



OIG

Office of Inspector General

U.S. Department of State • Broadcasting Board of Governors

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Office of Inspections

October 2018

Inspection of the Bureau of Democracy, Human Rights, and Labor

DOMESTIC OPERATIONS AND SPECIAL REPORTS



OIG HIGHLIGHTS

ISP-I-19-11

October 2018

OFFICE OF INSPECTIONS

Domestic Operations and Special Reports

Inspection of the Bureau of Democracy, Human Rights, and Labor

What OIG Found

- Stakeholders from other Federal agencies and Department of State offices described the Bureau of Democracy, Human Rights, and Labor as effective in advancing human rights issues.
- Staffing shortfalls and the lack of an effective bureau strategic planning process increased internal controls risks for Leahy vetting, visa ineligibility determinations, and foreign assistance management—areas where the bureau faced an expanding workload.
- Insufficient staffing and oversight of information technology systems development increased risks of waste, fraud, and mismanagement and delays in modernizing the bureau's information technology system used to conduct Leahy vetting.
- DRL did not dedicate sufficient staff, training resources, or strategic direction to prepare human rights assessments related to visa processing and sanctions functions.
- Spotlight on Success: The bureau's Office of Policy Planning and Public Diplomacy effectively used social media tools to conduct outreach on human rights issues. The bureau's Facebook page is the Department's second-most popular domestic page, with approximately 2.3 million followers.

What OIG Inspected

OIG inspected the Bureau of Democracy, Human Rights, and Labor's executive direction, program and policy implementation, resource management, and management controls.

What OIG Recommended

This report includes 10 recommendations. OIG made one recommendation to improve strategic planning, one recommendation to promote compliance with legislation mandating Department training on international religious freedom, and eight recommendations to improve Leahy vetting internal controls and operations, visa ineligibility processing, information management systems development, and contract management.

In its comments on the draft report, the Department concurred with all 10 recommendations. OIG considers the recommendations resolved. The Department's response to each recommendation, and OIG's reply, can be found in the Recommendations section of this report. The Department's formal written response is reprinted in its entirety in Appendix B.

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CONTEXT

The Bureau of Democracy, Human Rights, and Labor (DRL), established in 1975, leads Department of State (Department) efforts to encourage democracy, defend human rights, and improve labor rights around the world.¹ Since its establishment, DRL's mandate has expanded to include priorities such as child soldier protection, internet freedom, and combatting anti-Semitism. DRL, together with the Bureau of Oceans and International Environmental and Scientific Affairs (OES), also supports administrative operations for the Ambassador at Large for International Religious Freedom, a position established by Congress in 1998.²

DRL carries out its mandate to promote human rights and democracy, in part, through policy engagement. DRL engages with partners within the U.S. Government, the United Nations, nongovernmental organizations, and foreign governments to advance human rights issues. DRL produces or contributes to approximately 40 congressionally mandated and other reports annually, including the Annual Country Reports on Human Rights ("Human Rights Reports") that document human rights conditions overseas. The Office of the Ambassador at Large for International Religious Freedom prepares the Annual Report on International Religious Freedom. DRL oversees visa ineligibility and sanctions programs, such as those established under the Global Magnitsky Human Rights Accountability Act,³ to deter human rights abuses.

DRL also promotes human rights and democracy through foreign assistance programs managed by its Office of Global Programming. The bureau managed more than 450 multi-year awards to approximately 380 nongovernmental organizations focused on supporting human rights organizations, journalists, and other civil society partners. DRL's rapid response programs facilitate protection of human rights activists and other individuals at imminent risk of arrest, torture, or extrajudicial killing. Finally, DRL is responsible for the Leahy vetting program, which screens U.S. security assistance recipients to ensure that no assistance is provided to individuals and units of security forces that have committed gross violations of human rights.⁴

The Department's Joint Strategic Plan⁵ identifies promotion of democracy, human rights, and rule of law as key activities to protect American security at home and abroad. At the time of the inspection, DRL was in the process of preparing its FY 2019 – FY 2021 Functional Bureau

¹ DRL's policy and program responsibilities are outlined in 1 Foreign Affairs Manual 511.1(2).

² International Religious Freedom Act of 1998, 22 U.S. Code (U.S.C.) Chapter 73, §§ 6411 to 6417 (1998).

³ The Global Magnitsky Human Rights Accountability Act is contained in Section 1261 of the National Defense Authorization Act for Fiscal Year 2017, 22 U.S.C. 2656 (2016).

⁴ The term "Leahy law" refers to two statutory provisions prohibiting the U.S. Government from furnishing assistance under the Foreign Assistance Act, the Arms Export Control Act, or Department of Defense authorities to units of foreign security forces where there is credible information implicating that unit in the commission of gross violations of human rights. One statutory provision applies to the Department of State and the other to the Department of Defense. Section 620M of the Foreign Assistance Act of 1961, 22 U.S.C. 2378d, made the Department's Leahy law permanent. The Department of Defense Leahy law is in Section 362 of Title 10 of the U.S. Code.

⁵ Department of State and U.S. Agency for International Development, *Joint Strategic Plan FY 2018 – 2022* (2/2018).

Strategy, its primary strategic planning document. However, DRL's FY 2019 Bureau Resource Request—a strategic planning document prepared annually to identify resource needs—identified seven areas of focus: protection of ethnic and religious minorities and marginalized populations; support for human rights defenders and civil society; multilateral efforts to promote human rights; security and human rights; promotion of internationally recognized labor rights; business and human rights; and public diplomacy.

The bureau's authorized staffing ceiling comprised 137 Foreign Service and Civil Service employees organized in 12 offices and supervised by an assistant secretary, a principal deputy assistant secretary, two deputy assistant secretaries, and two senior advisors. The assistant secretary position, the principal deputy assistant secretary position, and one deputy assistant secretary positions had yet to be permanently filled at the time of the inspection. Six offices addressed human rights policy issues in geographic regions. The other six offices addressed, respectively, foreign assistance programs, labor affairs, international religious freedom, multilateral affairs, public diplomacy, and security and human rights. The Office of the Executive Director is a shared administrative office that supports both DRL and OES. The latter bureau formally supervises the Executive Director. Figure 1 details the bureau's organizational structure.

The bureau faced an expanding policy and program management workload while operating under the Department-wide hiring freeze.⁶ At the same time, DRL managed \$401.9 million in foreign assistance funds in FY 2017, with bureau funding for its two largest accounts—the Human Rights and Democracy Fund and Economic Support Fund—nearly doubling between 2013 and 2018. From 2011 to 2017, the bureau's Leahy vetting workload increased 42 percent. The passage of the Global Magnitsky Human Rights Accountability Act in 2016, which introduced additional authorities to impose economic sanctions, as well as visa ineligibilities, also increased the workload associated with these functions. Total bureau funding in FY 2017 was \$415.2 million, including funding appropriated for the National Endowment for Democracy.⁷ Bureau-managed funding is shown in Figure 2.

OIG evaluated the bureau's strategic planning, policy implementation, resource management, and management controls consistent with Section 209 of the Foreign Service Act.⁸ In addition, OIG evaluated selected policy and program responsibilities for the Ambassador at Large for International Religious Freedom and the Office of International Religious Freedom. This report

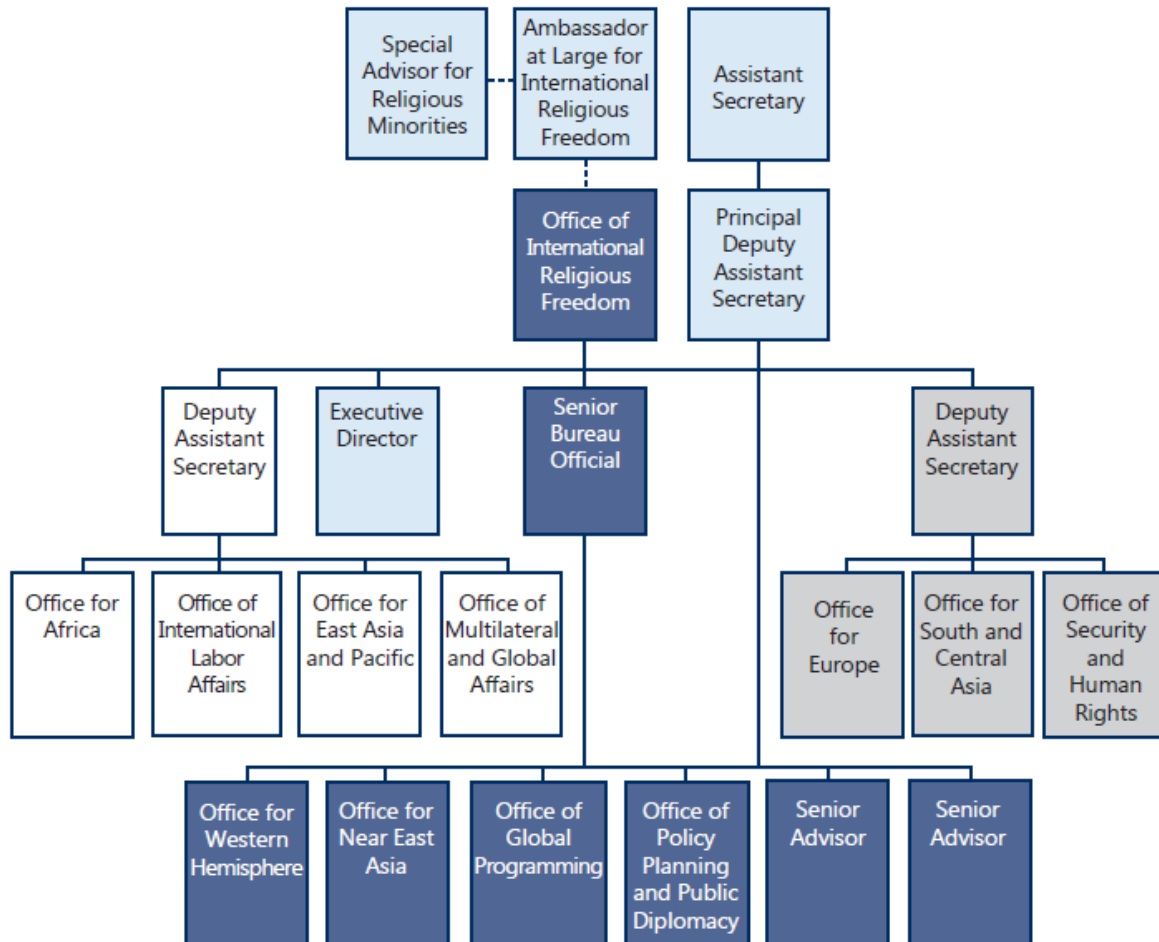
⁶ The Office of Management and Budget first announced a Government-wide hiring freeze on January 23, 2017. While most positions were frozen and could not be filled if vacant, the Secretary approved specific exemptions to the hiring freeze to ensure the Department was able to meet critical needs. The Secretary lifted the hiring freeze in May 2018.

⁷ In 1983, the National Endowment for Democracy Act (Public Law (P.L.) 98-164, Stat. 1039 (1983), codified as 22 U.S.C. §§ 4411-4416), established the National Endowment for Democracy. Although it is a nongovernmental organization, Congress provides an annual appropriation which DRL transfers to the Endowment via a grant agreement.

⁸ See Appendix A.

should be read in conjunction with the companion report on the bureau's management of its foreign assistance resources, prepared concurrently with this report.⁹

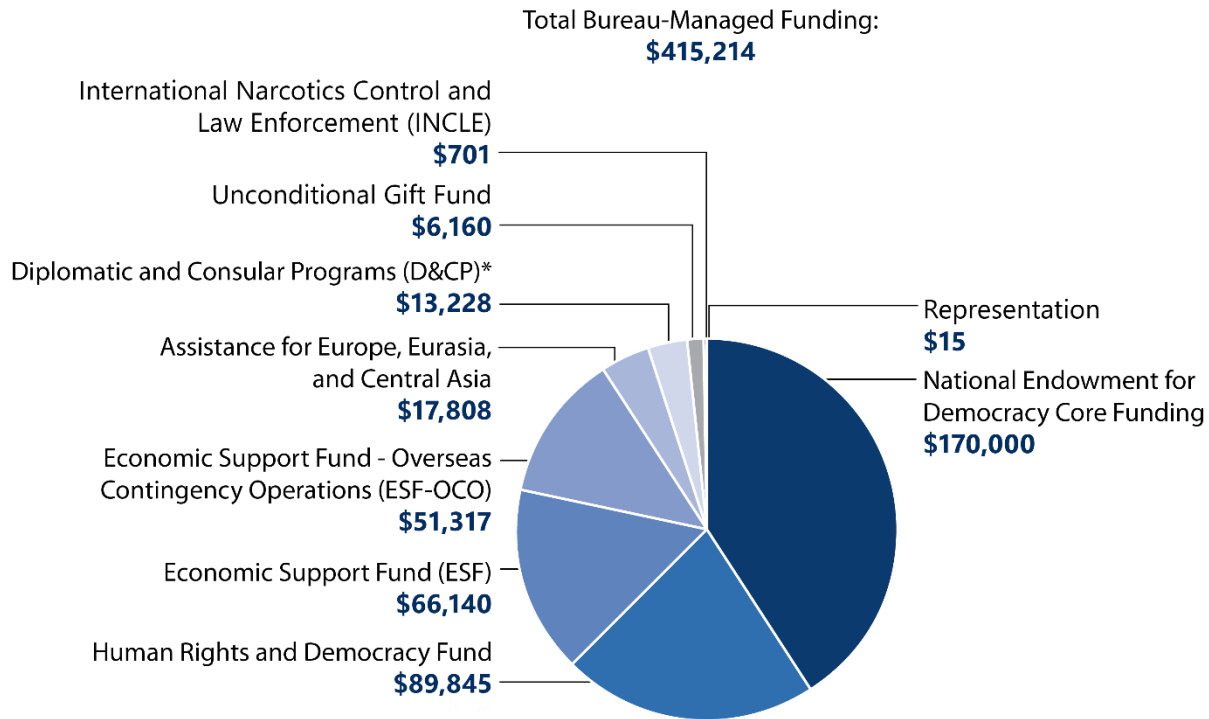
Figure 1. Bureau of Democracy, Human Rights, and Labor Organizational Chart



Source: OIG adaptation of DRL information. Supervisory responsibility for the Senior Bureau Official and Deputy Assistant Secretaries is indicated by color shading.

⁹ OIG, *Inspection of the Bureau of Democracy, Human Rights, and Labor's Foreign Assistance Program Management* (ISP-I-19-12, October, 2018).

Figure 2. FY 2017 Bureau-Managed Resources (in \$ thousands)



Source: OIG adaptation of DRL information.

EXECUTIVE DIRECTION

Tone at the Top

OIG assessed bureau leadership on the basis of 306 interviews; questionnaires completed by 202 staff members and contractors; 93 surveys completed by overseas posts; OIG's review of documents; and observations of bureau activities during the inspection. OIG also conducted 92 interviews with Department, interagency, and nongovernmental organization partners that elicited comments on DRL's performance on policy and program management.

At the time of the inspection, the Assistant Secretary position had been vacant for 15 months, and two of the three deputy assistant secretary positions also were vacant. The President nominated an Assistant Secretary in June 2018. The bureau's Senior Bureau Official (SBO), a career member of the Senior Executive Service, assumed bureau leadership duties in October 2017 after the retirement of the former acting Assistant Secretary. In prior assignments, the SBO served as the Principal Deputy Assistant Secretary in DRL and in the Bureau of Inter-American Affairs, as Senior Director for Human Rights in the National Security Council, and as U.S. Ambassador to Belarus, among other senior-level assignments.

Leadership Provided Institutional Continuity During Transition Period

In interviews with OIG, bureau employees credited the SBO with providing institutional continuity during an extended leadership transition period. The SBO personally supervised seven of the bureau's offices during his tenure in the position. In addition, he undertook the full range of principal deputy assistant secretary responsibilities for managing the bureau and leading on policy issues. During the inspection, he accompanied the Acting Secretary to the public release of the Human Rights Reports and, over a 3-month period, hosted 14 delegations or external meetings with foreign officials and nongovernmental organizations. Bureau employees consistently told OIG that the SBO modeled positive leadership traits set out in 3 FAM 1214, such as taking time to develop and mentor employees. OIG observed an open, collegial working relationship between the Front Office—which included the SBO, a deputy assistant secretary, and an acting deputy assistant secretary—and the office directors.

However, employees below the office director level viewed communication between the SBO and the rest of the bureau as problematic. Specifically, DRL employees told OIG that a lack of personal contact with the SBO and an absence of vision from the Front Office inhibited understanding of the bureau's policy priorities. While crediting leadership with soliciting "bottom up" input from staff, they characterized the bureau's overall approach as reactive rather than strategic. Furthermore, the bureau lacked an effective system for tracking internal daily action items. OIG advised the bureau to identify a chief of staff or office director to assist with managing internal business, including internal daily action items, more effectively. OIG also advised the SBO to attend more staff meetings to share policy perspectives, which he began to do during the inspection.

Staffing Constraints Prevented Efficient Allocation of Resources

OIG found that staffing constraints limited DRL's ability to secure and efficiently allocate the resources required to execute core bureau functions, including the management of foreign assistance, Leahy vetting, and assessments required for human rights visa ineligibilities. As discussed below, the bureau's lack of effective strategic planning processes also contributed to this deficiency. DRL employees told OIG the hiring freeze and an associated moratorium on internal organizational changes pending release of the agency's reform plan hindered the bureau's ability to plan and respond to new workload demands.¹⁰ Following the Department's lifting of its hiring freeze in May 2018, the Bureau of Human Resources reduced DRL's Civil Service employment ceiling by 30 positions. During the inspection, DRL formed a working group on staffing and resource allocation and requested assistance from the Bureau of Human Resources to address staffing and organizational issues identified in this report.

¹⁰ In March 2017, the President issued Executive Order 13781 with the stated goal of improving the efficiency, effectiveness, and accountability of the executive branch through restructuring and staffing reductions. In April 2017, the Office of Management and Budget set a September 2017 deadline for final agency reform plans, including longer term workforce reductions. As of August 2018, the Department had not publicly released an agency reform plan.

Execution of Foreign Policy Goals and Objectives

Department senior officials and other agency employees interviewed by OIG said that DRL worked effectively with them to advance human rights issues. In addition, all eight representatives of nongovernmental organizations interviewed by OIG said they had a strong and effective relationship with DRL.¹¹ The bureau's responsibility for integrating democracy, human rights, and labor affairs into U.S. foreign policy¹² required it to engage in dialogue with regional bureaus and embassies on sensitive human rights issues—a role that sometimes placed it in conflict with these organizations when their views on policy issues differed. Despite this inherent tension, Department senior officials and other agency employees told OIG that DRL's Front Office was pragmatic and generally effective in advancing human rights issues. For example, in at least two cases, DRL elevated to the Secretary issues for decision in which its views differed from those of regional bureaus, resulting in final policy decisions that adopted DRL's position. However, senior officials at five of six regional bureaus interviewed said that DRL's institutional influence had been reduced due to the extended absence of a confirmed Assistant Secretary.

Bureau Did Not Use Strategic Planning Processes Effectively

DRL did not effectively use strategic planning processes to develop policy goals and align resources with priorities. Specifically, OIG found that the bureau lacked systematic processes to develop long-term policy and program goals and monitor results. For example, the bureau's Front Office did not form internal working groups to formulate policy, coordinate efforts, and measure results for key countries, such as China, or for concerns that affect multiple countries, such as labor issues. Effective strategic planning processes were especially important because of DRL's expanding workload and constrained staffing resources during the Department's hiring freeze. Because DRL's offices perform discrete but related roles—such as policy development, media outreach, multilateral engagement, and foreign assistance programming—formal coordination is important to cohesively advance policy goals. DRL employees told OIG that offices did not participate systematically in preparing formal strategic planning documents. Instead, the bureau developed priorities primarily through preparation of annual high-level policy papers written by DRL's regional offices. Staff reported that these documents generally were not useful in prioritizing their work and were designed mainly to guide foreign assistance programming decisions. A lack of clear strategic policy prioritization, in turn, complicated the bureau's ability to meet its expanding policy and program workload. As described in 18 FAM 301.2-4(C)b, senior leaders must institute regular reviews to assess progress against bureau and mission-level objectives to ensure alignment of policy, planning, resources, and program decision making. Without an effective strategic planning process to set priorities and measure results, the bureau risked not accomplishing policy objectives and managing programs efficiently.

¹¹ Soliciting input from nongovernmental organizations is a DRL human rights policy responsibility described in 22 U.S.C. § 262d(d), among other provisions of law.

¹² 1 FAM 511.1(2).

Recommendation 1: The Bureau of Democracy, Human Rights, and Labor should institute a formal, periodic process to develop policy goals, monitor results, and align resources with priorities. (Action: DRL)

Adherence to Internal Controls

In preparing the 2017 Annual Management Controls Statement of Assurance, DRL did not review its bureau programs and processes to identify significant deficiencies or material weaknesses. As a result, it did not develop plans and approaches to mitigate any identified risks, nor did it report any significant deficiencies or material weaknesses in its Statement of Assurance. During the inspection, OIG identified several management control deficiencies and challenges related to Leahy vetting, contract and grants management, and performance of visa ineligibility functions. These deficiencies are discussed later in this report, as well as in the companion foreign assistance program management report.

INTERNATIONAL RELIGIOUS FREEDOM

Ambassador at Large for International Religious Freedom

The International Religious Freedom Act of 1998 established the Office of International Religious Freedom and the position of Ambassador at Large for International Religious Freedom. The 2016 Frank R. Wolf International Religious Freedom Act ("Wolf Act") strengthened the authorities and independence of the Ambassador at Large.¹³ Among other changes, the Wolf Act assigned responsibility to the Ambassador at Large to coordinate international religious freedom policies across all U.S. Government programs and projects. The Wolf Act also required that the Ambassador at Large report directly to the Secretary. Organizationally, however, the Office of the Ambassador at Large for International Religious Freedom is housed within DRL.

The current Ambassador at Large for International Religious Freedom was sworn in on February 1, 2018. Employees described the Ambassador at Large, a former U.S. senator and a sponsor of the International Religious Freedom Act of 1998, as inclusive, knowledgeable, and clear in articulating policy priorities, such as preventing the spread of extremist ideology and elevating international religious freedom issues in the Department and across the Federal government. The Ambassador at Large reported that he had direct access to the Secretary through senior staff meetings and personal interaction. Under his direction, the Office of International Religious Freedom planned a ministerial conference on international religious freedom, which the Secretary hosted in July 2018.

¹³ Frank R. Wolf International Religious Freedom Act, 22 U.S.C. Chapter 73, §§ 6411 to 6417 (2016). As stated in the legislation, the Wolf Act is intended to advance religious freedom globally through enhanced diplomacy, training, counterterrorism, and foreign assistance efforts.

Office of International Religious Freedom

OIG found the Office of International Religious Freedom was generally effective in carrying out its policy responsibilities to advance international religious freedom issues. Regional bureau employees told OIG that the office worked effectively with them in preparing the Annual International Religious Freedom Report—the office’s main statutory report—and on international religious freedom issues more generally. However, in response to a pre-inspection survey prepared by OIG, 16 of 92 respondents cited concerns about inefficient editorial processes, such as requesting unnecessary information and unfamiliarity by editors with policy issues in their countries. Office of International Religious Freedom employees told OIG that delays in approving a contracting mechanism for contract report staff contributed to some of these frictions in 2018, but they expected to address the problem in the coming year.

Partial Progress Made in Implementing Wolf Act

OIG determined that DRL and the Office of International Religious Freedom had made partial progress in implementing the Wolf Act. Although the Department implemented key provisions of the Act, OIG identified deficiencies related to training, reporting structure, media support, and foreign assistance coordination, as described below.

Religious Freedom Training for Foreign Service Officers Was Behind Schedule

The Department was behind schedule in meeting requirements to develop international religious freedom training for all Foreign Service officers. The Wolf Act required the Office of International Religious Freedom to make recommendations to the Department’s Foreign Service Institute on curriculum for international religious freedom training, with training required to commence by December 2017. During the inspection, the Office of International Religious Freedom prepared two of five proposed modules for an online course to fulfill this requirement but had yet to complete the remaining three modules. Without these additional modules, the Foreign Service Institute was unable to conduct the training, as mandated by law.

Recommendation 2: The Bureau of Democracy, Human Rights, and Labor should direct the Office of International Religious Freedom to complete development of curriculum for mandatory training on international religious freedom required by the Frank R. Wolf International Religious Freedom Act. (Action: DRL)

Reporting Structure Not Codified in Foreign Affairs Manual

DRL did not update the FAM to reflect the Wolf Act’s requirement that the Ambassador at Large report directly to the Secretary and that staff assigned to support the production of the Annual International Religious Freedom Report be directly supervised by the Ambassador at Large. OIG advised DRL and the Office of International Religious Freedom to update the FAM to reflect Wolf Act requirements.

Media Support for Ambassador at Large Was Insufficient

OIG found that the media support DRL provided to the Office of International Religious Freedom was insufficient. To better support its needs in speechwriting, media support, and public outreach planning, the Office of International Religious Freedom in 2016 transferred a direct-hire position to DRL's Office of Policy Planning and Public Diplomacy. However, staffing shortfalls and assignment of collateral duties left the employee who filled the direct-hire position unable to dedicate full resources to supporting the Office of International Religious Freedom. As described in the Wolf Act, the Department is required to provide adequate staff to support the Ambassador at Large for International Religious Freedom. OIG advised DRL and the Office of International Religious Freedom to develop a memorandum of understanding on speechwriting, press support, and public outreach planning to better support unmet needs in these areas.

Coordination on International Religious Freedom Foreign Assistance Was Inefficient

DRL employees told OIG that processes for allocating \$10 million in FY 2017 Economic Support Fund monies earmarked for international religious freedom required time-consuming and inefficient coordination with regional bureaus and the Department's Office of U.S. Foreign Assistance Resources. Although the Wolf Act empowered the Ambassador at Large to coordinate all programs and projects related to international religious freedom, office employees said that project proposals developed by regional bureaus did not always incorporate the office's policy input. For example, in one instance, a regional bureau characterized an anticorruption program as an international religious freedom program. At the time of the inspection, the Office of U.S. Foreign Assistance Resources and the Office of International Religious Freedom were discussing allocating FY 2018 funding directly to the Ambassador at Large, which OIG determined would sufficiently strengthen his authority over funds related to international religious freedom.

SECURITY AND HUMAN RIGHTS

According to 1 FAM 519.6, DRL's Office of Security and Human Rights (SHR) is responsible for leading the bureau's efforts to integrate human rights considerations into U.S. policies on international security engagement, security assistance, security cooperation, and counterterrorism. SHR also serves as the Department's lead office in creating policy for and overseeing the implementation of the Leahy laws. It coordinates the Leahy vetting process¹⁴ and manages the International Vetting and Security Tracking (INVEST) system.¹⁵ In addition, SHR reviews the human rights implications of sales and transfers of defense articles, promotes

¹⁴ Appendix C of this report describes the Department's Leahy vetting process.

¹⁵ INVEST is the U.S. Government's system of record for implementing Leahy laws. The system, launched in 2010, is a case management computer application designed to facilitate the vetting process. From 2010 through mid-April 2018, DRL processed 1,338,135 vetting cases in INVEST, of which: 1,202,300 (89.8 percent) were approved; 65,977 were suspended (4.9 percent); 3,228 were rejected (.2 percent); and 66,630 canceled (5 percent). The Department of Defense submits vetting requests for its security assistance to the Department to adjudicate in the INVEST system.

policies related to conflict and atrocity prevention and response, leads the bureau's efforts to track and mitigate civilian casualties in armed conflict, and advances policies and plans to end the unlawful use of child soldiers.

Progress Made in Institutionalizing Leahy Vetting Processes

SHR made progress in institutionalizing Leahy vetting processes since its establishment as an office in 2014. The office spearheaded the development and release of a new Leahy vetting guide¹⁶ in 2017 and coordinated with the Department of Defense on the implementation of a joint policy on remediation.¹⁷ Sixty-eight of 83 overseas posts that responded to OIG's survey said that the office effectively supported their needs.¹⁸ The office processed 214,566 Leahy vetting cases in 2017, enabling the Department to deliver more than \$9 billion in security assistance to partner countries, as well as additional security assistance furnished by the Department of Defense. OIG found that the office coordinated effectively with interagency partners on conflict prevention and civilian conflict mitigation. However, OIG identified internal controls, planning, and resource weaknesses that undermined the office's effectiveness, as described below. Additionally, as described in the Administrative Operations section of this report, the office faced significant challenges in developing an IT system to replace the current INVEST system, which is functionally obsolete and at risk of becoming inoperable on the Department's network.¹⁹

Lack of Documented Internal Control Procedures Created Program Risks

Although DRL's 2017 Leahy Vetting Guide identified roles and responsibilities, the bureau did not have in place other procedures necessary for an effective internal controls system. Specific internal controls issues that hindered the effectiveness of the office included:

- **Lack of Embassy Compliance Monitoring:** SHR did not have processes to track, review, and analyze embassy vetting performance and compliance with certain Leahy law requirements. The office did not conduct an analysis of the 2016 "duty to inform"²⁰ Leahy cases—53 cases in which embassies were required to inform the foreign government recipient of reasons for withholding security assistance. A review of 2017 "duty to inform" cases was, however, underway during the inspection.

¹⁶ The Leahy Vetting Guide describes how the Department and the Department of Defense Leahy laws should be implemented. It defines key terms, outlines legal considerations and procedures, and provides guidance to overseas and domestic officials who plan, resource, and deliver training or assistance to foreign security forces.

¹⁷ Remediation is the process through which units implicated in gross violations of human rights are reassessed and can be rendered eligible to receive U.S. security assistance.

¹⁸ Ten of 93 posts that responded to the survey listed "not applicable" as a response to support from the SHR office.

¹⁹ Posts that responded to the survey gave low marks to the INVEST system, describing it as cumbersome and difficult to use.

²⁰ For cases vetted under the Department's Leahy law, a decision to reject requires the relevant embassy to inform the foreign government of a rejection, a requirement known as "duty to inform," as described in 22 U.S.C. § 2378d(c).

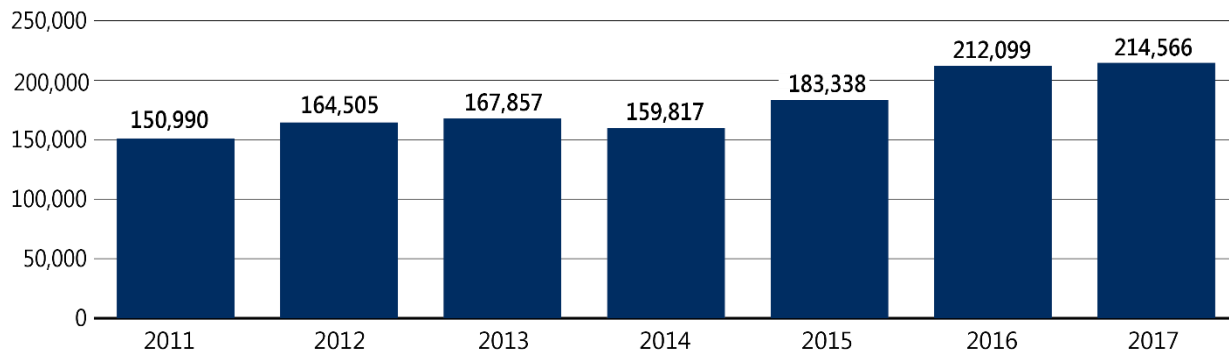
- **Lack of DRL and Regional Bureau Compliance Monitoring:** SHR did not have processes to assess whether employees performing Leahy vetting in DRL and the six regional bureaus complied with adjudication standards. These standards, detailed in the Leahy Vetting Guide, include specific classified and unclassified checks, which, if not performed, could undermine the integrity of the process.
- **Lack of Data Quality Assurance:** SHR did not have procedures to ensure that the status of all cases the INVEST system was accurately recorded in the system, raising the risk that reports prepared from INVEST data may be inaccurate. During the inspection, SHR staff identified records that reflected up to 23,000 duplicate or otherwise administratively open cases that had accumulated since the creation of INVEST. Additionally, the INVEST system did not include all Department of Defense Leahy cases originating in Afghanistan.
- **Lack of Contract Oversight:** SHR had nine contractors who were primarily assigned responsibility for conducting Leahy vetting. OIG found that SHR did not assess and mitigate risks to ensure that contractors were not performing inherently governmental work²¹ or to assess performance through oversight, such as spot checks and file reviews, an issue discussed in the Administrative Operations section of this report.

OIG found that the lack of documented internal controls procedures contributed to these deficiencies. As described in *Standards for Internal Control in the Federal Government*,²² an effective internal controls system requires risk assessment, control activities, information and communication, and monitoring. During the inspection, the office began drafting standard operating procedures and taking steps to address some of these issues. For example, SHR began coordinating with the Office of the Secretary of Defense to enter relevant Afghanistan vetting information into INVEST on a quarterly basis. SHR also assigned a contractor to track embassy compliance with "duty to inform" cases. However, without a documented internal controls system, the bureau was at risk that Leahy vetting was not performed in accordance with Department guidance.

Recommendation 3: The Bureau of Democracy, Human Rights, and Labor should develop internal control procedures for the Leahy program and monitor compliance with the procedures. (Action: DRL)

²¹ OIG found that a contractor was the sole action officer for the office's civilian casualties program with duties that included policy liaison with the Department of Defense. Another contractor represented the office in Leahy-related policy and procedural discussions during a temporary duty visit to Embassy Manila, Philippines, and Embassy Phnom Penh, Cambodia.

²² Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014), Section OV2.04.

Figure 3. Leahy Vetting Caseload, 2011 through 2017

Source: DRL.

Lack of Performance and Workload Metrics Hampered Program Management

SHR did not develop performance and workload metrics to assess its performance and identify resource requirements. The number of Leahy vetting cases increased by 42 percent from 2011 through 2017, as shown in Figure 3. Despite this increase, the number of employees and contractors assigned to Leahy vetting declined from 12 to 9 between July 2016 and the time of the inspection.²³ OIG found that DRL developed plans to add staff to enhance office engagement on security assistance, humanitarian law, and training without performance and workload metrics to determine how many staff it required. These plans were postponed during the hiring freeze. Similarly, SHR planned to expand mandatory Leahy vetting to encompass material security assistance²⁴ to comply fully with Leahy law provisions, but did not define what resources it needed to carry out these responsibilities. SHR employees told OIG they did not prioritize the development of performance and workload metrics. As described in 18 FAM 301.2-4(C), bureau leaders must ensure alignment of planning, resources, and program decision-making. Without performance metrics and workload planning to guide policy and programmatic decisions, the bureau risked being unable to effectively carry out its core duties, particularly in the Leahy vetting program.

Recommendation 4: The Bureau of Democracy, Human Rights, and Labor should develop performance and workload metrics to inform resource requirements for the Office of Security and Human Rights. (Action DRL)

²³ During the inspection, the SHR Leahy team included one direct-hire Leahy policy point of contact responsible for remediation, one direct-hire Department of Defense liaison, one direct-hire vetter, and nine contract vetters. Three contract vetters were not replaced when the incumbents departed in January 2017. An additional contract vetter position became vacant during the inspection.

²⁴ The Leahy Vetting Guide defines material security assistance as equipment, technical support, or other non-training assistance.

Staffing Limitations Inhibited Review of Possible Gross Violations of Human Rights

SHR staff told OIG that staffing limitations prevented them from following up on all Leahy cases in which derogatory information related to gross violations of human rights (GVHR) arose during the vetting process. In cases where DRL or the embassy was unable to conclusively determine that derogatory information met the “credible information” standard in 22 U.S.C. § 2378d(a),²⁵ Leahy cases were placed in suspended status in INVEST. From 2015 to 2017, a total of 4,842 Leahy cases were suspended on the basis of derogatory GVHR information, while 357 cases were rejected. Although suspended individuals or units cannot receive security assistance subject to the Leahy laws, embassies are not required by Department policy to inform the recipient foreign government of the basis for withholding assistance under these circumstances. Additionally, individuals and units who otherwise could be U.S. Government partners are ineligible for assistance until their suspended status is clarified. DRL employees explained that a lack of personnel resources inhibited their ability to conduct necessary follow up work on Leahy cases, such as seeking additional information from embassies and other sources, to support a conclusive determination that met the “credible information” standard.

Slow Resolution of Remediation Cases Partly Attributable to Staffing Limitations

DRL was slow to resolve remediation cases, in part because of staffing resource limitations.²⁶ Remediation is a process by which the Secretary of State or the Secretary of Defense, as applicable, determines that a country’s government is taking effective steps to bring to justice members of the security forces unit responsible for committing GVHRs, such as torture, extrajudicial killing, enforced disappearance, and rape under color of law. As described earlier in this report, in 2015 the Department and the Department of Defense developed a joint remediation policy to define steps for this process. As of May 2018, DRL had remediated 12 cases rejected on GVHR grounds. DRL employees said that the process of remediation was slower and more labor intensive than originally anticipated in 2015, but also stated the volume of cases was lower than anticipated under the new process. DRL employees also said that staffing limitations were a key reason for slow progress on remediation.

Working Capital Fund Mechanism Could Help Address Resource Needs

Unlike similar service provider organizations, DRL did not have a mechanism to finance Leahy vetting operations through a working capital fund, instead paying for them out of the bureau’s

²⁵ 22 U.S.C. § 2378d(a) states that “no assistance shall be furnished...to any unit of the security forces of a foreign country if the Secretary of State has credible information that such unit has committed a gross violation of human rights.”

²⁶ Remediation decisions are based on an interagency assessment of whether the host government has taken effective steps to bring responsible unit members to justice or whether the unit was restructured in a way that it may be considered a fundamentally different unit and thus not tainted by previously determined ineligibility. Administrative review refers to a separate process in which new, exculpatory information reverses the ineligibility determination.

operating budget.²⁷ The Department has established more than 30 different cost centers to support business operations through its working capital fund. For example, the Bureau of Administration uses a working capital fund cost center to pay for counterterrorism vetting services. A working capital fund mechanism could generate resources beyond those available in the bureau's operating budget to improve DRL's administration of the Leahy vetting program, to address areas where staffing resource limitations have affected the bureau's ability to implement the Leahy program. In addition to remediation and suspension issues discussed above, OIG observed that the following policy priorities and program management responsibilities were not fully performed, partly due to insufficient staff:

- SHR was unable to conduct regular embassy outreach to improve Leahy vetting performance or develop foreign assistance programs with the Office of Global Programs to improve human rights practices among security forces.
- SHR's deputy director served as the Child Soldiers Prevention Act officer, reducing time for core duties such as personnel management, budget planning, and Leahy vetting contract oversight.²⁸ The deputy director also served as a Government Technical Monitor for an urgent effort to upgrade the INVEST system. Issues related to the development of a successor system to INVEST are discussed further in the Administrative Operations section of this report.

DRL is not required to use a working capital fund mechanism to fund its Leahy vetting operations. However, OIG noted that use of such a mechanism would allow DRL to charge bureaus and agencies on a fee-for-service model based on its workload, potentially providing a more flexible resource base for operations. As such, OIG advised the bureau to explore the feasibility of a working capital fund model with relevant Department offices.

POLICY IMPLEMENTATION

Regional Offices

Regional Offices Generally Effective, But Internal Coordination Could Be Improved

DRL's six regional offices²⁹ are responsible for monitoring observance of human rights and democratic practices and providing policy guidance to regional bureaus and embassies overseas, as outlined in 1 FAM 519.3. The regional offices maintained generally good working

²⁷ According to 1 FAM 212.1-3, the Working Capital Fund is a chargeback system managed by the Bureau of Administration's Executive Office. It is a revolving fund and is a repository for revenue collected from income-generating activities.

²⁸ The Child Soldiers Prevention Act requires identifying offending countries for potential designation by the Secretary of State for inclusion in the annual Trafficking in Persons report. It also requires the President to act on waiver decisions, if any, prior to the beginning of the fiscal year in which restrictions or sanctions would be applied.

²⁹ These are the Offices for Africa, East Asia and Pacific, Europe, Near East Asia, South and Central Asia, and Western Hemisphere.

relationships with their counterparts in the Department's regional bureaus. Regional bureau employees told OIG that DRL was effective in resolving disagreements pragmatically. Seventy-nine percent of embassies that responded to OIG's survey agreed or strongly agreed that DRL regional offices worked effectively with them on human rights policy matters. However, DRL regional office staff members told OIG they lacked visibility into bureau foreign assistance and multilateral activities, particularly on global and thematic issues. This, in turn, inhibited bureau efforts to present a coordinated policy message to embassies and other bureaus that included the full range of DRL human rights concerns. As discussed earlier in this report and in the companion foreign assistance management report, the bureau took steps during the inspection to enhance internal coordination in these areas.

Generally Effective Processes Established for Preparing Human Rights Reports

DRL established generally effective processes for preparing the legally mandated Human Rights Reports, which address human rights issues in 199 countries and territories. DRL assigned primary responsibility for preparing the Human Rights Reports to staff in its regional offices.³⁰ The reports are used by Congress, the executive branch, and the judiciary as a factual resource for decision making in matters ranging from assistance to asylum cases. OIG found that the bureau issued comprehensive guidance on preparing the reports to embassies and established an effective process for producing the reports. Eighty-two percent of embassy respondents to an OIG survey (74 out of 90) agreed or strongly agreed that DRL provided effective feedback and guidance during production of the Human Rights Reports. OIG also interviewed 8 nongovernmental organizations and attended a roundtable meeting with representatives from 26 nongovernmental organizations. These organizations generally described the Human Rights Reports as comprehensive and lauded DRL's willingness to incorporate information from a wide array of sources. OIG reviewed a sample of 10 Human Rights Reports and found that all included content mandated by law, such as discussion of child labor practices, the status of internationally recognized human rights, and violations of freedom of the press. The Human Rights Reports also included non-required topics, such as corruption and lack of transparency in government.

Office Sizes Were Below Required Minimum Number of Positions

OIG determined that consolidation of the regional offices could promote more efficient resource management and policy execution by reducing supervisory layers. None of the six regional offices met requirements in 1 FAM 014.7d(1) that offices have a minimum of 12 full-time equivalent positions. The then-Under Secretary for Management waived this requirement for five of the six offices in 2014. As a result, at the time of the inspection, DRL's regional offices had 12 supervisory positions—a director and deputy director for each office—overseeing 36 employees. OIG advised the bureau to consider, through its staffing and resource planning working group, whether office consolidation could promote more efficient resource

³⁰ Foreign Assistance Act, 22 U.S.C. 116(d), 502(b) (1971) and Trade Act, 19 U.S.C. 2464, 2467 (1974).

management. OIG also advised the bureau to comply with 1 FAM 014.6d(1) on office organization, which could include seeking a waiver from this policy or restructuring the office.

Multilateral and Functional Offices

OIG's review of policy implementation in DRL's Offices of Multilateral and Global Affairs, International Labor Affairs, and Policy Planning and Public Diplomacy³¹ found that, in general, they adequately performed responsibilities assigned under 1 FAM 510. However, OIG identified issues relating to internal planning and coordination and visa ineligibility processes in the Office of Multilateral and Global Affairs that needed attention, as discussed below.

Office of Multilateral and Global Affairs Challenged by Complex Responsibilities, Lack of Strategic Direction

Complex responsibilities and a lack of strategic direction contributed to challenges in executing policy responsibilities in the Office of Multilateral and Global Affairs. The office supports diverse policy development and implementation in 10 areas applicable to multiple countries³² as well as representing the United States in eight multi-stakeholder initiatives³³ and four United Nations bodies and processes.³⁴ In interviews with OIG, Department and other agency employees credited the office with working effectively with the U.S. Mission to the United Nations in New York, United Nations offices in Geneva, and with the Bureau of International Organization Affairs to advance human rights issues. However, OIG assessed that a lack of strategic direction and unclear lines of authority impeded the office's ability to execute its mission. Eighteen of 22 office employees interviewed (82 percent) told OIG they would benefit from more guidance on

³¹ The Office of Multilateral and Global Affairs is responsible for formulating and implementing human rights and democracy policies in multilateral forums; developing and implementing policies and processes for civil society organizations and business and human rights; and for coordinating bureau policy on human rights visa ineligibilities and asylum reviews. The Office of International Labor Affairs ensures the appropriate application of U.S. laws and policy in international labor standards and initiates policy approaches to promote the rights and interests of workers in the global economy. The Office of Policy Planning and Public Diplomacy manages the bureau's congressional, media, and public outreach and coordinates DRL's strategic planning for Department and Government-wide policy and resource alignment exercises.

³² These included democracy; elections; governance; anticorruption; civil society; rights of lesbian, gay, bisexual, transgender, and intersex persons; persons with disabilities; internet freedom; business and human rights; and visa ineligibilities.

³³ Multi-stakeholder initiatives included the Community of Democracies; the Open Government Partnership; the Freedom Online Coalition; the Global Anti-Corruption Consortium; the Equal Rights Coalition; the Voluntary Principles on Security and Human Rights Initiative; the International Code of Conduct for Private Security Services; and the Mega Sporting Events Platform on Human Rights.

³⁴ United Nations (UN) bodies and processes in which DRL engages include: the UN Human Rights Council; the UN General Assembly Third Committee; the UN Office of the High Commissioner for Human Rights; and the Universal Periodic Review process. The office also engages in the UN Security Council on human rights issues; the UN Economic and Social Council's Committee on Non-Governmental Organizations on restriction issues; reviews and provides input on U.S. reports on implementation of obligations to treaty bodies; and interacts with special rapporteurs, special representatives, and independent experts in human rights areas (special procedures), part of the Human Rights Commission.

planning and strategic priorities from the DRL Front Office and office leadership. Employees also told OIG that layered internal clearance processes and unclear lines of reporting and responsibility contributed to difficulties in managing their workload efficiently. OIG advised the office to identify strategic priorities consistent with the principles set forth in 3 FAM 1214, clarify its business processes, and strengthen coordination within DRL on thematic issues. During the inspection, the office director reassigned portfolios, subdivided the global team to provide greater direction, and announced a strategic planning offsite for employees.

Bureau Did Not Efficiently Carry Out Visa Ineligibility Responsibilities

DRL did not efficiently carry out its responsibilities for preparing human rights assessments for visa processing, sanctions, and other immigration functions. As described in 1 FAM 519.4, DRL's Office of Multilateral and Global Affairs is responsible for coordinating bureau policy on human rights visa ineligibilities, including preparation of human rights assessments for seven visa ineligibility authorities.³⁵ Using these authorities, the Department is able to prevent individuals implicated in human rights violations from obtaining a U.S. visa. Specifically, OIG found that the bureau had a pending workload of 109 security advisory opinion cases³⁶ and 550 advisory opinion cases,³⁷ some of which dated back to 2009 and 2010. This occurred despite a 2015 agreement with the Bureau of Consular Affairs that set a 30-day processing goal for security advisory opinion cases. OIG previously identified visa backlog issues related to security advisory and advisory opinion delays in its inspections of Embassy Beijing, China, and the Bureau of Consular Affairs' Visa Services Directorate.³⁸

The bureau also did not effectively carry out its statutory responsibilities under section 7031(c) of the Consolidated Appropriations Act, 2017, to designate foreign officials involved in GVHR as ineligible for entry to the United States.³⁹ DRL processed only two 7031(c) human rights-related visa ineligibility cases to completion since the law's passage in May 2017, even though the Act mandated these designations. OIG found that DRL only worked on 7031(c) cases triggered by a visa application or initiated by another bureau. It did not identify or analyze other information—

³⁵ DRL also works with the Bureau of Consular Affairs and Department of Homeland Security on asylum issues, humanitarian parole, removals, and overseas verification requests.

³⁶ A security advisory opinion is a special clearance required for certain visa applicants who are listed in the Consular Lookout and Support System or for whom the consular officer has reason to believe may warrant increased scrutiny related to national security concerns. Their use and processes are outlined in 9 FAM 304.2.

³⁷ An advisory opinion is provided by the Bureau of Consular Affairs on questions related to proper visa classification, specific grounds of visa ineligibility under the Immigration and Nationality Act Section 212(a) (other than certain human rights and security-related ground of ineligibility under INA 222(f)), and other legal issues concerning visa applications. Their use and processes are outlined in 9 FAM 304.3.

³⁸ OIG, *Inspection of Embassy Beijing and Constituent Posts, China* (ISP-I-18-04, December 2017); *Inspection of the Bureau of Consular Affairs, Visa Services Directorate* (ISP-I-15-01, October 2014).

³⁹ The Consolidated Appropriations Act, 2017 (P.L. 115-31), Section 7031(c), requires foreign officials involved in gross violations of human rights be designated as ineligible for entry to the United States. Paragraph (1)(B) stipulates such designations be made without regard to whether the individual has applied for a visa.

such as embassy reporting or Leahy vetting information—that could constitute credible information of GVHR by foreign government officials.

OIG determined that three issues contributed to these deficiencies. First, DRL did not dedicate sufficient staff, training, or strategic direction to address visa ineligibility issues. The bureau assigned visa responsibilities to three employees as a part-time duty and typically delegated preparation of human rights assessments to DRL regional offices. The bureau did not, however, sufficiently train staff in the regional offices or the Office of Multilateral and Global Affairs to draft human rights assessments that met the legal standards needed to support ineligibility designations.⁴⁰ Second, DRL employees told OIG that the complexity of the visa ineligibility designation process and required evidentiary standards made the process time-consuming and cumbersome to administer. Finally, employees lacked clear guidance on whether information on GVHR available to the Department through the Leahy vetting process or embassy reporting required action under section 7031(c). DRL had not updated or finalized a standard operating procedure for such cases with the Bureau of Consular Affairs and the Office of the Legal Adviser that addressed requirements of the Consolidated Appropriations Act, 2017.

Without strategic direction and appropriate staffing for the visa function, the bureau failed to prepare human rights assessments for visa ineligibility determinations in a timely manner. Without an updated standard operating procedure for Section 7031(c) visas, the bureau lacked clear guidance to enable it to implement statutory requirements. These deficiencies, in turn, presented litigation risks for the Department. For example, the Department was sued in 2016 because of the lack of timely adjudication of a visa related to a forced abortion case. Delays in adjudicating visas are inconsistent with the Department's obligation to provide visa services in a vigilant, efficient, and timely manner.⁴¹

Recommendation 5: The Bureau of Democracy, Human Rights, and Labor should identify and train dedicated staff to fulfill its statutory responsibilities to provide timely human rights assessments in connection with visa processing. (Action: DRL)

Recommendation 6: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Consular Affairs and the Office of the Legal Adviser, should update and issue a standard operating procedure for processing human rights-related visa ineligibilities under Section 7031(c) of the Consolidated Appropriations Act, 2017. (Action: DRL, in coordination with CA and L)

Spotlight on Success: Increasing Human Rights Outreach Through Social Media

DRL's Office of Policy Planning and Public Diplomacy actively used social media tools to conduct outreach on human rights issues. The bureau's Facebook page is the Department's second-most popular domestic page, with approximately 2.3 million followers, 98 percent of whom live outside the United States. The office produced 70 videos over 12 months, 52 of

⁴⁰ During the inspection, DRL began work on a training course on human rights-related visa issues.

⁴¹ Bureau of Consular Affairs Functional Bureau Strategy, FY2015-2017, November 2013, Strategic Objective 2.1.

which were part of its Human Rights Heroes Initiative and spotlighted individuals and institutions engaged in human rights work around the world. For example, in December 2017, the office produced a video interview of a North Korean defector, which drew about 11,000 viewers. Its videos, tied to DRL bureau strategic priorities, were viewed 2.2 million times. Finally, the office's May 2018 interactive web chat on media literacy attracted participation by 35 U.S. embassies and other programming venues, the largest number of venues in the Department's history for such outreach, according to information reviewed by OIG.

ADMINISTRATIVE OPERATIONS

Office of the Executive Director

The Office of the Executive Director (EX) is the joint administrative platform for DRL and OES. The latter bureau supervises this office, which supports financial management, general services operations, human resources, and information technology (IT) functions for DRL, including the Office of International Religious Freedom. In this inspection, OIG only reviewed EX functions related to DRL. Specifically, OIG reviewed Civil Service appraisals, the Foreign Service assignments process, telework agreements, training and mentoring, contractor oversight and monitoring, property management, unliquidated obligations, and IT systems development and oversight. OIG determined that, overall, EX performed in accordance with Department guidance and policies, with the exceptions discussed below.

Human Resources

Training and Professional Development Needed Attention

OIG determined that at the start of the inspection in April 2018, the bureau lacked a formal training policy and plan. As described in 13 FAM 011a, training is essential to build and maintain a skilled workforce—a particular concern for DRL because of its specialized mission and relatively junior workforce. Only 11 percent of the bureau's staff reported more than a decade of Department work experience, while 28 percent had worked in the bureau for less than one year. Partly due to the lack of a formal training policy and plan, the bureau did not systematically monitor mandatory training or training essential to effective performance. For example, 39 percent of employees had not completed or were overdue for mandatory counterintelligence training. During the inspection, the bureau developed and distributed a training policy and plan. Accordingly, OIG did not make a recommendation to address this issue.

Contract Management

Contracting Officer's Representatives Did Not Monitor Contractor Performance

DRL's contracting officer's representatives (CORs) did not monitor contractor performance in accordance with Department standards. Guidance in 14 Foreign Affairs Handbook (FAH)-2 H-142b and 14 FAH-2 H-522.9 states that CORs are responsible for developing specifications to

measure the quality of labor-hour contracts and ensuring that contractors conduct their duties efficiently and use effective cost controls. DRL spent approximately \$6.8 million on labor-hour contracts in FY 2017, with 62 contract staff performing functions such as Leahy vetting, grants management, and administrative support. OIG determined that the CORs oversaw day-to-day activities of contract staff and verified contract invoices. However, OIG found no documentation—such as progress or status reports, contractor outputs, or customer feedback—to confirm that CORs conducted monitoring and assessments of contract staff performance. CORs told OIG they were unfamiliar with methods required to document contractor performance. A lack of monitoring of contract performance increases the risk of waste, fraud, and mismanagement of U.S. Government resources.

Recommendation 7: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Oceans and International Environmental and Scientific Affairs, should monitor and document the performance of its labor-hours contracts in accordance with Department standards. (Action: DRL, in coordination with OES)

Bureau Security Program

The Bureau of Diplomatic Security's designated bureau security officer oversaw DRL's security program and assisted EX and 14 unit security officers in developing policies and procedures to protect classified information and bureau personnel. The bureau security officer also delivered training and provided guidance to unit security officers. OIG reviewed DRL's security program implementation and found the program was in compliance with requirements.

INFORMATION MANAGEMENT

The EX Information Management Division supported approximately 400 domestic users in DRL and OES. The division also supports development of bureau IT systems, manages mobile devices, performs information systems security officer functions, and interfaces with the Bureau of Information Resource Management's centralized help desk. Additionally, DRL's SHR office managed IT systems development for Leahy vetting-related functions. OIG determined that, overall, the division performed its responsibilities in accordance with Department guidance and policies. However, OIG identified insufficient project planning and oversight for DRL-managed IT projects that raised risks of cost overruns and delays in replacing the current INVEST system. These delays, in turn, raise the risk that the current INVEST system could become functionally inoperable by 2019, potentially compromising the Department's ability to conduct Leahy vetting. These issues are discussed below.

Bureau Did Not Follow Department Project Planning Standards

DRL did not follow Department standards outlined in 5 FAM 615 for IT project planning. Specifically, OIG determined that DRL did not prepare a project plan that included necessary budget and planning elements for the INVESTc system, the system intended to replace the

current INVEST system.⁴² DRL spent approximately \$4 million on INVESTc development and deployment through FY 2018 but was unable to provide an estimate of overall anticipated costs for the system. Furthermore, DRL was unable to provide a detailed breakdown of costs, including items such as IT security and personnel. According to Office of Management and Budget Circular A-130,⁴³ agencies must have IT capital investment plans and budgetary requests to ensure that costs are explicitly identified. According to 5 FAM 617.2b(6) and (7), the project manager is responsible for establishing a budget and ensuring that the project operates within budget constraints. However, the bureau lacked a qualified direct-hire project director to perform these duties. Without a complete project plan, DRL cannot effectively control costs, raising the risk of cost overruns and waste of government resources.

Recommendation 8: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Oceans and International Environmental and Scientific Affairs, should develop a project plan for the INVESTc project to meet Department and Federal information technology budget planning standards. (Action: DRL, in coordination with OES)

Bureau Lacked Technically Qualified Project Director to Oversee Complex Acquisition

As stated previously, DRL lacked a technically qualified direct-hire project manager to oversee the development of INVESTc. A technically qualified project manager is especially important to ensure successful achievement of cost, schedule, and performance goals for a multi-million dollar acquisition. The deficiency occurred, in part, because DRL's Acting Assistant Secretary in 2016 transferred responsibility and oversight for INVESTc from the Information Management Division to SHR, without identifying a technically qualified direct-hire project manager to oversee the project. Instead, the bureau designated the SHR deputy office director as the Government Technical Monitor for the project despite his not having the required technical background or training. As stated in 5 FAM 623.2, IT project managers must be direct-hire employees who meet five standards related to training, education, and technical proficiency. Without adequate project oversight, DRL is at elevated risk of cost overruns and insufficient oversight of contractor work.

Recommendation 9: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Oceans and International Environmental and Scientific Affairs, should appoint a technically qualified direct-hire project manager to oversee the INVESTc project to

⁴² In 2014, DRL initiated planning to replace the current INVEST system. DRL initiated a project known as INVEST 2.0 in 2016 to replace the current INVEST system. It terminated the project in 2017, based on an assessment that the system was incompatible with the Department's move to cloud-based computing. It initiated a new system, INVESTc, to continue this effort.

⁴³ Office of Management and Budget Circular A-130, *Management of Federal Information Resources*, dated July 28, 2016, states that agencies, in accordance with the Federal Information Technology Acquisition Reform Act and related Office of Management and Budget policy, shall have IT capital investment plans and budgetary requests to ensure that costs are explicitly identified and included, with respect to any IT resources.

ensure it meets Department information technology standards. (Action: DRL, in coordination with OES)

INVEST System Lacked Valid Authorization to Operate

The authorization to operate for the current INVEST system expired in 2013.⁴⁴ The Information Management Division did not pursue renewal of the authorization to operate because it had anticipated replacing the current system in the near future. As a result, DRL has operated the INVEST system for more than 5 years without assurance that it met Department and Federal IT security standards. Department standards in 12 FAH-10 H-312.4 state that information systems must undergo reassessment and reauthorization every 3 years. In addition, 5 FAM 1066.1-3c states that all Federal Information Security Management Act reportable information systems within the Department must complete the systems authorization process. Without an updated security assessment and a subsequent authorization to operate, DRL lacked assurance that the INVEST system had IT security controls in place to protect against information housed in the system being compromised.

Recommendation 10: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Oceans and International Environmental and Scientific Affairs, should update the INVEST system's authorization to operate, in accordance with Department standards. (Action: DRL, in coordination with OES)

Noncompliance with Acquisition Planning Processes Led to Waste of Government Funds

Noncompliance with Department IT acquisition planning processes led to the waste of \$1.92 million in Government funds for a separate IT system intended to support Leahy vetting functions. DRL initiated the project in 2015 to develop an IT system that would allow the bureau to better integrate, manipulate, and manage data for different reporting tasks related to Leahy vetting. The project was terminated in 2017 without producing a viable system. OIG was unable to identify a complete project plan for this project, as required in 5 FAM 615. The Bureau of Administration's Office of Acquisitions Management awarded a contract on September 14, 2015, with a base year award value of \$913,000 and four option years, for a total of award value of \$19.9 million. However, neither the contract nor other information OIG reviewed contained the required information on key personnel, performance measures, identification of issues and risks, or an estimation of annual operating costs.

OIG determined that Information Management Division personnel had raised concerns with DRL staff about the project's cost, goals, and feasibility when it was under development. Specifically, staff members were concerned that the project was inaccurately categorized as a low risk

⁴⁴ The authorization to operate is a formal declaration by the Department's Chief Information Officer—after a security controls assessment—that the system has implemented sufficient IT security controls and that the authorizing official accepts any remaining risks.

system, as defined in Federal Information Processing Standards Publication 199.⁴⁵ Furthermore, they raised concerns that the vendor's cloud-based computing proposal might not meet Department IT standards.⁴⁶ However, DRL assigned project management responsibilities to a contractor and proceeded to develop the system without further interaction with Information Management Division IT staff. The bureau ultimately determined that the system was not technically feasible and terminated the project after expending \$1.92 million of the contract's \$19.9 million total value. OIG did not make a recommendation in this report because the funds cannot be recovered and the project was terminated.

⁴⁵ National Institute of Standards and Technology *Standards for Security Categorization of Federal Information and Information Systems*, (2004).

⁴⁶ As described in 5 FAH-8 H-351.3a(1), a system owner must perform due diligence to document that a proposed cloud-based computing project complies with Department standards and is submitted to the Cloud Computing Governance Board for approval.

RECOMMENDATIONS

OIG provided a draft of this report to Department stakeholders for their review and comment on the findings and recommendations. OIG issued the following recommendations to the Bureau of Democracy, Human Rights, and Labor. The bureau's complete response can be found in Appendix B. The bureau also provided technical comments that were incorporated into the report, as appropriate.

Recommendation 1: The Bureau of Democracy, Human Rights, and Labor should institute a formal, periodic process to develop policy goals, monitor results, and align resources with priorities. (Action: DRL)

Management Response: In its October 16, 2018, response, the Bureau of Democracy, Human Rights, and Labor concurred with the recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the bureau's formal, periodic process to develop policy goals, monitor results, and align resources with priorities.

Recommendation 2: The Bureau of Democracy, Human Rights, and Labor should direct the Office of International Religious Freedom to complete development of curriculum for mandatory training on international religious freedom required by the Frank R. Wolf International Religious Freedom Act. (Action: DRL)

Management Response: In its October 16, 2018, response, the Bureau of Democracy, Human Rights, and Labor concurred with the recommendation. The bureau noted an estimated compliance date of December 2018.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the completed curriculum for mandatory training on international religious freedom required by the Frank R. Wolf International Religious Freedom Act.

Recommendation 3: The Bureau of Democracy, Human Rights, and Labor should develop internal control procedures for the Leahy program and monitor compliance with the procedures. (Action: DRL)

Management Response: In its October 16, 2018, response, the Bureau of Democracy, Human Rights, and Labor concurred with the recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the Bureau of Democracy, Human Rights, and Labor's internal control procedures and its compliance monitoring plan.

Recommendation 4: The Bureau of Democracy, Human Rights, and Labor should develop performance and workload metrics to inform resource requirements for the Office of Security and Human Rights. (Action: DRL)

Management Response: In its October 16, 2018, response, the Bureau of Democracy, Human Rights, and Labor concurred with the recommendation. However, the bureau disagreed with OIG's assessment that the slow resolution of remediation cases was due to staffing limitations. The bureau noted that the primary cause of the delay has been the requests of other bureaus for additional, highly detailed information and the difficulties embassies have faced in obtaining such information from host governments.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the Bureau of Democracy, Human Rights, and Labor's use of performance and workload metrics to inform resource requirements for the Office of Security and Human Rights.

Recommendation 5: The Bureau of Democracy, Human Rights, and Labor should identify and train dedicated staff to fulfill its statutory responsibilities to provide timely human rights assessments in connection with visa processing. (Action: DRL)

Management Response: In its October 16, 2018, response, the Bureau of Democracy, Human Rights, and Labor concurred with the recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the Bureau of Democracy, Human Rights, and Labor designating and training staff to provide timely human rights assessments in connection with visa processing.

Recommendation 6: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Consular Affairs and the Office of the Legal Adviser, should update and issue a standard operating procedure for processing human rights-related visa ineligibilities under Section 7031(c) of the Consolidated Appropriations Act, 2017. (Action: DRL, in coordination with CA and L)

Management Response: In its October 16, 2018, response, the Bureau of Democracy, Human Rights, and Labor concurred with the recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the Bureau of Democracy, Human Rights, and Labor's standard operating procedure for processing human rights-related visa ineligibilities under Section 7031(c) of the Consolidated Appropriations Act, 2017.

Recommendation 7: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Oceans and International Environmental and Scientific Affairs, should monitor and document the performance of its labor-hours contracts in accordance with Department standards. (Action: DRL, in coordination with OES)

Management Response: In its October 16, 2018, response, the Bureau of Democracy, Human Rights, and Labor concurred with the recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the Bureau of Democracy, Human Rights, and Labor monitoring the performance of its labor-hours contracts in accordance with Department standards.

Recommendation 8: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Oceans and International Environmental and Scientific Affairs, should develop a project plan for the INVESTc project to meet Department and Federal information technology budget planning standards. (Action: DRL, in coordination with OES)

Management Response: In its October 16, 2018, response, the Bureau of Democracy, Human Rights, and Labor concurred with the recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the Bureau of Democracy, Human Rights, and Labor's project plan for the INVESTc project that meets Department and Federal information technology budget planning standards.

Recommendation 9: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Oceans and International Environmental and Scientific Affairs, should appoint a technically qualified direct-hire project manager to oversee the INVESTc project to ensure it meets Department information technology standards. (Action: DRL, in coordination with OES)

Management Response: In its October 16, 2018, response, the Bureau of Democracy, Human Rights, and Labor concurred with the recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of a technically qualified direct-hire project manager appointed to oversee the INVESTc project.

Recommendation 10: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Oceans and International Environmental and Scientific Affairs, should update the INVEST system's authorization to operate, in accordance with Department standards. (Action: DRL, in coordination with OES)

Management Response: In its October 16, 2018, response, the Bureau of Democracy, Human Rights, and Labor concurred with the recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the updated authorization to operate for the INVEST system.

PRINCIPAL OFFICIALS

Position	Name	Start date	Actual Title
Senior Bureau Official (effective 10/1/2017)			
	Michael G. Kozak	9/2013	Senior Advisor
Ambassador at Large for International Religious Freedom			
	Samuel D. Brownback	2/2018	Ambassador at Large
Deputy Assistant Secretaries			
Principal Deputy Assistant Secretary	Vacant		
Deputy Assistant Secretary	Scott W. Busby	12/2013	Deputy Assistant Secretary
Deputy Assistant Secretary, Acting	Christopher T. Robinson	5/2018	Acting Deputy Assistant Secretary

Source: DRL.

Note: Reflecting a bureau in transition, the column labeled "position" refers to the job the named incumbents were doing as the inspection concluded. The column labeled "actual title" lists the position title the incumbents officially encumbered during the inspection.

APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

This inspection was conducted from March 19 through August 2, 2018, in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2012 by the Council of the Inspectors General on Integrity and Efficiency, and the Inspector's Handbook, as issued by OIG for the Department and the Broadcasting Board of Governors.

Objectives and Scope

The Office of Inspections provides the Secretary of State, the Chairman of Broadcasting Board of Governors, and Congress with systematic and independent evaluations of the operations of the Department and BBG. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and economy and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instance of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

Methodology

In conducting inspections, OIG uses a risk-based approach to prepare for each inspection; reviews, circulates, and compiles the results of survey instruments, as appropriate; conducts interviews with Department and on-site personnel; observes daily operations; and reviews the substance of the report and its findings and recommendations with offices, individuals, and organizations affected by the review. OIG uses professional judgment, along with physical, documentary, testimonial, and analytical evidence collected or generated, to develop findings, conclusions, and actionable recommendations.

For this inspection, OIG conducted 306 documented interviews. OIG reviewed responses from 202 staff and contractor questionnaires and 93 surveys completed by overseas posts. OIG also conducted 92 interviews with Department, interagency, and nongovernmental organization partners that elicited comments on DRL's performance on policy and program management. The Bureau of Oceans and International Environmental and Scientific Affairs (OES) supervises the

Executive Director, who provides administrative support to DRL and OES. OIG did not review administrative operations related to OES in this inspection.

APPENDIX B: MANAGEMENT RESPONSES



United States Department of State

*Bureau of Democracy, Human Rights,
and Labor*

Washington, D.C. 20520-7827

October 16, 2018

UNCLASSIFIED
MEMORANDUM

TO: OIG – Sandra Lewis, Assistant Inspector General for Inspections

FROM: DRL – Michael G. Kozak, Senior Bureau Official

SUBJECT: Response to Draft OIG Report – Inspection of Bureau of Democracy,
 Human Rights, and Labor

The Bureau of Democracy, Human Rights, and Labor (DRL) was established by Congress in the International Security Assistance and Arms Export Control Act of 1976 as a policy office, a function the Bureau is proud to continue as its primary mission. The Bureau has in the intervening years been given programming tools by Congress, necessitating the creation of a foreign assistance programming office within the Bureau, as well as an office devoted to implementing Leahy law, and a section devoted to utilizing visa restrictions and sanctions. These tools were allocated to the Bureau to fortify its policy functions, not to supplant them. DRL has reviewed the draft OIG Inspection report. We agree with the report's conclusion that our regional offices are doing an exceptional job on shaping policy. We intend to continue that important work. We provide the following comments in response to the official recommendations provided by OIG:

OIG Recommendation 1: The Bureau of Democracy, Human Rights, and Labor should institute a formal, periodic process to develop policy goals, monitor results, and align resources with priorities. (Action: DRL)

Management Response: DRL already engages in such a process annually, and will build upon it. DRL's Functional Bureau Strategies (FBS) – which are directly linked to the Joint State AID Strategy and the President's National Security Strategy – have been cited by the Bureau of Budget and Planning (BP) as examples of best practice in the Department. DRL regional and functional offices, in consultation with the Front Office, are asked to identify the countries or issues within their region or thematic area that constitute a strategic threat or opportunity. They then lay out specific goals and the types of actions we would take to achieve them. The FBS in turn drives the DRL Operations Plan for foreign assistance spending. Unfortunately, the latter linkage has resulted in a perception that the strategic planning process is only related to foreign

assistance spending. In fact, these strategic priorities also inform discretionary resource allocations ranging from where to utilize: scarce staffing authorities to fill vacancies, representation funds, and front office time commitments to make visa ineligibility determinations and sanctions targeting to multilateral activities. DRL has expanded the planning process this year to give Office Directors and Deputies input on overall Bureau strategy rather than only that portion affecting their region. DRL will take steps to better acquaint those in the Bureau with the Bureau's Functional Bureau Strategy (FBS) and the Department's Joint Strategic Plan (JSP). We will upload each of these documents to the redesigned Sharepoint site, which is expected to be functional by November 2018. We will then have twice yearly Town Halls to socialize our strategic plans with the Bureau and coordinate ideas and responses. We will also seek to communicate more clearly that not identifying a country or issue as a priority does not mean that the work being done on it is not important or valuable. In fact, some of our mandatory activities (producing the annual Human Rights Reports and efficiently carrying out Leahy vetting) are inherent priorities. We will formalize quarterly reviews of progress towards achieving our identified strategic priority goals, and will seek to propagate throughout the bureau the best practices of some offices in maintaining tight coordination of assistance, program, and multilateral activities with regional policy priorities.

OIG Recommendation 2: The Bureau of Democracy, Human Rights, and Labor should direct the Office of International Religious Freedom to complete development of curriculum for mandatory training on international religious freedom required by the Frank R. Wolf International Religious Freedom Act. (Action: DRL)

Management Response: The Ambassador at Large for International Religious Freedom (IRF) accepts the recommendation. While training has not yet reached "all Foreign Service Officers" (FSOs) as required by the Wolf Act, we are on track to do so in the coming years. Since 2016, IRF and the Foreign Service Institute (FSI) have provided religious freedom training to approximately 1,000 Department of State employees.

Beginning in mid-2017, the IRF Office and FSI have incorporated religious freedom training into the existing courses specifically mentioned in the Wolf Act, namely the entry-level course ("A-100") required of all new FSOs and the courses for outgoing deputy chiefs of mission and ambassadors. In addition to the IRF training modules added to the abovementioned courses, FSI offers a four-day elective on Religion and Foreign Policy twice a year. This course exposes U.S. officials to common themes appropriate for engaging religious and faith-based communities in the field and teaches best practices for incorporating religious community outreach and religious freedom advocacy into broader U.S. foreign policy objectives and post engagements. Through a focus on tradecraft skills, the course trains entry- and midlevel officers serving in Washington and in embassies and consulates overseas to use the annual International Religious Freedom Report and other tools to expand outreach to, and strengthen relationships with, members of religious communities. Course topics include: promoting religious freedom, tools for interfaith outreach and dialogue, the relationship between religion and foreign policy, religion and national security, addressing religiously-motivated societal intolerance, promoting mutual respect in foreign societies, understanding the situation of vulnerable religious minorities, and U.S. initiatives to prevent and counter violent extremism.

IRF also provides three-day regional training seminars, offered three to five times per year at various locations around the world, which provide practical, in-depth training on U.S. efforts to advance respect for religious freedom to human rights officers and locally employed staff currently serving at U.S. missions. These seminars are geared to helping officers in the field: improve tradecraft and share best practices for advancing respect for religious freedom in their assigned countries; effectively engage local religious community and civil society actors; provide effective reporting on religious freedom topics; and better understand how U.S. Congressional interest and advocacy by U.S.-based civil society shapes this work. Sessions have taken place at locations including Bangkok, Budapest, Fort Lauderdale, Frankfurt, and Johannesburg. All of these training activities continue as IRF works with FSI to complete the online training course, by the end of 2018, which will be required for all FSOs.

The Ambassador at Large also notes that this recommendation was misdirected to DRL, based on what appears to be a misunderstanding of the organizational status of the Office of International Religious Freedom vis-à-vis the DRL Bureau and the Ambassador at Large position. Footnote 14 of the draft report cites 1 FAM 519.1 as describing the IRF Office as “located within DRL and report[ing] to DRL’s SBO, but support[ing] the [IRF] Ambassador.” However, neither this section of the FAM, nor any other section we are aware of, describes the IRF office as reporting to the DRL SBO. Under the International Religious Freedom Act of 1998, as amended, the IRF Office “shall be headed by the Ambassador at Large for International Religious Freedom.” As such, the staff of the IRF office report either directly or indirectly to the Ambassador at Large. This misunderstanding also colors the OIG report’s subsequent observation that the FAM should be updated to note “the staff assigned to support the production of the Annual International Religious Freedom Report be directly supervised by the Ambassador at Large.” IRF will update 1 FAM 519 to more explicitly state that the staff of the office report to the Ambassador for all purposes, not just for purposes of producing the IRF Reports. In addition to these staff, one member of the PPD team, while reporting to the Director of PPD, covers IRF almost exclusively for all media issues.

In response to the discussion of coordination with the Office of Foreign Assistance Resources (F), we are pleased to update that the Director of Foreign Assistance had agreed to transfer the full amount of Economic Support Fund monies earmarked to the IRF Ambassador at Large (historically \$10 million annually) to DRL’s Office of Global Programs, which will manage these funds at the Ambassador’s direction.

OIG Recommendation 3: The Bureau of Democracy, Human Rights, and Labor should develop internal control procedures for the Leahy program and monitor compliance with the procedures. (Action: DRL)

Management Response: DRL accepts and is implementing this recommendation. DRL is improving Leahy-related controls and monitoring. A newly designated GS-14 Leahy team lead will manage DRL’s nine Leahy vetters and serve as Contracting Officer’s Representative for seven of the contract Leahy vetters. (DRL/SHR maintains one FTE vetter. Another vetter is INL-funded, and an INL program manager serves as the COR.) The position will also manage two of the office’s non-Leahy vetter contract positions that are designated to support

implementation of Leahy policy-related duties, including tracking compliance with the Duty to Inform requirement in the law.

DRL/SHR published a Duty to Inform Compliance Standard Operating Procedure (SOP) in May 2018, and will integrate electronic Leahy law Duty to Inform compliance tracking into future versions of INVEST, as well as continuing annual Duty to Inform compliance surveys. Improvements to the new version of INVEST are aimed at reducing the number of duplicate cases and ensuring that administratively open cases are closed in a timely manner, when appropriate. However, we do not interpret the Leahy laws as requiring that suspended cases necessarily be adjudicated, and our not doing so is not simply a function of staffing gaps. The primary purpose of vetting is to ensure that U.S. training and assistance does not go to individuals or units that have committed gross violations of human rights. If a post or military command chooses not to submit a unit for vetting for any reason, including the possibility that it will not pass vetting, that non-submission does not trigger the Duty to Inform provision. If, after submitting a unit, information is found that would require further resources to resolve, dropping further consideration of the unit without a conclusive resolution of the credibility of the information may be a sound and economical approach. The bureaucratic resources required to resolve credibility disputes can be substantial, including submission to the Department's senior leadership. Often the U.S. interest in assisting one unit versus another is insufficient to justify such an investment of time and resources.

DRL/SHR is developing and will implement a Leahy vetting compliance SOP to systematically check post, DRL, and regional bureau Leahy vetters' INVEST actions for quality assurance and compliance with published Leahy vetting procedures. One of the aforementioned non-vetter contract positions will execute daily implementation and quality control. The position will systematically check post Leahy submissions, in accordance with the to-be-published Leahy vetting compliance SOP, and both DRL and regional bureau Leahy vetter actions to ensure that Department vetting standards are maintained. As part of the quality control, a random sample of cases from each vetter will be re-vetted to ensure consistent results. Results will be reported to the Leahy team lead and DRL/SHR office leadership for evaluation and any required corrective measures. The OES-DRL/EX/IMD technical advisor will assist DRL/SHR in reviewing the Internal Controls SOP for clarity and functionality. Once approved, OES-DRL/EX/IMD will post to DRL SharePoint site. DRL also maintains memoranda of agreement (MOA) with each regional bureau that require annual evaluation of regional vetter performance at the Deputy Office Director level. DRL also meets with regional vetting personnel on a monthly basis to coordinate vetting activities and discuss problem issues.

DRL is ensuring that Leahy contractors do not perform inherently governmental work. DRL/SHR has revised its clearance procedures to ensure contractors are not asked to clear on policy documents, and will ensure that contractors conducting TDY travel are either accompanied by an FTE employee or limit their duties to discussing only established Leahy-related procedures, Leahy implementation best practices, and vetting techniques.

OIG Recommendation 4: The Bureau of Democracy, Human Rights, and Labor should develop performance and workload metrics to inform resource requirements for the Office of Security and Human Rights. (Action: DRL)

Management Response: DRL accepts this recommendation overall. But DRL does not accept that slow resolution of remediation cases was attributable to staffing limitations. DRL/SHR currently reports on Leahy remediation cases weekly to DRL bureau leadership, provides quarterly updates to DRL leadership on vetting statistics, and also routinely reports late submissions to regional bureau and Department leadership. The primary cause of delay has been the requests of other bureaus for additional, highly detailed information and the difficulties embassies have faced in obtaining such information from host governments – often because the cases are several years old and detailed information is simply no longer available. We have been successful in resolving these cases based on obtainable information at the Front Office level once we have exhausted efforts to obtain specific information. DRL/SHR assesses its vetting workload and adjusts available resources as needed based on a daily review of caseloads or outputs from its weekly Leahy vetters meetings, which are attended by the regional bureau Leahy vetters on a monthly basis.

The loss of Leahy vetter positions in DRL/SHR is attributed to restrictions put in place by the Department-wide hiring freeze that restricted their backfill. Improvements to the INVEST application aim to improve electronic vetting and better automate Leahy procedures to enable DRL to operate with the reduced number of vetters. Furthermore, as mentioned above, DRL/SHR has designated two existing contract positions, expanded duties including monitoring compliance and supporting remediation requests.

DRL will continue to review INVEST data, Leahy remediation workload, and other Leahy implementation and oversight requirements to determine if current resources are sufficient or if additional positions need to be created. For context, it should be noted that after several years of steady increase in the Leahy caseload as illustrated in the OIG report, the past fiscal year has witnessed a small decline in caseload. It should also be noted that restrictions on the creation of new contract positions put in place by the Office of Acquisitions Management (A/OPE/AQM) since the Department-wide hiring freeze will need to be overcome to create new Leahy vetter positions. OES-DRL/EX will assist DRL/SHR with budget needs and securing resources to address workload metrics requirements with guidance from the OES-DRL/EX/IMD FTE technical advisor.

Plans to add staff to enhance office engagement on security assistance, humanitarian law and training were made based on the policy directives of previous bureau management. These were discontinued following the change of administration based on the judgment of current management that such activities would be duplicative of functions already carried out by the Department of Defense, the Bureau of Political Military Affairs, the Bureau of International Law Enforcement, and others.

DRL is exploring the feasibility of a working capital fund model with relevant Department offices as advised, though notes that funding for this function is earmarked in the annual appropriations act and that funding has not itself been a resource constraint.

OIG Recommendation 5: The Bureau of Democracy, Human Rights, and Labor should identify and train dedicated staff to fulfill its statutory responsibilities to provide timely human rights assessments in connection with visa processing. (Action: DRL)

Management Response: DRL accepts this recommendation in general. It notes, however, that the most backlogged category of cases – those involving visa determinations for individuals who have allegedly engaged in forced or coerced abortion practices – are delayed in large part because they turn on facts that are only available, if at all, to officers at overseas posts. DRL is exploring whether under existing or amended legislation a framework could be devised for these cases that would delegate many of these inquiries to consular officers abroad. In our judgement, this would produce a better result than simply increasing Washington staffing levels. For other cases where a human rights assessment is required, DRL/MLGA has obtained the services of a highly skilled GS-14 on long-term detail from another bureau. DRL is seeking authority to hire three contractors to work full-time on 7031(c) and other sanctions-related matters, and to re-purpose one existing FS-02 position to lead this effort. In addition, we note that the completion of human rights assessments depends on the inputs and clearances of other relevant bureaus and offices, including regional bureaus, the Bureau of Consular Affairs and the Office of Legal Advisor, and DRL continues to work with them to ensure we receive their contributions in a timely manner.

OIG Recommendation 6: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Consular Affairs and the Office of the Legal Adviser, should update and issue a standard operating procedure for processing human rights-related visa ineligibilities under Section 7031(c) of the Consolidated Appropriations Act, 2017. (Action: DRL, in coordination with CA and L)

Management Response: DRL accepts this recommendation. Finding an approach to implementing 7031(c) that could gain the requisite support throughout the Department has proven challenging. DRL is working to update the draft SOP on processing 7031(c) cases. We will obtain final Department clearances on it as part of a package to delegate authority from S to P for the designation of 7031(c) cases and are currently working with L, CA, and the regional bureaus to move both new and backlog cases up for final approvals.

OIG Recommendation 7: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Oceans and International Environmental and Scientific Affairs, should monitor and document the performance of its labor-hours contracts in accordance with Department standards. (Action: DRL, in coordination with OES)

Management Response: DRL accepts and is implementing the recommendation. OES-DRL/EX has created a performance template and will ask the requirements office to produce these reports during the active period of performance. DRL and OES contracting officer's representative's (CORs) will use this template to document progress reports or status reports, contractor outputs, or customer feedback on contract staff performance. This documentation will be requested on a semi-annual basis, and will be filed in the COR contract files that are maintained.

The Contractor Performance Assessment Reporting System (CPARS) assessments are currently completed and filed in the COR contract file. (14 FAH-2H-142)

OIG Recommendation 8: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Oceans and International Environmental and Scientific Affairs, should develop a project plan for the INVESTc project to meet Department and Federal information technology budget planning standards. (Action: DRL, in coordination with OES)

Management Response: DRL accepts and is implementing the recommendation. INVESTc is being developed by a team of developers under an IRM Bureau contract. A decision was made by previous Bureau leadership to make use of this IRM contract for INVESTc development via a Memorandum of Agreement between DRL and IRM. IRM executes this contract according to Department and Federal standards. The requirements for each of the existing contract development personnel were reviewed throughout the Department, including by staff with the necessary technical expertise, and approved by the then Chief of Staff of the Secretary of State. The contract INVESTc project manager along with DRL/SHR leadership and our OES-DRL/EX/IMD FTE technical advisor (see response to next recommendation) have developed a plan for INVESTc using the Managing State Projects-Information Technology (MSP-IT) template. The project budget forecasts have been developed in coordination with DRL/SHR leadership, the project architect, and the contract's COR's budget team accounting for the project scope (including the identified tasks and activities needed for the project), necessary staffing requirements for the project, and the current environment at State and in DRL (e.g. the hiring freeze, IT procurement speed, etc.).

OIG Recommendation 9: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Oceans and International Environmental and Scientific Affairs, should appoint a technically qualified direct-hire project manager to oversee the INVESTc project to ensure it meets Department information technology standards. (Action: DRL, in coordination with OES)

Management Response: DRL accepts and is implementing the recommendation. The OIG inspectors correctly observed that no one in the DRL chain of command had the technical expertise in software development needed to be able adequately to oversee the project. DRL has accordingly assigned a qualified OES-DRL/EX/IMD FTE technical advisor to the INVESTc project. This employee is involved in project planning and overall oversight of the project to ensure that INVESTc meets Department and Federal information technology and budget planning standards. This individual will work closely with the contract project manager to ensure that the development process is cost effective and in line with best practices and federal standards, and to avoid any conflicts of interest and ensure the contractor is not performing government-inherent duties.

OIG Recommendation 10: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Oceans and International Environmental and Scientific Affairs, should update the INVEST system's authorization to operate, in accordance with Department standards. (Action: DRL, in coordination with OES)

Management Response: DRL accepts and is implementing the recommendation. In August 2017, DRL asked IRM to extend the legacy INVEST system's authorization to operate. OES-DRL/EX/IMD received notification from IRM/IA regarding future scheduling of Assessment and Authorization (A&A) for the current version of INVEST. The A&A process is a collaborative application approval process framework consisting of mandated steps to ensure the appropriate level of protection of information, categorization, and operation does not create undue risk to the Department networks. Upon date confirmation, OES-DRL/EX/IMD will collaborate with IRM/IA to initiate the A&A process and obtain an Authorization to Operate (ATO) for INVEST.

The team of developers building the next version of INVEST includes a full-time contract position dedicated to ensuring that the next version receives authorization to operate in accordance with Department standards.

DRL also points out that the following text may require further elaboration or correction.

Page 2, paragraph 3:

The sentence on the Global Magnitsky Human Rights Accountability Act should be modified to include reference to additional authorities to impose economic sanctions as well as visa ineligibilities.

Page 14, bullet 2:

Please correct "Child Soldier **Protection** Act," to read "Child Soldier **Prevention** Act." DRL also recommends that rather than "leaving little for core duties," it is more accurate to say, "reducing time for core duties."

Page 23, paragraph 2

"After the departure of DRL Front Office personnel who led planning for the project, the bureau determined that the system was not technically feasible and terminated the project after expending \$1.92 million."

Due to a variety of reasons, including the inability of this system to achieve Authorization to Operate on OpenNet according to government standards, the DRL Front Office personnel who oversaw the project terminated it, ensuring that the up to \$20 million on the original award was not wasted.

The point of contact for this memorandum is Senior Bureau Official Michael G. Kozak.

APPENDIX C: THE LEAHY VETTING PROCESS

Leahy vetting is a multiple-step process that begins with case creation and data entry into the International Vetting and Security Tracking (INVEST) system. Cases include vetting of individuals or units of security forces proposed to receive U.S. security assistance furnished under the Foreign Assistance Act or the Arms Export Control Act⁴⁷ or, for assistance provided under Department of Defense authorities, a separate Leahy law.⁴⁸

U.S. embassies are responsible for entering Leahy vetting cases into INVEST and conducting checks of post records. Following the conclusion of these checks, cases are forwarded to regional bureau vetters and to vetters in DRL's Office of Security and Human Rights for additional classified and unclassified checks. Cases are rejected if the Department or the embassy determines that credible information exists that units or individuals have committed gross violations of human rights. Cases also may be rejected on policy grounds unrelated to gross violations of human rights. Cases may be suspended when the Department and embassies cannot reach agreement that incriminatory evidence is sufficiently credible or convincing.

For cases related to the provision of assistance under the Foreign Assistance Act or Arms Export Control Act, a decision to reject requires that the relevant embassy inform the foreign government of the rejection, a requirement known as "duty to inform."⁴⁹ There is no duty to inform requirement for cases that are suspended. Additionally, there is no duty to inform of a rejection decision for assistance provided under Department of Defense authorities.

⁴⁷ Section 620M of the Foreign Assistance Act of 1961, as amended, (22 U.S.C. 2378d) restricts provision of assistance authorized under the Foreign Assistance Act (P.L. 87-195) or the Arms Export Control Act (P.L. 94-329) to any unit of the security forces of a foreign country if the Secretary of State has credible information that such unit has committed a gross violation of human rights.

⁴⁸ 10 U.S.C. § 362, similarly restricts assistance provided under Department of Defense authorities.

⁴⁹ This requirement is specified in 22 U.S.C. § 2378d(c).

ABBREVIATIONS

COR	Contracting Officer's Representative
DRL	Bureau of Democracy, Human Rights, and Labor
EX	Office of the Executive Director
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
GVHR	Gross Violations of Human Rights
INVEST	International Vetting and Security Tracking
OES	Bureau of Oceans and International Environmental and Scientific Affairs
SBO	Senior Bureau Official
SHR	Office of Security and Human Rights

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