the level of risk is appropriate based on a “factual analysis of the program, organization, and environment.”⁴⁴ Because the grants and cooperative agreements that OIG reviewed for this audit were initiated prior to the actions taken to address the identified deficiency, OIG is not offering a recommendation specific to the Risk Assessment Worksheet.

However, OIG notes that there is no policy requiring bureaus to reassess risk when there is a change in security circumstances on the ground, such as when operations have been suspended. As a result, six of the eight grants and cooperative agreements reviewed for this audit were considered low or medium risk, rather than high risk. When a Federal Assistance Award is considered high risk, the FAD directs bureaus to implement additional oversight activities such as applying additional scrutiny of potential award recipients prior to the issuance of awards; conducting more frequent monitoring, including on-site visits both at the recipients’ headquarters and at the location of award activity; and applying increased scrutiny of financial and program reports.⁴⁵ The FAD further states that when a high risk is identified, the bureau may also impose specific award conditions in the award provisions, such as requiring the recipient to show evidence of acceptable performance on one phase before allowing the recipient to proceed to the next phase and requiring additional or more frequent progress

⁴² OIG, *Audit of Department of State Foreign Assistance Grants and Cooperative Agreements in Somalia* (AUD-MERO-20-45, September 2020).

⁴³ In October 2020, the Office of the Procurement Executive updated the FAD to allow bureaus to better account for the unique risks posed by certain high-threat environments when developing the risk assessment. In response to their actions, OIG closed the recommendation in October 2020.

⁴⁴ FAD, October 2020, at 61.

⁴⁵ *Ibid.*, at 63.

reports, among others. In addition, the Government Accountability Office's *Standards for Internal Control in the Federal Government* states that management should "identify, analyze, and respond to significant changes that could impact the internal control system."⁴⁶ The suspension of operations is a significant change that could warrant a high-risk designation and require additional risk mitigation measures. Multiple bureau officials responsible for managing foreign assistance awards agreed that there should be a requirement to conduct risk assessments and update mitigating strategies when there is a significant change in the security environment in the country where the project is being implemented. One Grants Officer Representative stated that a requirement to do so would be particularly important for those grants or cooperative agreements that did not previously have a robust risk assessment in place. Another Grants Officer added that he believed a significant change in security circumstances should trigger a review of risk assessments and mitigation strategies.

Annual Risk Assessments Were Not Always Conducted

As discussed previously, according to the FAD, bureaus must conduct risk assessments annually for those grants and cooperative agreements that have a period of performance that exceed 12 months in duration and use the FAD's Risk Assessment Worksheet to document the assessments.⁴⁷ OIG selected three grants and one cooperative agreement implemented in Yemen and reviewed documentation to determine whether the awarding bureaus performed risk assessments annually, as required by the FAD.⁴⁸ OIG found that bureaus conducted risk assessments annually for three of the four grants and cooperative agreements. The noted exception was the Bureau of Democracy, Human Rights and Labor, which did not conduct an annual risk assessment in 2018. Specifically, for the *Accountability for Peace: Advancing Transitional Justice Through Human Rights Awareness and Community Reconciliation* grant that was implemented from April 2017 to September 2021, the bureau conducted risk assessments in 2017, 2019 and 2020 but not in 2018. Bureau officials stated that this may have been an oversight. However, in 2018, the conflict in Yemen was ongoing with the Houthis responding to Saudi coalition-led airstrikes with missile attacks and a worsening of the humanitarian crisis in the country. The status of the conflict in Yemen in 2018 highlights the value of updating risk assessments each year that a project is active. The other bureaus, including Conflict and Stabilization Operations and Near Eastern Affairs, updated annual risk assessments as required.

OIG also selected three cooperative agreements and one grant implemented in Venezuela and reviewed documentation to determine whether bureau officials conducted risk assessments annually, as required by the FAD.⁴⁹ OIG found that one of three cooperative agreements did not have risk assessments conducted annually. Specifically, the Bureau of Population, Refugees, and Migration did not conduct the risk assessment for its *Emergency Food and Medical Assistance for*

⁴⁶ Government Accountability Office, *Standards for Internal Control in the Federal Government*, Principle 9 42 (GAO-14-704G, September 2014).

⁴⁷ FAD, May 2017, at 57-58; FAD, October 2017, at 58-59; FAD, October 2018, at 59-60; FAD, October 2019, at 58-59; FAD, October 2020, at 61-62.

⁴⁸ See Appendix A for sample selection details.

⁴⁹ Ibid.

Venezuela cooperative agreement that was implemented from March 2019 to September 2020. Although the cooperative agreement spanned more than one year, a risk assessment was not conducted in 2020. Bureau officials stated that the agreement was issued as a 12-month award and was later extended for an additional 6 months. Because the cooperative agreement was only extended for 6 months and not a full year, bureau officials did not believe it was necessary to conduct the risk assessment beyond documenting any changes in risk profiles in the ongoing monitoring plan maintained for the award. However, officials from the Office of the Procurement Executive stated that once a project passes the 12-month mark, the requirement to update the risk assessment annually would apply. For the other three grants and cooperative agreements, the awarding bureaus conducted the risks assessments annually in accordance with the FAD requirements.

Although risk assessments for three out of the four grants and cooperative agreements in each country were updated annually in accordance with FAD requirements, the fact that only two of the bureaus elevated the risk rating to high as a result of the unstable security situation in each country raises questions about whether foreign assistance funds in countries facing volatile security challenges are positioned to achieve desired results and program outcomes. Further, questions remain about why bureaus do not consider revisiting risk assessments immediately in response to significant changes in the security environment such as those resulting in an embassy evacuating its staff and suspending operations. Accordingly, OIG is making the following recommendation.

Recommendation 16: OIG recommends that the Bureau of Administration update the Federal Assistance Directive to require that risk assessments for foreign assistance awards be updated within 90 days of a significant change in security circumstances, such as a suspension of operations, in the country where the award is being implemented.

Management Response: The Office of the Procurement Executive within the Bureau of Administration concurred with the recommendation and stated, "The Foreign Assistance Division (FA) will revise the Federal Assistance Directive October 2020 Version 5.0 to require updating risk assessments of all active foreign assistance awards within 90 days of a suspension of operations in the country where the award is implemented."

OIG Reply: On the basis of the Office of the Procurement Executive's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the Bureau of Administration has updated the Federal Assistance Directive to require that risk assessments for foreign assistance awards be updated within 90 days of a significant change in security circumstances, such as a suspension of operations, in the country where the award is being implemented.

RECOMMENDATIONS

Recommendation 1: OIG recommends that the Under Secretary for Management, in coordination with the regional bureaus, develop and implement guidance to include criteria, standards, and other direction, as appropriate, for opening and closing those missions that may temporarily establish operations outside of their respective host countries. The guidance should include criteria and standards to inform when, where, and how such missions should be established.

Recommendation 2: OIG recommends that the Under Secretary for Management, in coordination with the regional bureaus, develop guidance requiring regional bureaus to implement a process to periodically reevaluate the status of those missions that have temporarily established operations outside of their respective host countries to determine whether those missions should continue to exist in their current form.

Recommendation 3: OIG recommends that the Under Secretary for Management, in coordination with the regional bureaus and the Office of the Legal Adviser, develop and implement guidance regarding the creation, content, and periodic reevaluation of memoranda of understanding to facilitate working relationships and resource sharing agreements between those missions that have temporarily established operations outside of their host countries and their respective host missions.

Recommendation 4: OIG recommends that the Under Secretary for Management, in coordination with the regional bureaus, develop and implement a template for the memoranda of understanding that can be used to facilitate working relationships and resource sharing agreements between those missions that have temporarily established operations outside of their host countries and their respective host missions.

Recommendation 5: OIG recommends that the Bureau of Budget and Planning, in coordination with the Office of Foreign Assistance and the regional bureaus, develop and implement guidance to ensure that those missions that have temporarily established operations outside of their respective host countries complete annual Mission Resource Requests that reflect both the ongoing operational needs in the host country as well as those of the remote mission.

Recommendation 6: OIG recommends that the Bureau of Overseas Buildings Operations develop and implement guidance for (a) shutting down embassy compounds and other facilities and (b) evaluating the feasibility of conducting routine maintenance and repairs following a suspension of operations.

Recommendation 7: OIG recommends that the Under Secretary for Management, in coordination with the Office of the Legal Adviser and the Bureau of the Comptroller and Global Financial Services, develop and implement guidance in the Foreign Affairs Handbook, 12 FAH-1 Addendum 2.1, for those missions that have temporarily established operations outside of their host countries to consult with the Office of the Legal Adviser, and Bureaus of the Comptroller

and Global Financial Services and Overseas Buildings Operations for legal, financial, and operational information to determine retention or disposition of leased property.

Recommendation 8: OIG recommends that the Bureau of Administration, in coordination with the regional bureaus, establish and implement a process to (a) identify additional internal controls over the procurement of goods and services that can be used to improve oversight and accountability in those countries where there are no U.S. direct-hire staff to oversee the procurement process and (b) share them with those missions that temporarily establish operations outside of their respective host countries.

Recommendation 9: OIG recommends that the Bureau of Global Talent Management update the Foreign Affairs Manual to include provisions for locally employed staff to telework.

Recommendation 10: OIG recommends that the Yemen Affairs Unit provide Counterintelligence Awareness briefings in accordance with the Foreign Affairs Manual, 13 FAM 301.1-2, "Counterintelligence and Insider Threat Training," to locally employed staff based in Yemen or seek a waiver from the Bureau of Diplomatic Security if it is not feasible to provide the briefings.

Recommendation 11: OIG recommends that the Yemen Affairs Unit provide Annual Cybersecurity Awareness for Users with Restricted Access briefings in accordance with the Foreign Affairs Handbook, 12 FAH-10 H-212, "Cybersecurity Awareness and Training Security Controls," to locally employed staff based in Yemen or seek a waiver from the Bureau of Diplomatic Security if it is not feasible to provide the briefings.

Recommendation 12: OIG recommends that the Yemen Affairs Unit, in coordination with the Bureau of Administration, obtain guidance on and implement corrective actions for archiving relevant messages transmitted via locally employed staffs' unofficial email accounts.

Recommendation 13: OIG recommends that the Bureau of Administration make records management training mandatory for all Department of State personnel who have responsibilities to create, manage, and preserve records that properly and adequately document the policies, decisions, and essential transactions of the Department of State, regardless of whether they have access to OpenNet.

Recommendation 14: OIG recommends that the Under Secretary for Management, in coordination with the regional bureaus, develop and implement guidance regarding the day-to-day operations of remote missions with a focus on those functions that may be impacted by operating remotely such as the provision of consular services, security operations, and managing diplomatic relations.

Recommendation 15: OIG recommends that the Under Secretary for Political Affairs, in coordination with the Bureaus of African Affairs, Western Hemisphere Affairs, and Near Eastern Affairs, develop and implement a process to collect, compile, and share best practices, lessons learned, and advice to inform the establishment and operations of future missions that have temporarily established operations outside of their respective host countries.

Recommendation 16: OIG recommends that the Bureau of Administration update the Federal Assistance Directive to require that risk assessments for foreign assistance awards be updated within 90 days of a significant change in security circumstances, such as a suspension of operations, in the country where the award is being implemented.

APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

The Office of Inspector General (OIG) conducted this audit to determine whether the Department of State (Department) had instituted protocols to (1) inform the decision to establish a remote diplomatic mission, (2) identify and provide resources to support mission-essential functions, (3) guide daily operations, and (4) evaluate and mitigate risks associated with the execution of foreign assistance programs that are overseen remotely.

OIG reviewed the following remote missions: the Yemen Affairs Unit (YAU), based at Embassy Riyadh in Saudi Arabia; the Venezuela Affairs Unit (VAU), based at Embassy Bogota in Colombia; and the Somalia Unit (SU), initially established at Embassy Nairobi in Kenya.¹ Furthermore, in November 2020, OIG completed an inspection of the Libya External Office and reported that office used innovative approaches to promote policy and public diplomacy goals despite the absence of an official diplomatic presence in Libya.² However, OIG also reported that the Libya External Office could not account for property in Libya or provide sufficient oversight of staff who remained in the country. OIG made eight recommendations, and as of May 2021, seven remained open, pending further action, and one recommendation was closed and implemented. Because of this prior coverage, OIG did not examine the Libya External Office in detail during this audit.

OIG conducted this audit from January 2020 to April 2021 in accordance with generally accepted government auditing standards. OIG conducted a site visit to the YAU at Embassy Riyadh, but due to the COVID-19 pandemic, OIG was unable to complete planned site visits to Embassy Mogadishu and the VAU. Instead, OIG relied on email correspondence and teleconferences to interview post officials at Embassy Mogadishu and the VAU. Generally accepted government auditing 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 faced challenges in completing this work because of the COVID-19 pandemic, including limitations on in-person meetings, difficulty accessing information, prohibitions on travel, and related difficulties within the Department that affected its ability to respond to OIG requests for information in a timely manner. Despite the challenges, OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions presented in this report. This report, in part, relates to overseas contingency operations and was completed in accordance with OIG's oversight responsibilities described in Section 8L of the Inspector General Act of 1978, as amended.³

To determine whether the Department had instituted protocols to inform the decision to establish a remote diplomatic mission, OIG conducted interviews with officials from the Bureaus of Western Hemisphere Affairs, African Affairs, and Near Eastern Affairs. OIG also conducted interviews with officials from the Offices of the Under Secretary for Political Affairs,

¹ In 2018, the Department reestablished a permanent diplomatic presence in Somalia.

² OIG, *Inspection of the Libya External Office* (ISP-I-21-04, November 2020).

³ The SU was directly involved with the East Africa Counterterrorism Operation, which was a designated overseas contingency operation subject to Section 8L oversight.

the Under Secretary for Management, Office of Management Strategy and Solutions, and the Office of the Legal Adviser. In addition, OIG reviewed and analyzed relevant documentation provided by these entities, including decision memoranda, organizational charts, planning documents, cables, concept notes, a decision matrix, and other documentation.

To determine whether the Department instituted protocols to identify and provide resources to support mission-essential functions, OIG conducted interviews with officials from the Bureaus of Western Hemisphere Affairs, African Affairs, and Near Eastern Affairs, as well as with officials from the VAU, Embassy Mogadishu – formerly the Somalia Unit (SU), and the YAU. OIG also conducted interviews with the Offices of the Under Secretary for Political Affairs and the Under Secretary for Management. OIG reviewed and analyzed documentation provided by these entities, including memoranda of understanding between the VAU, Embassy Mogadishu, the YAU, and their respective host missions; budget information; International Cooperative Administrative Support Services agreements; decision memoranda; policy documents; and documentation related to staffing decisions.

To determine whether the Department instituted protocols to guide daily operations of remote missions, OIG conducted interviews with officials from the Bureaus of Western Hemisphere Affairs, African Affairs, Near Eastern Affairs, and Overseas Buildings Operations, as well as with officials from the VAU, Embassy Mogadishu, and the YAU. OIG also conducted interviews with the Bureau of Overseas Buildings Operations. OIG reviewed and analyzed relevant documentation provided by these entities, including organizational charts, policy directives, memoranda of understanding, decision memoranda, cables, and cost information related to both owned and leased properties.

To determine whether the Department instituted protocols to evaluate and mitigate risks associated with the execution of foreign assistance programs that are overseen remotely, OIG reviewed the Foreign Affairs Manual, Foreign Affairs Handbook, Federal Assistance Directive, and bureau-specific standard operating procedures. OIG interviewed officials from the Bureaus of Administration; Democracy, Human Rights, and Labor; Conflict and Stabilization Operations; Population, Refugees, and Migration; Near Eastern Affairs; and Western Hemisphere Affairs. OIG also interviewed officials from the YAU and the VAU. In addition, OIG selected eight high-dollar-value foreign assistance grants and cooperative agreements implemented in Yemen and Venezuela and reviewed documentation to determine whether bureau officials reevaluated risks before deciding to continue providing foreign assistance funds to the host country. OIG did not evaluate foreign assistance grants and cooperative agreements in Somalia because, at the time of this audit, they were being reviewed under a separate audit.

Data Reliability

OIG used computer-processed data to determine the universe of Department-issued grants and cooperative agreements awarded in both Yemen and Venezuela from the year before operations were suspended to present. Specifically, OIG identified all grants and cooperative agreements that were active between the year prior to the suspension of operations and the year the audit was initiated (October 2014 to January 2020). Similarly, in Venezuela, OIG

identified all relevant grants and cooperative agreements that were active between the year prior to the suspension of operations to the time the audit was initiated (January 2018 to January 2020). In addition, OIG identified those grants and cooperative agreements that were implemented only in Yemen or Venezuela and excluded those that were also implemented in multiple other countries in addition to Yemen and Venezuela.

OIG searched for all relevant grants and cooperative agreements in the Department's grants management system, known as the State Assistance Management System (SAMS), and requested that the SAMS Analytics Team also assemble a dataset of all relevant grants and cooperative agreements based on OIG's criteria. As the Department's official award file for all Federal financial assistance, SAMS should contain all pertinent documents related to grants and cooperative agreements. OIG compared the data downloaded from SAMS to the data provided by the SAMS Analytics team. After comparing the two datasets, OIG did not identify any missing grants or cooperative agreements. OIG then shared the list with Bureau of Western Hemisphere and Bureau of Near Eastern Affairs officials to further corroborate that all grants and cooperative agreements within OIG's scope were included. All data elements appeared to be recorded consistently, no data elements were outside of designated ranges, and the relationship of data elements to one another all appeared to be logical.

From this analysis, OIG concluded there was only one difference between the two data sets: the SAMS Analytics teams identified additional grants and cooperative agreements that listed Yemen and Venezuela as the benefiting countries, but that were not implemented exclusively in Yemen and Venezuela. This ultimately made no difference for the selection of awards, as the audit team only selected grants and cooperative agreements where Venezuela and Yemen were the primary countries. Therefore, OIG determined that the data were sufficiently reliable for the purposes of selecting grants and cooperative agreements to review.

Sampling Methodology

OIG selected three remote missions for review in this audit: the YAU, the VAU, and Embassy Mogadishu (formerly the SU). In November 2020, OIG completed an inspection of the Libya External Office. Because of this prior coverage, OIG did not examine the Libya External Office in detail during this audit.

In its review of foreign assistance awards, OIG selected a sample of eight grants and cooperative agreements for review, using a risk-based selection process that considered the country of implementation, time of implementation, and value. First, OIG identified all grants and cooperative agreements that were active between the year prior to the suspension of operations and the year the audit was initiated and that were implemented exclusively in Yemen or Venezuela. Second, OIG attempted to identify multi-year grants or cooperative agreements that were initiated prior to the suspension of operations and continued on following the suspension of operations. Finally, OIG identified those grants and cooperative agreements with the highest dollar value, organizing them from highest to lowest dollar value.

For Yemen, OIG identified 108 grants and cooperative agreements valued at \$1.06 billion. However, using this universe, OIG found that, in Yemen, the only grants and cooperative agreements that were implemented prior to the suspension of operations and continued following the suspension of operations were either low-dollar value or were not implemented solely in Yemen. Rather, they were implemented in multiple countries, which was not part of OIG's original selection criteria. Because of this, OIG instead selected four multi-year grants and cooperative agreements that were executed in Yemen immediately following the suspension of operations. From this universe, OIG selected the four highest valued grants and cooperative agreements to review.

For Venezuela, OIG identified 122 grants and cooperative agreements valued at \$552 million. Specifically, OIG selected grant and cooperative agreement awards that were active in the year prior to the suspension of operations and continued after the suspension of operations. OIG then selected the four highest valued grants and cooperative agreements to review.

In reviewing each of the selected grants and cooperative agreements, OIG downloaded relevant data and documents from SAMS and corroborated the information posted in SAMS with each of the Grants Officers and Grants Officer Representatives responsible for managing the awards. OIG also asked Grants Officers to provide additional documentation for those awards in which relevant documentation had not been posted to SAMS. As shown in Table A.1, the eight selected grants and cooperative agreements had a combined value of \$22,579,589.

Table A.1: Foreign Assistance Awards in Yemen and Venezuela OIG Selected for Review

Award	Bureau	Period of Performance	Award Amount
Yemen Awards			
Strengthening Yemen: Local and National Capacity to Support the Peace Process	Bureau of Conflict and Stabilization Operations	September 2016 to July 2018	\$1,900,255
Accountability for Peace: Advancing Transitional Justice Through Human Rights Awareness and Community Reconciliation	Bureau of Democracy, Human Rights and Labor	April 2017 to September 2021	\$2,172,839
Youth Restoring Hope: Nahdhat Shabab Project	Bureau of Near Eastern Affairs	August 2017 to May 2021	\$1,999,752
Enhancing the Role of Citizens and Religious Leaders in Yemen's Political Transition	Bureau of Near Eastern Affairs	October 2017 to December 2020	\$1,825,110
Venezuela Awards			
Mitigating Non-State Armed Group Impact on Democratic Transition in Venezuela	Bureau of Conflict and Stabilization Operations	September 2019 to March 2022	\$2,656,375
Supporting a Political Resolution in Venezuela	Bureau of Conflict and Stabilization Operations	September 2017 to January 2020	\$1,752,996

Award	Bureau	Period of Performance	Award Amount
Providing Legal Defense to Political Prisoners Amidst Repression	Bureau of Democracy, Human Rights and Labor	May 2017 to August 2021	\$2,172,262
Emergency Food and Medical Assistance for Venezuela	Bureau of Population, Refugees and Migration	March 2019 to September 2020	\$8,100,000
Total			\$22,579,589

Source: OIG generated based on data obtained from SAMS.

Work Related to Internal Control

OIG considered several factors, including the audit’s subject matter, to determine whether internal control was significant to the audit objective. After reviewing the underlying principles in the Government Accountability Office’s *Standards for Internal Control in the Federal Government*,⁴ OIG determined that internal control was significant for this audit and concluded that four of the five of internal control components—Risk Assessment, Control Activities, Information and Communication, and Monitoring—were significant to the audit objective. The Risk Assessment component assesses the risks facing the entity as it seeks to achieve its objectives and provides the basis for developing appropriate risk responses. The Control Activities component includes the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system. The Information and Communication component relates to the information that management and personnel communicate and use to support the internal control system. The Monitoring component relates to activities that management establishes to assess the quality of performance over time and to promptly resolve the findings of audits and other reviews. OIG also concluded that six principles associated with the components were significant to the audit objective as described in Table A.2.

Table A.2: Internal Control Components and Principles Identified as Significant

Components	Principles
Risk Assessment	Management should define objectives clearly to identify risks and define risk tolerances. Management should identify, analyze, and respond to significant changes that could impact the internal control system.
Control Activities	Management should design control activities to achieve objectives and respond to risks. Management should implement control activities through policies.
Information and Communication	Management should use quality information to achieve the entity’s objectives.

⁴ Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

Components	Principles
Monitoring	Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

Source: OIG generated from an analysis of internal control components and principles from the Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

OIG then interviewed Department officials and reviewed documents and policies to obtain an understanding of the internal controls related to the components and principles identified as significant for this audit. OIG performed procedures to assess the design, implementation, and operating effectiveness of key internal controls. Specifically, OIG

- Evaluated Department guidance, process and procedures applied to inform the decision to create remote diplomatic missions.
- Evaluated Department guidance regarding training and telework of LE staff.
- Interviewed Department officials to obtain an understanding of risk assessments and monitoring processes and policies.
- Reviewed foreign assistance award risk assessments and monitoring plans to determine compliance with Department policies for assessing risk.

Internal control deficiencies identified during the audit that are significant within the context of the audit objective are presented in the Audit Results section of this report.

Prior Office of Inspector General Reports

Management Assistance Report: Remote Missions Face Challenges Maintaining Communications With Locally Employed Staff and Host Country Government Officials (AUD-MERO-21-16, March 2021). OIG reported that locally employed staff who remain behind in the host country often lose access to the Department's computer network following the suspension of operations and that it may not be possible to provide them remote access to the network when they are working remotely or teleworking from home. OIG also reported that U.S. direct-hire staff at remote missions rely on electronic messaging applications to communicate with locally employed staff in the host country and with host country government officials to continue diplomatic relations. However, the use of these applications does not always align with Department guidance. OIG made four recommendations, and as of May 2021, all four recommendations remained open pending further action.

Inspection of the Libya External Office (ISP-I-21-04, November 2020). OIG reported that the Libya External Office used innovative approaches to promote policy and public diplomacy goals despite the absence of an official diplomatic presence in Libya. However, OIG also reported that the Libya External Office could not account for property in Libya or provide sufficient oversight of staff who remained in the country. For example, OIG found that the disposition of the vacant embassy compound remained unresolved and that an analysis of locally employed staffing levels had not taken place even though the Department reauthorized the retention of those staff. OIG made eight recommendations, and as of May 2021, seven of them remained open pending further action, while one recommendation had been implemented and closed.

Audit of Department of State Foreign Assistance Grants and Cooperative Agreements in Somalia (AUD-MERO-20-45, September 2020). OIG reported that the Bureaus of African Affairs and Counterterrorism assessed general risks associated with foreign assistance awards in Somalia and executed some compensating controls to mitigate those risks, but they did not designate their awards as high risk even though they were implemented in a country where travel is restricted due to political instability and terrorism. OIG also reported that the Bureau of Counterterrorism did not always update risk assessments annually for its awards; that they and the Bureau of African Affairs did not (a) establish standard operating procedures or document controls for managing risks, (b) document reviews of performance reports to demonstrate adherence with award terms, or (c) require documentation to be maintained in official award files; and while the Bureau of Counterterrorism generally followed Department guidance for Leahy vetting, the Bureau of African Affairs did not. OIG made 10 recommendations and as of May 2021, all 10 recommendations have been implemented and closed.

Management Assistance Report: Additional Guidance Needed to Improve the Oversight and Management of Locally Employed Staff Serving at Remote Missions (AUD-MERO-20-40, September 2020). OIG reported that the Department's guidance on oversight and management of locally employed staff was not widely distributed to responsible officials. OIG also reported that both the Venezuela Affairs Unit and the Yemen Affairs Unit would have been better informed and more effective in their approach to managing locally employed staff had challenges related to oversight been addressed in a more in-depth policy document or outlined in more detailed guidance. OIG made 14 recommendations, and as of May 2021, 5 recommendations remained open pending further action, while 9 recommendations have been implemented and closed.

Inspection of the Bureau of Western Hemisphere Affairs (ISP-I-20-05, November 2019). OIG reported that the organizational structure the Bureau of Western Hemisphere Affairs created to address the Venezuelan crisis impeded coordination and efficient operations. Specifically, OIG reported that the Venezuela Working Group did not sufficiently coordinate its work with other offices and, as a result, staff working on issues related to countries bordering Venezuela were not adequately integrated into the Bureau's Venezuelan crisis response. Staff told OIG that the fluid situation in Venezuela delayed decisions about the structure of remote embassy operations. OIG made six recommendations to the Department, and as of May 2021, all six recommendations have been implemented and closed.

Inspection of U.S. Mission to Somalia (ISP-I-19-09, October 2018). OIG reported that Somalia's restrictive operating environment, dual locations in Nairobi and Mogadishu, and difficulties in staffing the mission impeded diplomatic activities, foreign assistance management, and internal controls. OIG reported that Mission Somalia had improved accountability and oversight of foreign assistance but needed to enhance monitoring and better mitigate risk. OIG made seven recommendations, and as of May 2021, all seven had been implemented and closed.

Inspection of Embassy Nairobi, Kenya (ISP-I-19-08, October 2018). OIG reported that Embassy Nairobi did not follow Department requirements for monitoring unliquidated obligations,

including \$5.5 million in the U.S. Mission to Somalia's accounts for which the embassy provided financial services. OIG also reported that Embassy Nairobi did not seek input from the U.S. Mission to Somalia regarding its annual acquisition plan. OIG made 33 recommendations, and as of May 2021, 30 have been implemented and closed; 2 remain open pending further action, and 1 was not implemented.

Inspection of Yemen Affairs Unit (ISP-I-18-21, March 2018). OIG reported that the Department had not reviewed the Yemen Affairs Unit's functions or structure to determine whether they were aligned with current goals and whether funds expended were appropriate. Among other recommendations, OIG recommended that the Department assess the Yemen Affairs Unit's location, functions, and staffing; conduct a cost-benefit analysis of a leased property in Sana'a; and review the embassy's outstanding unliquidated obligations. OIG made three recommendations, and all have been implemented and closed.

APPENDIX B: ACTING UNDER SECRETARY FOR MANAGEMENT RESPONSE



United States Department of State
*Under Secretary of State
for Management*
Washington, D.C. 20520

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June 10, 2021

MEMORANDUM

TO: OIG Director of Middle East Region Operations – Tinh
 Nguyen

FROM: Acting (M) – Carol Z. Perez

SUBJECT: Response to OIG draft “Audit of Department of State
 Protocols for Establishing and Operating Remote
 Diplomatic Missions”, recommendations 1, 2, 3, 4, 7 and 14

Thank you for the opportunity to respond to OIG’s draft report regarding establishing and operating remote diplomatic missions. Remote diplomatic missions have allowed the United States to continue critical diplomacy with countries where, on a temporary basis, we can no longer maintain a physical diplomatic presence due to the security or political situation, or for other reasons. For the purposes of this exercise, the Department considers a “remote diplomatic mission” to mean a situation in which we have two Chiefs of Mission (COMs) operating from the same post; one COM is to the host nation and the other leads the remote mission responsible for our relations with another country.

Given that we have been using remote diplomatic missions in a few locations since 2014, it is understandable that OIG recommends that we develop formal guidance and operating standards. We appreciate that OIG has elevated these concerns to Department leadership. The absence of formal guidance and operating standards has contributed to unintentional normalization of remote missions, while limiting consideration of other options, such as managing our presence domestically.

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Senior Department leadership has not yet decided how or whether we should continue using remote missions and if we should have a formal policy governing their establishment and use. We are not in a position to commit to drafting a Foreign Affairs Manual entry, but recognize the seriousness of OIG's findings and note that there must be a very high bar for establishing a remote mission. By codifying in policy how remote missions will be established and operate, it could further normalize the practice, when it should be an option of last resort. In addition, each remote mission is *sui generis* – unique. Attempts to standardize their operation would be of questionable utility; whereas guidance on **questions and factors to consider** with regard to remote missions would likely be more valuable. Any policy must provide sufficient flexibility to address different/evolving situations and should include guidance on questions and factors to consider.

Recommendation 1: OIG recommends that the Under Secretary for Management, in coordination with the regional bureaus, develop and implement guidance to include criteria, standards, and other direction, as appropriate, for opening and closing those missions that may temporarily establish operations outside of their respective host countries. The guidance should include criteria and standards to inform when, where, and how such missions should be established.

Management Response: The Department concurs with this recommendation. P and M, in coordination with S/P, the regional bureaus, and other stakeholders, will review the practice of establishing remote missions, to include eventually determining whether a policy should be codified in the Foreign Affairs Manual.

Recommendation 2: OIG recommends that the Under Secretary for Management, in coordination with the regional bureaus, develop guidance requiring regional bureaus to implement a process to periodically reevaluate the status of those missions that have temporarily

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established operations outside of their respective host countries to determine whether those missions should continue to exist in their current form.

Management Response: The Department concurs with this recommendation and will direct the regional bureaus to draft action memos to the Under Secretary for Political Affairs, requesting approval of continued use of a given remote mission.

Recommendation 3: OIG recommends that the Under Secretary for Management, in coordination with the regional bureaus and the Office of the Legal Adviser, develop and implement guidance regarding the creation, content, and periodic reevaluation of memoranda of understanding to facilitate working relationships and resource sharing agreements between those missions that have temporarily established operations outside of their host countries and their respective host missions.

Management Response: The Department concurs with this recommendation. P and M, in coordination with S/P, the regional bureaus, and other stakeholders, will review the practice of establishing remote missions, to include the consideration of the development and implementation of guidance regarding the creation, content, and periodic reevaluation of memoranda of understanding to facilitate working relationships and resource sharing agreements between those missions that have temporarily established operations outside of their host countries and respective host missions.

Recommendation 4: OIG recommends that the Under Secretary for Management, in coordination with the regional bureaus, develop and implement a Memoranda of Understanding template that can be used to facilitate working relationships and resource sharing agreements between those missions that have temporarily established operations outside of their host countries and their respective host missions.

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Management Response: The Department concurs with this recommendation. P and M, in coordination with S/P, the regional bureaus, and other stakeholders, will review the practice of establishing remote missions, to include the consideration of the development and implementation of guidance regarding the creation, content, and periodic reevaluation of memoranda of understanding to facilitate working relationships and resource sharing agreements between those missions that have temporarily established operations outside of their host countries and respective host missions.

Recommendation 7: OIG recommends that the Under Secretary for Management, in coordination with the Office of the Legal Adviser and the Bureau of the Comptroller and Global Financial Services, a) evaluate what steps are contractually appropriate with regard to the continuation of leases following a suspension of operations to include considering the need to systematically scale down leased properties or divest of unneeded properties and b) if determined that additional steps are needed, develop and implement relevant guidance for those missions that have temporarily established operations outside of their host countries.

Management Response: The Department notes that each decision to suspend operations comes with unique circumstances such as the political and/or security environment surrounding the suspended post, and the property portfolio of that location. These circumstances do not lend to universal guidance or policy to systematically scale down or divest of unneeded properties. However, the Under Secretary for Management, in coordination with M/SS, will update 12 FAH-1 Addendum 2.1 with guidance that when post and the regional bureau determine, and M approves, to suspend operations that include leased properties, they will consult with the Office of the Legal Adviser, the Bureau of the Comptroller and Global Financial Services, and the Bureau of Overseas Buildings Operations for legal, financial, and

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operational information to decide on the retention or disposition of those leased properties.

Recommendation 14: OIG recommends that the Under Secretary for Management, in coordination with the regional bureaus, develop and implement guidance regarding the day-to-day operations of remote missions with a focus on those functions that may be impacted by operating remotely such as the provision of consular services, security operations, and managing diplomatic relations.

Management Response: The Department concurs with this recommendation. P and M, in coordination with S/P, the regional bureaus, and other stakeholders, will review the practice of establishing remote missions, including the consideration of developing and implementing guidance regarding day-to-day operations of remote missions.

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APPENDIX C: BUREAU OF BUDGET AND PLANNING RESPONSE



United States Department of State

Washington, D.C. 20520

June 16, 2021

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MEMORANDUM

TO: OIG Director of Middle East Operations – Tinh Nguyen

FROM: Bureau of Budget and Planning (BP)– Director Douglas Pitkin *DP*

SUBJECT: Response to OIG Report “Audit of department of State Protocols for Establishing and Operating Remote Diplomatic Missions,” Recommendation #5

Thank you for the opportunity to respond to OIG’s draft report regarding establishing and operating remote diplomatic missions. As a lead bureau for the Department’s resource and strategic planning, BP plays an important role in supporting such missions, as determined during the course of this audit. It’s therefore concerning that BP was not advised of the OIG’s interest in the Mission Resource Request (MRR) process until the Statement of Facts and exit conference. We would have welcomed the opportunity to discuss the MRR process with the OIG team during the review process.

Recommendation 5: OIG recommends that the Bureau of Budget and Planning, in coordination the Office of Foreign Assistnace (F) and the regional bureaus, develop and implement guidance to ensure that those missions that have temporarily established operations outside of their respective host countries complete annual Mission Resource Requests that reflect both the ongoing operational needs in the host country as well as those of the remote mission.

Management Response: The Department concurs with this recommendation. For the next MRR cycle (beginning in January 2022 for FY 2024), BP and F will develop specific guidance for how remote diplomatic missions should be incorporated into the MRRs. The specifics of such guidance may still depend on the size and location of each mission, and perspective of the regional bureaus.

My operational points of contact for this report and management response are Ms. Megan Wessel, wesselmm@state.gov or 202-400-1102, and Ms. Elizabeth Schwan, schwanej@state.gov or 703-431-3054.

APPENDIX D: BUREAU OF OVERSEAS BUILDINGS OPERATIONS RESPONSE



United States Department of State
Washington, D.C. 20520

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June 11, 2021

MEMORANDUM FOR TINH NGUYEN – OIG/AUD

FROM: OBO/Comptroller – Jeffrey C. Reba /s/

SUBJECT: Draft Report - Audit of Department of State Protocols for Establishing and Operating Remote Diplomatic Missions, AUD-MERO-21-XX, June 2021

OBO has reviewed the draft report and provides the following response to recommendation 6.

Recommendation 6: OIG recommends that the Bureau of Overseas Buildings Operations develop and implement guidance for (a) shutting down embassy compounds and other facilities and (b) evaluating the feasibility of conducting routine maintenance and repairs following a suspension of operations.

OBO Response to Draft Report, June 2021: OBO concurs with this recommendation. For part (a), to develop and implement guidance for shutting down embassy compounds and other facilities, the Office of Facility Management (FAC) published its Facility Management (FM) Guidebook in May 2021, which includes a “Facility Deactivation and Preservation Guide” in Chapter 4.2.10, including section on “The Seven Major Steps of the Deactivation Process” to address shutting down facilities. For part (b), to develop and implement guidance for evaluating the feasibility of conducting routine maintenance and repairs following a suspension of operations, FAC includes guidance in the aforementioned chapter of the FM Guidebook for when a post is shut down entirely (i.e., Sana’a and Tripoli), as no maintenance and repairs are expected to be performed. In other cases when it may be feasible for locally employed staff to perform some maintenance and repair, such as Caracas, FAC works with the regional bureau to make a case-by-case assessment. OBO will provide a copy of the FM Guidebook to the OIG separately from this response for review.

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APPENDIX E: BUREAU OF ADMINISTRATION RESPONSES

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United States Department of State

Washington, D.C. 20520

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June 15, 2021

MEMORANDUM

TO: OIG/AUD – Tinh T. Nguyen

FROM: A/OPE/AP – John C. Dockery *JD*

SUBJECT: OIG Draft Report: Audit of Department of State Protocols for Establishing and Operating Remote Diplomatic Missions

Thank you for the opportunity to provide a response to the subject report. The point of contact for this report is the A/OPE Front Office (A-OPEFrontOfficeAssistants@state.gov).

Recommendation 8: OIG recommends that the Bureau of Administration, in coordination with the regional bureaus, establish and implement a process to (a) identify additional internal controls over the procurement of goods and services that can be used to improve oversight and accountability in those countries where there are no U.S. direct-hire staff to oversee the procurement process and (b) share them with those missions that temporarily establish operations outside of their respective host countries.

Management Response (06/15/21): The Office of the Procurement Executive (OPE) concurs with the recommendation. The Policy Division (PD), in coordination with the regional bureaus, will develop a Procurement Information Bulletin (PIB) that establishes and communicates the implementation of a process. The PIB will define additional internal controls over the procurement of goods and services for use in countries where there are no U.S. direct-hire staff to oversee the procurement process.

Recommendation 16: OIG recommends that the Bureau of Administration update the Federal Assistance Directive to require that risk assessments for foreign assistance awards be updated within 90 days of a significant change in security circumstances, such as a suspension of operations, in the country where the award is being implemented.

Management Response (06/15/21): The Office of the Procurement Executive (OPE) concurs with the recommendation. The Foreign Assistance Division (FA) will revise the Federal Assistance Directive October 2020 Version 5.0 to require updating risk assessments of all active foreign assistance awards within 90 days of a suspension of operations in the country where the award is implemented. A copy of the revised Federal Assistance Directive will be provided to OIG once available.

The point of contact for this memorandum is Carly Sweet.

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Approved by: A/OPF/AP – John C. Dockery

Drafter: A/OPE – Carly Sweet, ext. 3-2547 and cell number (202) 436-6897

Cleared:	A/OPE:	Mike Derrios	(OK)
	A/OPE/AP/PD:	Sharon James	(OK)
	A/OPE/AP/FA:	Tom Kodiak	(OK)
	A/OPE/AP/FA:	Karen Fjeld	(OK)
	A/TO:	Myron Iirniak	(OK)
	M:	Melania Arreaga	(OK)
	M/SS:	Sandra Cimino	(OK)
	A/EX:	Joe McGuire	(Info by Request)
	AF/EX:	Duane Butcher	(OK)
	NEA-SCA/EX:	Heather Smith	(OK)
	WHA/EX:	Virgile Borderies	(OK)
	WHA/PPC:	Lucy Jilka	(OK)

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United States Department of State

Washington, D.C. 20520

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June 14, 2021

MEMORANDUM

TO: OIG/AUD - Norman P. Brown

FROM: A/GIS – Eric F. Stein, DAS (Acting)

SUBJECT: OIG Draft Report: Audit of Department of State Protocols for Establishing and Operating Remote Diplomatic Missions

Thank you for the opportunity to provide a response to the subject report. The point of contact for this report is Tim Kootz (KootzTJ@state.gov).

Recommendation 13: OIG recommends that the Bureau of Administration make records management training mandatory for all Department of State personnel who have responsibilities to create, manage, and preserve records that properly and adequately document the policies, decisions, and essential transactions of the Department of State, regardless of whether they have access to OpenNet.

Management Response (06/14/21): A Bureau concurs with the recommendation to make records management training mandatory for all Department personnel regardless of OpenNet access and takes this opportunity to confirm that the mandatory “Records Management for Everyone” training course (PK217) is administered by the Foreign Service Institute (FSI) via OpenNet. The A Bureau offers as a suggestion to allow post-conducted briefings such as the one mentioned in recommendation 11 for Cybersecurity Awareness training but welcomes any OIG recommended methods to administer PK217 to Department personnel without timely or dedicated access to OpenNet. A Bureau will work with FSI to provide a stand-alone version of the course that posts and remote missions could use to comply with the mandatory nature of PK217 training. A Bureau would also disseminate an ALDAC and Department Notice announcing the changes.

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Approved: A/GIS – Eric F. Stein (EFS)

Drafted: A/GIS/IPS – Tim Kootz, KootzTJ@state.gov

Cleared:	M: Melania Arreaga	OK
	M/SS: Sandra Cimino	OK
	A: Myron Hirniak	OK
	A/GIS: Erceny Hadjigeorgalis, Acting	OK
	A/GIS/IPS: Timothy Kootz	OK

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APPENDIX F: BUREAU OF GLOBAL TALENT MANAGEMENT RESPONSE



United States Department of State

Washington, D.C. 20520

JUN 21 2021

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MEMORANDUM

TO: OIG – Tinh Nguyen, Director of Middle East Region Operations

FROM: DGTM – Kenneth Merten, Principal Deputy Assistant Secretary *km*

SUBJECT: Response to the OIG Draft Report - Audit of Department of State Protocols for Establishing and Operating Remote Diplomatic Missions

The Bureau of Global Talent Management has reviewed the OIG draft report. We provide the following comments in response to the recommendation outlined in the report for GTM action.

Recommendation 9: OIG recommends that the Bureau of Global Talent Management update the Foreign Affairs Manual to include provisions for locally employed staff to telework.

Management Response: GTM concurs with this recommendation. A new FAM subchapter that provides telework guidance specific to LE Staff has been cleared by Department stakeholders and is being finalized. GTM expects the new FAM subchapter to be published by August 1, 2021.

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APPENDIX G: YEMEN AFFAIRS UNIT RESPONSE



*Embassy of the United States of America
Yemen Affairs Unit
Riyadh, Saudi Arabia*

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June 14, 2021

MEMORANDUM

TO: OIG Director of Middle East Region Operations – Tinh Nguyen

FROM: YAU Chargé d’Affaires, a.i. – Catherine Westley

THROUGH: YAU A/Deputy Chief of Mission – Christopher Deutsch

SUBJECT: Response to OIG Draft “Audit of Department of State Protocols for
Establishing and Operating Remote Diplomatic Missions”
Recommendations 10, 11, and 12

Thank you for the opportunity to respond to OIG’s draft report regarding the establishment and operation of remote diplomatic missions. The Yemen Affairs Unit (YAU) offers the following responses to OIG recommendations 10, 11, and 12.

Recommendation 10: OIG recommends that the Yemen Affairs Unit provide Counterintelligence Awareness briefings in accordance with the Foreign Affairs Manual, 13 FAM 301.1-2, “Counterintelligence and Insider Threat Training,” to locally employed staff based in Yemen or seek a waiver from the Bureau of Diplomatic Security if it is not feasible to provide the briefings.

Management Response: The YAU concurs with this recommendation. Most LE Staff caretakers do not have OpenNet access. The Yemen Affairs Unit will request a waiver from the Bureau of Diplomatic Security for those LE Staff caretakers without OpenNet access, since in-person training cannot be safely conducted in Sana’a. As of June 9, 2021, eight (8) LE Staff caretakers have OpenNet access and have completed the training online.

Recommendation 11: OIG recommends that the Yemen Affairs Unit provide Annual Cybersecurity Awareness for Users with Restricted Access briefings in accordance with the Foreign Affairs Handbook, 12 FAH-10 H-212, “Cybersecurity Awareness and Training Security Controls,” to locally employed staff based in Yemen or seek a waiver from the Bureau of Diplomatic Security if it is not feasible to provide the briefings.

Management Response: The YAU concurs with this recommendation. Most LE Staff caretakers do not have OpenNet access. The Yemen Affairs Unit will request a waiver from the Bureau of Diplomatic Security for those LE Staff caretakers without OpenNet access, since in-person training cannot be safely conducted in Sana’a. As of June 9, 2021, eight (8) LE Staff caretakers have OpenNet access and have completed the training online.

Recommendation 12: OIG recommends that the Yemen Affairs Unit, in coordination with the Bureau of Administration, obtain guidance on and implement corrective actions for archiving relevant messages transmitted via locally employed staffs' personal email accounts.

Management Response: The YAU concurs with this recommendation. However, as stated in the OIG report, messages from LE Staff caretakers who communicate with YAU employees are archived via the YAU employees' state.gov accounts. LE Staff caretakers no longer use personal email accounts for work purposes. All LE Staff caretakers that need to conduct official email correspondence have America.gov email addresses, including the group email accounts for finance and human resources.

APPROVED: CDA CWestley
CLEARED: A/DCM CDeutsch
 RSO DHanna
DRAFTED: MGT NRhodes

APPENDIX H: BUREAU OF THE COMPTROLLER AND GLOBAL FINANCIAL SERVICES RESPONSE



United States Department of State
Comptroller
Washington, DC 20520

JUN 25 2021

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MEMORANDUM

TO: OIG – Diana R. Shaw

FROM: CGFS – Jeffrey C. Mounts

A handwritten signature in blue ink, appearing to read "Jeffrey C. Mounts".

SUBJECT: Draft report Audit of Department of State Protocols for Establishing and Operating Remote Diplomatic Missions

CGFS appreciates the opportunity to respond on the Audit of the Department of State Protocols for Establishing and Operating Remote Diplomatic Missions draft report.

Although the objectives of the audit did not include a review of the Post Support Unit (PSU) operations, confirmation of statements directed at CGFS could have been resolved with a conversation with appropriate PSU management. CGFS offers the following comments to the draft report.

Within the report entitled Shared Services and Other Resources on page 11, the OIG briefly describes an instance with the Venezuela Affairs Unit (VAU) on using the services of the Bureau of the Comptroller and Global Financial Services (CGFS) Post Support Unit (PSU) to process financial transactions on their behalf. The report does not indicate that the OIG communicated with the CGFS PSU after the discussions with the VAU to validate or obtain additional perspective on the concerns raised. CGFS disagrees with the observation and requests that the OIG meet with the PSU to gather additional context on the items noted and update the report accordingly.

The statement “Post officials at the VAU reported that receiving support from the Post Support Unit in Charleston was problematic because, in their view, the Post Support Unit in Charleston is not as familiar as the embassy-based financial centers with the needs of overseas posts,” is false and misleading. It is unsubstantiated and defies the fact that the PSU employs former locally employed (LE) financial staff with years of experience in overseas operations processing vouchers, managing post budgets, and conducting the post accounting. Further,

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PSU is led by an FS-01 Foreign Service Financial Management Officer with over 20 years of experience in overseas operations at missions around the world, two other Foreign Service Financial Management Officers, and three retired Financial Management Officers as certifying officials. PSU reports to a Minister Counselor (MC) level Senior Foreign Service Financial Management Officer. In another example, the report cites LE staff who remained in Venezuela after the suspension of operations stated they had their cellphone service cut because PSU had refused to pay a \$0.13 phone bill without proper expense documentation. Again, a discussion with all parties involved would provide greater context and balance on this incident.

We recommend that the verbiage cited above either be removed from the report; revised to indicate that the OIG did not discuss these issues with the PSU and did not verify these facts/statements; or updated, as necessary, after input from PSU on these issues.

The operational point of contact is Paul McVicker. He may be reached by email at mcvickerpj@state.gov or by phone at (843) 202-3858.

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ABBREVIATIONS

FAD	Foreign Assistance Directive
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
ICASS	International Cooperative Administrative Support Services
LE	locally employed staff
MOU	memorandum of understanding
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
SAMS	State Assistance Management System
SCORE	Senior Committee for Overseas Risk Evaluation
SU	Somalia Unit
VAU	Venezuel Affairs Unit
YAU	Yemen Affairs Unit

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WPEAOmbuds@stateoig.gov

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