



OIG

Office of Inspector General

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

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Office of Inspections

February 2017

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# Inspection of the Bureau of Population, Refugees, and Migration

## DOMESTIC OPERATIONS

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# OIG HIGHLIGHTS

ISP-I-17-10

February 2017  
OFFICE OF INSPECTIONS  
Domestic Operations

Inspection of the Bureau of Population, Refugees, and Migration

## What OIG Found

### What OIG Inspected

OIG conducted an inspection of the Bureau of Population, Refugees, and Migration from May 10 to June 18, 2016.

### What OIG Recommended

OIG made 10 recommendations to the Bureau of Population, Refugees, and Migration to address staffing planning, communication, contract management, monitoring and evaluation, human resources, and purchase card internal controls.

OIG questioned costs of \$1,361,408 incurred by the bureau under task order SAQMMA11F4076 and \$845,429 under delivery order SAQMMA14F142. Payments made under these orders exceeded the firm-fixed price ceilings in the original orders without justifications in the contract file.

- The Assistant Secretary led the Bureau of Population, Refugees, and Migration's response to a series of humanitarian emergencies that have produced the largest number of displaced persons since World War II. This unprecedented increase in workload placed stress on bureau personnel and operations at all levels.
- The bureau established standard operating procedures and systematic mechanisms to engage, monitor, and evaluate the effectiveness of the international organizations it funds.
- As a result of unclear communication about policy priorities, bureau employees were uncertain about how to prioritize their work in order to meet bureau strategic goals most effectively.
- The bureau has been hampered by the lack of a staffing plan to address its expanded workload. As humanitarian crises grew more complex and protracted, close coordination between bureau humanitarian and U.S. Agency for International Development programs became imperative in order to make more efficient use of resources and improve outcomes for refugee populations.
- The bureau developed generally effective internal control policies and procedures to manage grants and cooperative agreements.
- The bureau's engagement on the Migration in Countries in Crisis Initiative resulted in the June 2016 development of internationally accepted draft guidelines on the treatment and protection of vulnerable migrants.
- The bureau's 2015 annual statement of assurance on management controls did not include formal assessments of contract management, information technology security, and refugee admissions.
- The Bureau of Population, Refugees, and Migration and the Bureau of Administration, Office of Acquisitions Management exceeded firm-fixed price ceilings for two contracts by \$2.21 million from 2012–2016.

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## CONTEXT

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The Bureau of Population, Refugees, and Migration (PRM) supports humanitarian goals, policies, and operations related to the protection of refugees, internally displaced persons, and other populations of concern.<sup>1</sup> As authorized by legislation, PRM supports humanitarian assistance and protection-related programs through financial contributions to four primary international organization implementing partners—the United Nations High Commissioner for Refugees (UNHCR), the International Committee of the Red Cross (ICRC), the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), and the International Organization for Migration (IOM)—and to 84 nongovernmental organizations that received funding in FY 2015, as well as to other international organizations.

PRM has primary responsibility within the U.S. Government for refugee protection. It shares responsibility with the U.S. Agency for International Development (USAID) for protection of internally displaced persons and other conflict victims. PRM also provides recommendations to the President on the number of refugees to be admitted annually to the United States and directs programs for their selection, processing, and transportation for resettlement in the United States.

PRM's FY 2015-2018 Functional Bureau Strategy<sup>2</sup> identified four goals in support of its mission to protect refugees, stateless persons, conflict victims, and vulnerable migrants:

- Developing rapid and coordinated humanitarian responses to emergencies.
- Exerting leadership in the international community through humanitarian diplomacy to address, mitigate, and resolve humanitarian crises.
- Promoting refugee resettlement.
- Fostering programs to help women and children and prevent gender-based violence among refugees, internally displaced persons, victims of conflict, and others.

As a result of persecution, conflict, generalized violence, or human rights violations, 65.3 million people were forcibly displaced in 2015, including 5.8 million new conflict victims. Humanitarian emergencies in Syria, Yemen, and South Sudan have significantly increased demands on the international humanitarian system and led to intensified interest in the Department of State (Department) and Congress in humanitarian issues.

PRM's FY 2015 foreign assistance funding of \$3.11 billion came from four accounts: Migration and Refugee Assistance; Migration and Refugee Assistance-Overseas Contingency Operations (MRA-OCO); Global Health and Childhood Survival-State; and Economic Support Fund. In

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<sup>1</sup> "Populations of concern," as defined by UNHCR, include conflict victims, refugees and internally displaced persons, and people at risk because they are stateless, or are migrants, victims of crime, or are otherwise vulnerable to exploitation.

<sup>2</sup> The Functional Bureau Strategy is the bureau-level planning component of the Department's planning, budget management, and performance cycle.

addition, PRM makes recommendations to the President for disbursements from the U.S. Emergency Refugee and Migration Assistance account.<sup>3</sup> PRM provided its largest international organization partner, UNHCR, with \$1.33 billion in voluntary contributions in FY 2015.

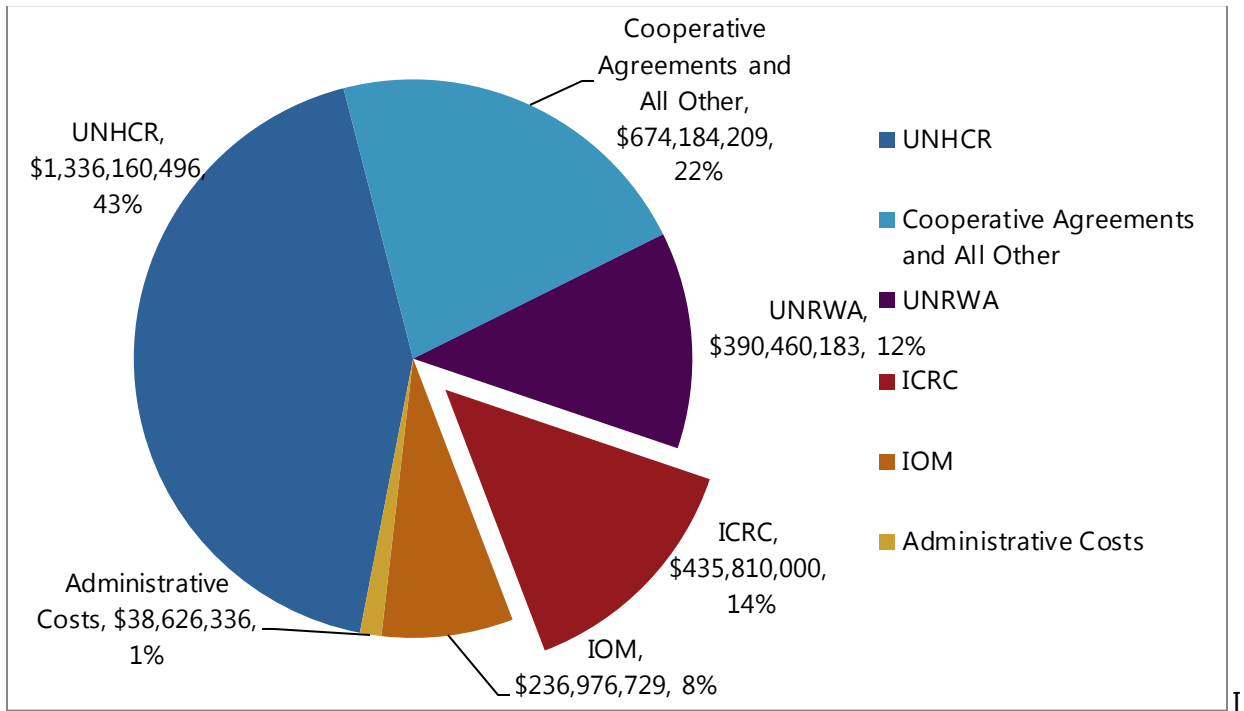
Four deputy assistant secretaries oversee nine offices responsible for developing and implementing policy and programs. At the time of the inspection, PRM staff comprised 194 total authorized positions, including 34 Foreign Service, 131 Civil Service, 13 re-employed annuitants, and 16 intern positions. PRM's overseas staff included a total of 31 positions: 30 Foreign Service (including 1 limited non-career appointment) and 1 Civil Service position.

This inspection focused on five areas: PRM's staffing and readiness to respond to humanitarian emergencies; engagement with international organizations; foreign assistance oversight; risk management; and information technology management. A classified Management Alert prepared in conjunction with this report discusses information security issues.

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<sup>3</sup> The Department has sole responsibility for implementing the U.S. Emergency Refugee and Migration Assistance Account for the purpose of meeting unexpected urgent refugee and migration needs.

Figure 1: FY 2015 PRM Expenditures



Source: OIG Analysis of PRM Office of the Comptroller Data

## EXECUTIVE DIRECTION

OIG based the following assessments of the bureau’s leadership on the results of: 244 documented interviews; meetings in Washington at the Department and 6 other federal agencies; 126 questionnaires completed by PRM bureau staff in Washington and refugee coordinators overseas, of which 104 rated or commented on Front Office performance; and OIG’s review of documents and observations of bureau meetings and activities during the course of the inspection.

The Assistant Secretary joined PRM in April 2012, bringing to the job two decades of operational experience and personal engagement in humanitarian affairs, including service in the Federal Government, international bodies, and nongovernmental organizations. She led the bureau’s response to a worldwide series of humanitarian emergencies and crises that produced the largest number of displaced persons since World War II. This unprecedented increase in workload placed stress on PRM’s personnel and operations at all levels and required intensified engagement on a spectrum of policy issues with Department regional bureaus and senior leadership, other executive-branch agencies, the White House, and Congress. Staffing shortfalls across offices impeded PRM’s ability to conduct monitoring and evaluation, execute policy, and oversee administrative operations. At the time of the inspection, the Assistant Secretary was concentrating on increasing the bureau’s staffing levels and responding to policy commitments arising from the World Humanitarian Summit and other high-level meetings.

## Tone at the Top and Standards of Conduct

### *Policy Priorities Unclear to Employees*

PRM employees did not have a clear understanding of Front Office policy goals and priorities. In OIG's pre-inspection survey the Assistant Secretary scored lower than average in three leadership attribute categories. The survey evaluates the head of a bureau on more than a dozen leadership attributes. The Assistant Secretary's scores were lower than the average range seen in bureau inspections over the last five years in the areas of communications, vision/goal setting, and feedback. PRM staff told OIG that the Front Office's workload and infrequent direct interaction with bureau staff (who work in a Department annex located in a different building) contributed to communications challenges, as did insufficient dialogue with staff concerning the Assistant Secretary's Functional Bureau Strategy goals and priorities. Guidance in 3 Foreign Affairs Manual (FAM 1214 b[2] and b[4]) sets forth leadership and management principles. These principles direct senior leaders to develop and promote short- and long-term goals and communicate them clearly and effectively. Department guidance on implementing the Functional Bureau Strategy<sup>4</sup> encourages bureaus to formally review Functional Bureau Strategy accomplishments, challenges, and lessons learned at least annually. As a result of unclear communication about policy priorities, PRM employees were uncertain about how to prioritize their work in order to meet bureau strategic goals most effectively.

**Recommendation 1:** The Bureau of Population, Refugees, and Migration should implement an annual action plan for its Functional Bureau Strategy to identify priorities and objectives and communicate them to its staff. (Action: PRM)

## Execution of Foreign Policy Goals and Objectives

### *PRM Respected for Expertise on Humanitarian Programs*

Senior Department and other agency officials told OIG that the Assistant Secretary and PRM employees effectively represented the bureau in Department and interagency meetings, interactions with the media, and with Congress. These officials praised PRM for its program management and humanitarian subject matter expertise, citing the bureau as a leader in managing foreign assistance programs. However, Department officials outside PRM also described the bureau as insular and sometimes protective of its area of expertise when working with international organizations.

### *Front Office More Effective on Program Management than Policy Formulation*

Senior Department and other agency officials interviewed by OIG described PRM's senior leadership as not well positioned to respond to its policy formulation and execution responsibilities. They partially attributed this to inadequate staffing in the PRM Front Office. The

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<sup>4</sup> *Bureau Strategy Guidance and Instructions 2015*

bureau's increased workload also imposed new policy-related demands on the Front Office. For example, in a 3-month period in 2015, the Assistant Secretary attended 20 meetings with Department and other agency officials at the rank of Under Secretary or above, 11 congressional hearings or meetings with Members of Congress, and 2 meetings of National Security Council working groups. PRM's 3 program offices—which are responsible for managing policy and programs for geographic regions—responded to 17,922 taskers in 2015. In June 2016, the bureau had one staff assistant to manage paper and taskers critical to ensuring coordinated responses to policy requirements. OIG advised the PRM Front Office that the creation of a chief of staff position and additional staff assistant positions would be required to manage its expanded policy workload effectively.

***PRM Has Documented Progress on Strategic Goals, but Humanitarian Emergencies Outstrip Resources and Commitments***

The bureau reported that it met or nearly met the six Functional Bureau Strategy performance indicators that had quantitative measurements. PRM reported that it increased the number of PRM-supported programs addressing gender-based violence activities from 30 to 35 percent in FY 2015 and admitted 99.9 percent of vetted refugees eligible under regional ceilings established by the President.

The bureau struggled with meeting two of its Functional Bureau Strategy goals: addressing the need for rapid and coordinated response to humanitarian emergencies and developing lasting solutions to displacement. Despite increased funding for emergency programs, neither PRM nor the broader international community has been able to keep pace with emergency needs worldwide. For example, in 2015 PRM's largest international organization implementing partner, UNHCR, reported that it had met only 49 percent of its annual humanitarian funding requirements. The May 2016 World Humanitarian Summit, led by the White House, focused attention on the need for greater efficiencies and planning among humanitarian agencies and additional funding, as well as strengthened coherence between humanitarian and development assistance efforts.

***Lack of Bureau Plan to Address Surge Staffing Needs***

**Figure 2: Staffing and Funding Levels, FY 2006 and FY 2016**

	2006	2016	Percentage Change
Authorized Full Time Positions	131	194	49.62%
Total Funding (in \$ thousands)*	994,511	3,112,217	312.93%

**Source:** PRM Office of the Comptroller

\*Includes Migration and Refugee Assistance, Economic Support Fund, Global Health and Childhood Survival-State, and MRA-OCO accounts

The bureau was hampered by the lack of a staffing plan to address its expanded workload and respond to surge staffing needs. Sixty-four bureau employees cited excessive workload and inadequate staffing as a concern in OIG questionnaires. Overseas refugee coordinators also cited



staffing shortfalls as a concern, particularly with respect to their ability to perform monitoring and evaluation duties.

The bureau did not have well-defined processes for assigning staff and responsibilities during crises, although doing so is essential to meeting its Functional Bureau Strategy goal of rapid response to humanitarian emergencies. For example, until 2016, Embassy Ankara had only one permanent PRM refugee coordinator, even though Turkey, at that time, hosted the world's largest number of refugees and oversaw almost \$415 million in PRM assistance since 2012. An outside consultant's review of the bureau's staffing response to the Syrian humanitarian emergency described PRM's approach to staffing as ad hoc and sometimes less than effective. PRM commissioned a study of bureau-wide operations to identify opportunities for improvement to make it more agile, efficient, and better able to address crises. This report provided the basis for a comprehensive staffing plan, but it did not include an analysis of Foreign Service and locally employed overseas positions and the role of contractors and personal services contractors in filling key needs. Notwithstanding these issues, PRM did not identify comprehensive staffing requirements in its FY 2017 Bureau Resource Request,<sup>5</sup> in part because Department guidance did not specifically require that it do so. The Government Accountability Office *Standards for Internal Control in the Federal Government* Principle 3.02 requires that management establish an organizational structure necessary to plan, execute, and control organizational responsibilities in order to achieve objectives. In the absence of a comprehensive staffing plan, PRM is unable to make progress in identifying and responding effectively to surge staffing needs and is at risk of not being able to conduct monitoring, evaluation and policy responsibilities effectively.

**Recommendation 2:** The Bureau of Population, Refugees, and Migration should implement a staffing plan as part of its FY 2019 Bureau Resource Request. (Action: PRM)

## Adherence to Internal Controls

PRM's 2015 annual bureau statement of assurance on management controls did not include assessments of contract management, IT security, and refugee admissions processes. In preparation for the 2015 statement of assurance, PRM conducted a review that incorporated internal reviews of controls for foreign assistance, purchase card, and personal property inventories. PRM did not prepare written standard operating procedures for this annual exercise. Guidance in 2 FAM 021.1c(5) requires Department managers to review and report on the adequacy of internal controls systems annually. The Department's 2015 guidance to assistant secretaries included instructions that bureaus pay special attention to contracts, grants, and information security programs because of Department-wide internal control weaknesses in these areas. Without a more comprehensive internal controls review process, PRM's key programs are at risk of waste, fraud, and mismanagement.

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<sup>5</sup> The Bureau Resource Request is a planning document in which bureaus justify funding and staffing needs.

**Recommendation 3:** The Bureau of Population, Refugees, and Migration should implement a standard operating procedure for future annual statement of assurance processes that includes reviews of contracts, information security, and refugee admissions processes. (Action: PRM)

***Principal Deputy Assistant Secretary: Non-Traditional Duties, Heavy Workload Limit Ability to Manage the Bureau***

The principal deputy assistant secretary (PDAS) directly supervised three offices with heavy workloads: the Office of Refugee Admissions, the Office of Assistance to Asia and the Near East, and the Office of the Executive Director. Until a June 2016 reassignment of duties, PRM's PDAS was not assigned some of the supervisory and resource management duties performed by counterparts in other functional bureaus.<sup>6</sup> For example, the PRM PDAS was not specifically responsible for management of bureau personnel issues and did not supervise the other deputy assistant secretaries. These responsibilities are important aspects of the Government Accountability Office *Standards of Internal Control for the Federal Government* Principle OV2.16 regarding strategic planning.

The result, as reflected in surveys and interviews conducted by OIG, was uncertainty about the priorities and functions of the PDAS among PRM employees and insufficient attention to strategic management of the bureau. The Assistant Secretary and the PDAS saw the assignment of a fourth deputy assistant secretary, who arrived in June 2016, as an opportunity to realign portfolios and strengthen PDAS management responsibilities.

## **Security**

PRM managed access control and emergency planning procedures according to Department standards. OIG made one recommendation to address the need for closing-hours security checks in the Resource Management section of this report.

## **POLICY AND PROGRAM IMPLEMENTATION**

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PRM operates in a specialized policymaking environment that requires the bureau to address the humanitarian implications of political and military decisions by the U.S. Government. PRM is navigating from its past as a small program bureau with specialized responsibilities to its present role as a mid-sized bureau with additional policy responsibilities and increased public visibility.

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<sup>6</sup> As described in 1 FAM 532, Bureau of International Narcotics and Law Enforcement Affairs deputy assistant secretaries report to the principal deputy assistant secretary. For the Bureau of Oceans and International Environmental and Scientific Affairs, the principal deputy assistant secretary provides overall coordination and management of the bureau and actively participates in the selection and recruitment of personnel (1 FAM 512). For the Bureau of Democracy, Human Rights and Labor, the principal deputy assistant secretary sets program goals and objectives and monitors and directs use of staff and resources to achieve bureau priorities (1 FAM 512 [3]).

### ***Additional Policy Workload Likely to Persist for Foreseeable Future***

As described in 1 FAM 521, PRM leads the Department's population, refugee, and migration policy development and its response to humanitarian crises. Increasingly, this responsibility requires it to interact intensively with the regional bureaus and Department principals on policy issues, such as the 2016 agreement by the European Union and Turkey to return refugees to Turkey. New burdens were placed on bureau staff by active White House engagement on refugee admissions and the Central American unaccompanied minors crisis, which saw thousands of children fleeing Central America into Mexico and the United States. Most notably, the bureau operated at the center of policy attention as it supported three major White House initiatives in 2016—the World Humanitarian Summit, the High Level Meeting on Addressing Large Movements of Refugees and Migrants, and the President's Leader's Summit on Refugees—that it coordinated with USAID and the Bureau of International Organization Affairs.

Conflicts that drive flows of displaced persons are unlikely to be resolved in the medium term. For example, the World Bank estimates that the average duration in exile for displaced persons is 10.3 years. As a result of the growth in complex humanitarian emergencies, PRM's policy responsibilities have expanded. Clarification of bureau strategic goals and development of a staffing plan to address these responsibilities, as recommended in the Executive Direction section of this report, will be necessary to enable the bureau to respond to these demands.

### ***Program Management Challenges: Urban Refugees, Livelihood, and Risk Management***

Apart from its new policy responsibilities, PRM also addressed program management challenges arising from the changing nature of current refugee populations. Although more than two-thirds of refugees now live outside refugee camps, with the majority living in urban areas, PRM and UNHCR lacked comprehensive performance metrics and monitoring tools for urban refugee populations. Other program management concerns included the need for expanded livelihood programs to assist refugees in protracted crises, close coordination between humanitarian and development actors, and additional support from UNHCR for internally displaced persons. Monitoring and evaluation of PRM programs in insecure environments—including in areas in Syria, Pakistan, and Yemen controlled by terrorist groups hostile to the United States—required new contract and technical oversight mechanisms and expanded risk management processes, which PRM had begun to deploy.

PRM brought institutional strengths to these new policy and program challenges. Employees of bureaus and agencies interviewed by OIG described PRM personnel as professional, responsive, having a sense of purpose, and effective at using program funding to address policy problems. The bureau's depth of program management expertise, its close relationships with implementing partners, and its well developed program oversight processes were additional assets.

## Engagement with International Organizations

### *PRM Exercises Oversight Despite Limited U.S. Requirements*

OIG found that PRM established standard operating procedures and systematic mechanisms to engage, monitor, and evaluate the effectiveness of the international organizations it funds. PRM is not required under federal law or Department guidance<sup>7</sup> to undertake specific monitoring and evaluation of funding furnished under voluntary and assessed contributions,<sup>8</sup> with limited exceptions.<sup>9</sup> PRM provided \$2.57 billion in assistance to international organizations in FY 2015 through voluntary and assessed contributions; which constituted 77 percent of PRM's total expenditures. The United States was the largest donor to UNHCR,<sup>10</sup> IOM,<sup>11</sup> ICRC,<sup>12</sup> and UNRWA<sup>13</sup> in 2015.

The Functional Bureau Strategy identified as a key goal execution of "humanitarian diplomacy," which PRM defined as diplomatic engagement to address, mitigate, and resolve humanitarian crises, particularly through the international humanitarian system. PRM conducted oversight of its international organization implementing partners primarily through diplomatic channels. PRM interacted with international organizations through engagement with agency

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<sup>7</sup> The Foreign Assistance Act of 1961 (P.L. 114-113), 22 USC 2221, authorizes the President to make voluntary contributions to international organizations. Grants Policy Directive 54 notes that "the use of funds by the Public International Organization is not required to be tracked by the U.S. Government" and that Public International Organizations are not expected to subject their books and records to inspection by officials in each country participating in the organization.

<sup>8</sup> Assessed contributions are assistance provided to foreign countries, international societies, or projects that are lump sum, quota of expenses, or fixed by treaty. Voluntary contributions are assistance provided to directly support the activities or budget of a public international organization.

<sup>9</sup> PRM is required under Section 301 of the Foreign Assistance Act of 1961 (P.L. 87-195), as amended, to ensure that no contributions are made by the United States to UNRWA unless that organization takes all possible measures to assure that no part of the United States contribution is used to furnish assistance to any refugee who is receiving military training as a member of the so-called Palestine Liberation Army or any other guerrilla type organization or who has engaged in any act of terrorism. PRM also is required under the Consolidated Appropriations Act of 2016 (P.L. 114-113) to conduct regular oversight to ensure that collection of feedback obtained directly from beneficiaries is used by implementing partners to maximize the cost-effectiveness and utility of such assistance.

<sup>10</sup> UNHCR was created in 1950 by the UN General Assembly to lead and coordinate international efforts to protect refugee rights and well-being and find solutions to refugee situations. Its mandate was subsequently expanded to include the prevention and reduction of statelessness.

<sup>11</sup> Founded in 1951, IOM defines its mission as assisting in meeting the growing operational challenges of migration management; advancing understanding of migration issues; encouraging social and economic development through migration; and upholding the human dignity and well-being of migrants.

<sup>12</sup> Founded in 1863, ICRC is a Swiss-based private organization whose current mandate stems from the Geneva Conventions of 1949. ICRC protects and assists civilian and military victims of armed conflicts and internal disturbances. It monitors the conditions of persons detained as a result of armed conflict or internal tensions.

<sup>13</sup> UNRWA was created in 1949 by the UN General Assembly and began operations in 1950 to carry out direct relief and works programs for Palestine refugees in the Near East. UNRWA's services encompass education, health care, relief and social services, camp infrastructure and improvement, microfinance, and emergency assistance, including in times of armed conflict.

headquarters, site visits, and development of joint goals and objectives in the framework for cooperation agreements and other documents. Its four main international organization implementing partners have varied governing structures that require PRM to tailor its oversight and engagement with each. For example, UNHCR and UNRWA were created by the United Nations General Assembly. The United States is a member of UNHCR’s Executive Committee and UNRWA’s Advisory Committee. IOM previously operated outside the U.N. system, but it became a Related Organization of the U.N. on July 25, 2016, with the General Assembly’s unanimous approval. ICRC is a Swiss-based private organization that is governed by a 15-25 member Swiss-citizen Assembly. Although the United States is a member of ICRC’s Donor Group, it does not have a formal role in the organization’s governance.

**Figure 3: PRM Oversight Mechanisms for International Organizations**

	UNHCR	IOM	UNRWA	ICRC
Framework for Cooperation Agreement	X	X	X	
Attendance of Annual Governance Meetings	X	X	X	
PRM Standard Operating Procedure/Guidelines	X	X	X	X
Site Visits Conducted by U.S. Government Personnel	X	X	X	X
PRM Monitoring and Evaluation Training for U.S. Government Employees	X	X	X	X

**Source:** OIG analysis of PRM diplomatic engagement.

**Spotlight on Success: Policy and Program Review Committee**

PRM’s Policy and Program Review Committee is part of a bureau-wide process that engages the Assistant Secretary, deputy assistant secretaries, and bureau offices in policy strategy and funding decisions. Open to all PRM employees, the review process provides a forum to discuss the allocation of program resources and policy decisions. Decisions documented through the process include funding for Syria programs, monitoring and evaluation policy, and U.S. goals and objectives for the international organizations. PRM employees described the process as valuable to ensure effective program outcomes and employee input across offices. They also noted that the process was time-consuming; the bureau was looking at steps to streamline and review its operations.

***Headquarters Monitoring: U.S. Mission Geneva is a Primary Link***

PRM engaged directly with the 3 international organizations headquartered in Geneva (UNHCR, IOM, and ICRC) through the U.S. Mission to the U.N. and Other Organizations, Humanitarian Affairs Section, whose 7 positions are funded by PRM. The section serves as a conduit between PRM and the international organizations. Humanitarian Affairs Section personnel participated in and led delegations to formal meetings of these organizations. The section reported an increase in workload, reflecting extended crises such as Syria, which mirrored the workload increases within the bureau itself.

The PRM-funded refugee coordinator at Consulate General Jerusalem is the principal U.S. Government point of contact with the UNWRA Commissioner-General in Jerusalem and Deputy Commissioner-General in Amman, Jordan.

### ***Framework for Cooperation Agreements and Site Visits Structure Monitoring and Evaluation***

Although not required by U.S. law or Department guidance, PRM framework for cooperation agreements with UNHCR, UNRWA, and IOM to increase cooperation and oversight of these organizations. The agreements identified shared goals, priorities, and commitments, including planned monitoring mechanisms to evaluate program effectiveness. At the time of the inspection, the agreement with UNHCR was for a 2-year period, while the UNRWA agreement was reviewed annually. The agreement with IOM was originally from 2007 with a pending update. Because of ICRC's independent status, it does not conclude framework for cooperation agreements with donors, including the United States. Instead, PRM refugee coordinators and Washington-based program officers monitored and evaluated ICRC's international organization programs. PRM's engagement with ICRC included written and oral exchanges on program implementation, planning, and developments on the ground.

### ***Consistent Responsiveness to U.S. Oversight from International Organizations***

PRM officials reported consistent responsiveness from international organizations to bureau concerns about program management and internal controls in programs it funded. PRM pressed its international organization implementing partners to address problems identified during site visits. For example, PRM engagement identified weaknesses in coordination between UNHCR and the World Food Program in Mauritania. PRM's involvement resulted in corrective action by these organizations. PRM participated in developing annual country operating plans with its largest partner, UNHCR, in which the U.S. Government formally conveyed its assessments of program successes and challenges. PRM also set up an internal mechanism to report to the Assistant Secretary on allegations of waste, fraud, and abuse involving PRM funding recipients, including international organizations.

## **Coordination with USAID**

### ***Need for Greater Coherence between Humanitarian and Development Assistance***

PRM reported its staff did not have a good understanding of how development actors plan, budget, and make decisions that affect PRM partners. As humanitarian crises grow more complex and protracted, closer coordination between PRM and USAID is imperative for efficient use of resources and to improve outcomes for refugee populations. As described in 1 FAM 521(4), PRM's Assistant Secretary is responsible for assistance to refugees, conflict victims, and migrants. USAID is responsible for internally displaced persons, food aid, and assistance to victims of foreign disasters. In practice, PRM and USAID had overlapping responsibilities for protection of conflict victims, livelihood programs, and responses to complex emergencies. Planning for coordinated transitions from humanitarian to development assistance also was



problematic in a number of countries, most notably in the regional response to the Syrian humanitarian emergency.

Progress on protracted refugee crises, in particular, required closer coordination between PRM and USAID. PRM identified finding durable solutions for refugees, internally displaced persons, and conflict victims in protracted refugee situations as a key goal in its Functional Bureau Strategy.<sup>14</sup> However, during 2015, only 201,400 refugees returned to their countries of origin, the third-lowest number since 1995. Eleven of 32 protracted refugee situations have been ongoing for 30 years or more, placing pressure on humanitarian resources as new refugee crises unfold and highlighting the need for new approaches to protracted crises.

### *Initiatives Launched to Strengthen PRM-USAID Coordination*

In response to White House and Department policy guidance, PRM and USAID took additional measures to strengthen interagency coordination mechanisms to address protracted refugee crises and other cross-cutting issues. PRM reported positive working-level relationships with USAID, particularly with its Bureau of Democracy, Conflict, and Humanitarian Assistance. The chief formal mechanism for interagency coordination was the Humanitarian Policy Working Group, created in response to the Secretary's 2010 Quadrennial Diplomacy and Development Review. The group was responsible for developing a whole-of-government approach to the humanitarian response to disasters and complex crises. At the May 2016 World Humanitarian Summit, the United States announced the creation of a Crisis Review Mechanism through which agencies would systematically review a crisis within one year of onset, to determine how relief programming should evolve from a humanitarian to a development approach. At the time of the inspection, USAID and PRM were meeting to discuss implementing the initiative.

### **Refugee Coordinator Program**

PRM's overseas complement of Foreign Service officers played a vital role in carrying out the bureau's policy and program goals. PRM's 31 Foreign Service refugee coordinators,<sup>15</sup> located in 21 countries, served as a conduit between the bureau and its overseas implementing partners. They also served as PRM representatives to host countries on humanitarian issues. As described in 1 FAM 521.1(6), refugee coordinators focus on refugee assistance and protection. PRM refugee coordinators who responded to an OIG survey consistently agreed that PRM kept them informed of policy developments, sought their feedback, coordinated effectively with chiefs of mission, and provided adequate budgetary support for their operations. However, some refugee coordinators reported staffing limitations adversely affected monitoring and evaluation duties (see Executive Direction section of this report for further discussion).

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<sup>14</sup> UNHCR defines a protracted refugee situation as one in which 25,000 or more refugees from the same nationality have been in exile for five or more years in a given asylum country.

<sup>15</sup> This report refers to "refugee coordinators" to include PRM-funded refugee coordinators and humanitarian assistance officers.

## Refugee Admissions<sup>16</sup>

### *Increased Workload and Visibility Drive Program Expansion*

PRM successfully met White House goals for refugee admissions in FY 2015. PRM's Office of Refugee Admissions is responsible for managing the U.S. Refugee Admissions Program. The Migration and Refugee Act of 1980 (P.L. 96-212) authorizes admission to the United States of individuals with "a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion," subject to procedures described in the Act. According to the bureau, PRM expended \$394.2 million in FY 2015 to process and resettle 69,993 refugees to the United States. In September 2015, the President authorized an increase in the refugee ceiling to 85,000, from the FY 2015 ceiling of 70,000. Supporting the higher level of refugee admissions authorized by the President in FY 2015 and FY 2016 placed new operating demands on PRM staff.

### *Partner Capacity Limitations and Processing Lead Times May Affect Pace of FY 2016 and FY 2017 U.S. Refugee Admissions*

PRM identified a number of capacity limitations among its implementing partners that may affect the bureau's ability to admit a higher number of refugees in FY 2016 and FY 2017. UNHCR—PRM's partner in identifying refugees eligible for resettlement into the United States—faced an unprecedented challenge in terms of addressing four Level 3 emergencies<sup>17</sup> in Syria, Iraq, South Sudan, and Yemen. This left the organization with limited capacity to identify additional refugees for resettlement. In addition, U.S. Government agencies involved in refugee security vetting employ extensive procedures that affect the pace of refugee admissions. PRM estimated that the entire admissions process requires 18 to 24 months from initial refugee screening to admission to the United States. Third, PRM identified limited capacity among its domestic voluntary agency partners as a key constraint. These capacity issues include limited slots in high-demand cities, as well as difficulties in identifying suitable housing and employment, and shortages in programs for instruction in English as a second language.

## Overseas Contingency Operations Funds

### *Temporary Funding Mechanism Enhances Bureau Resources But Does Not Provide for Stable Multi-Year Needs*

The President's FY 2012 budget request described Overseas Contingency Operations (OCO) funds as intended for "extraordinary and temporary costs of operations in Iraq, Afghanistan, and Pakistan." Congress subsequently permitted use of OCO funding, including MRA-OCO funding,

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<sup>16</sup> OIG did not review refugee screening processes, cooperative agreements pertaining to refugee admissions, or security vetting processes because of ongoing and planned audits addressed to these areas.

<sup>17</sup> A Level 3 activation requires a United Nations system-wide mobilization to significantly increase the scale and effectiveness of humanitarian response to a particular emergency.



for a broader range of activities, which enabled PRM to respond to humanitarian crises in other regions. For example, PRM expanded the use of MRA-OCO funding in FY 2016 to support conflict victims in Europe and Central Asia.

PRM's MRA-OCO funding was not appropriated by Congress specifically to support U.S. military operations under Operation Inherent Resolve (in Iraq and Syria) or Operation Freedom's Sentinel (in Afghanistan), and legislation does not require PRM to program its MRA-OCO funds for these regions exclusively. However, PRM reported that the Office of Management and Budget and congressional guidance on the use of MRA-OCO funding and required notifications and processes created operational challenges. PRM reported that it funded programs partly on the basis of need according to principles of universality and impartiality and partly on the basis of policy priorities.

## Migration

### *Progress Made on Vulnerable Migrant Policy Initiative*

PRM's smallest office, the Office of Population and International Migration, made progress in clarifying the standards for protecting vulnerable migrants<sup>18</sup> in the international humanitarian system, a policy area of growing importance across regions. In particular, PRM engaged with five regional migration consultative forums to promote greater coherence in migration policy. Vulnerable migrants are not included in the definition of "persons of concern" used by UNHCR, and many of the world's migrant populations are not defined as refugees under either the U.N. Convention and Protocol Relating to the Status of Refugees or under U.S. law. PRM led the Migrants in Countries in Crisis Initiative, developed in response to a 2013 UN General Assembly High-Level Dialogue on International Migration and Development call to develop clearer response mechanisms to protect vulnerable migrants. PRM's engagement on this initiative resulted in the development and release of internationally accepted draft guidelines on the treatment and protection of vulnerable migrants in June 2016.

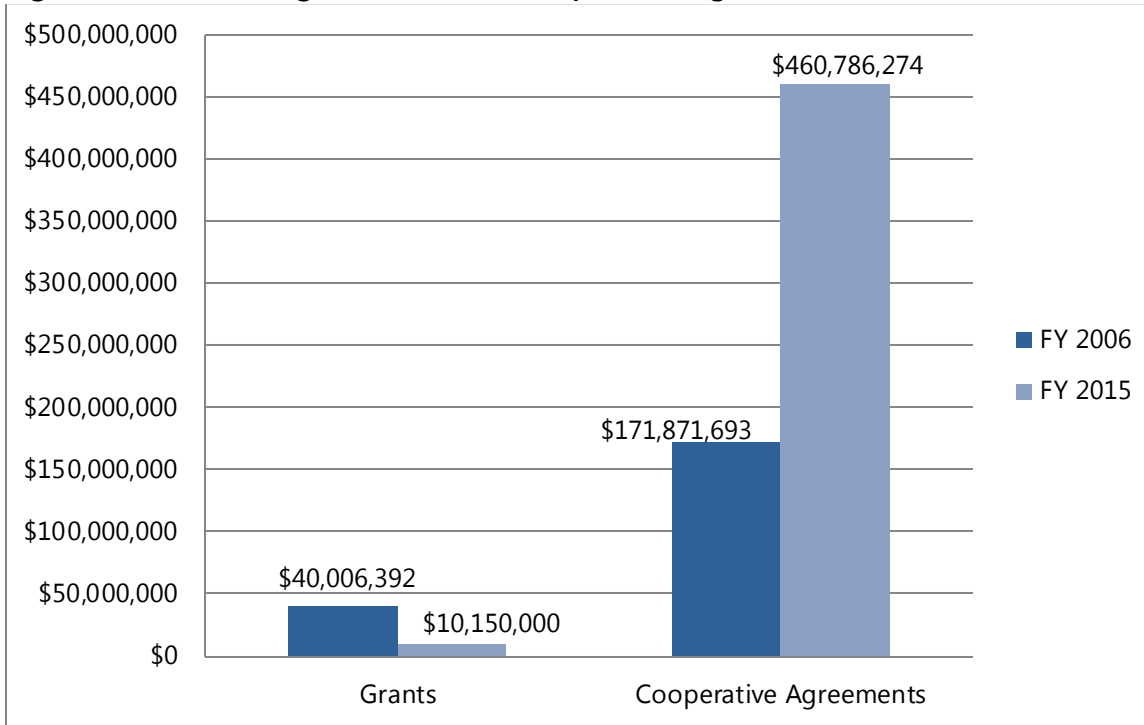
## Cooperative Agreements and Grants

In FY 2015, PRM awarded 277 grants and cooperative agreements with a value of \$460.8 million, or 14.8 percent of total bureau funding. PRM's Office of the Comptroller is responsible for overall financial management worldwide of the bureau's program appropriations for migration; refugee assistance; protection and admissions activities; voluntary and assessed contributions; and execution of grants and cooperative agreements with U.S. and foreign nonprofit organizations. Bureau assistance offices are responsible for oversight and management of humanitarian assistance programs and activities, including grants and cooperative agreements. Figure 4 depicts the increase in funding for grants and cooperative agreements from FY 2006 to FY 2016.

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<sup>18</sup> PRM defines "vulnerable migrants" as non-refugee migrants of special concern because of their status as asylum seekers, trafficking victims, stateless persons, and lesbian, gay, bisexual, and transgender individuals.

Figure 4: PRM Funding for Grants and Cooperative Agreements, FY 2006 and FY 2015



Source: PRM Office of the Comptroller

***Cooperative Agreements and Grants Generally Managed According to Regulations***

OIG found that PRM’s management of cooperative agreements and grants generally complied with applicable federal assistance regulations. Further, PRM developed generally effective internal control policies and procedures for managing cooperative agreements and grants. OIG reviewed 28 cooperative agreements and 2 grants awarded in FY 2014 and FY 2015, totaling \$99.5 million, out of a total universe of 488 awards with an award value of \$1.06 billion. These grants and cooperative agreements were executed in Pakistan, Israel, Lebanon, Turkey, Jordan, Thailand, Syria, Colombia, and Kenya. All cooperative agreement and grants files, with one exception, included evidence that they were competitively awarded and that grants officer representatives were properly designated through the lifecycles of agreements. All but one award contained clear performance metrics. Further, PRM established comprehensive internal guidance through standard operating procedures and internal controls—such as Office of the Comptroller quality control reviews—to provide assurance that PRM followed regulations. The bureau’s Policy and Program Review Committee process provided a framework for formally linking federal assistance funding to bureau strategic objectives and policy priorities.

***Award Recipients Generally Reported Meeting Performance Targets***

OIG’s review of award recipients’ final performance progress reports found that in 19 of 24 awards, for which final performance progress reports were available, the recipient reported

meeting or exceeding at least 75 percent of the program objective indicators.<sup>19</sup> The total value of these awards was \$79.8 million. Program objective indicators are intended to measure a target level of performance as a tangible, measurable objective against which actual performance can be compared, as described in 2 CFR 200.76. Problems that affected recipient performance for the remaining five awards included security, insufficient planning, the need for more time to achieve and more accurately assess the indicators, and difficulties faced as a result of military action by the host country.

### ***Inconsistent Cooperative Agreement and Grants Quarterly Monitoring and Evaluation Reports***

Grants officer representatives did not consistently prepare quarterly evaluation reports. Six of 30 award files reviewed by OIG lacked evidence of quarterly monitoring of program performance for at least one quarter. Reports also varied in timing, format, and depth. Program officers generally evaluated award recipients on program objectives and indicators in final reports, but not in quarterly reports. PRM employees cited a lack of staffing in program offices and in refugee coordinator positions as the cause of this deficiency. However, PRM could enhance program monitoring and evaluation by making greater use of risk-based monitoring and evaluation to focus oversight on higher-risk activities and expanding its use of contract monitoring and technology-assisted remote monitoring.

The Department's Federal Assistance Policy Directive Part 3.01 requires that offices conduct monitoring and evaluation to ensure adherence to programmatic and financial performance and that the intended activities, goals, and objectives are accomplished. Incomplete monitoring and evaluation increases the risk of noncompliance with grant terms and conditions and federal statutes and regulations.

**Recommendation 4:** The Bureau of Population, Refugees, and Migration should implement an action plan to improve its monitoring and evaluation of cooperative agreements and grants. (Action: PRM)

## **INFORMATION MANAGEMENT**

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PRM received its information management support from two providers. The bureau's Information Management Division in the Office of the Executive Director (EX) supported operational activities involving local area network systems, application development and maintenance, mobile device management, video conferencing, and PRM SharePoint sites. The Bureau of Information Resource Management provided telecommunication and end-user desktop support. A PRM-appointed information systems security officer in EX and the Bureau of Information Resource Management's Security Management Branch handled information security oversight. The Information Management Division provided the necessary support to facilitate and enable PRM's day-to-day operations, but OIG identified weaknesses in project planning and

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<sup>19</sup> Five awards were still ongoing as of June 2016.

IT security. In addition, employees told OIG that PRM's development and deployment of its Enterprise System, developed to improve foreign assistance data and project management and enhance information retrieval and analysis, had been delayed. OIG questionnaires and survey materials indicated overall satisfaction with the IT services the Information Management Division provided.

***Contract Payments for PRM Enterprise System Exceeded Firm Fixed-Price Ceilings***

PRM and the Bureau of Administration's Office of Acquisitions Management (AQM) exceeded firm-fixed price ceilings for two contracts by \$2.21 million from 2012 to 2016. The contracts were in support of the PRM Enterprise System. Employees in PRM served as contracting officer's representatives for these contracts.

AQM issued a firm fixed-price task order, SAQMMA11F4076, to Creative Information Technology, Inc., under an indefinite delivery, indefinite quantity contract on September 23, 2011, for \$655,402.10. The task order statement of work did not identify specific dates for completion of deliverables. AQM subsequently issued a total of 7 contract modifications and extensions from 2012 to 2014 that resulted in obligations totaling \$2,016,810, exceeding the contract ceiling by \$1,361,408. The task order was followed by a firm fixed-price delivery order, SAQMMA14F1425, to Validatek on May 20, 2014, for continued development of the PRM Enterprise System. This delivery order statement of work did not identify specific dates for completion of deliverables. AQM issued a total of five delivery order modifications from 2014 to June 2016 that resulted in obligations totaling \$1,755,044. Contract files did not contain supporting documentation for the contract modifications, although such information is normally required by Federal Acquisition Regulation 4.803(a)(26)(iii). In June 2016, payments exceeded the amount specified in the Validatek firm-fixed price delivery order by \$845,429.

Costs exceeded firm-fixed price ceilings because of a lack of project planning to identify bureau needs and contractor deliverables, as required by 5 FAM 615, and because AQM and PRM did not track payments made against contract ceilings. The 2011 independent government cost estimate for the PRM Enterprise System was \$774,488, but as of June 2016, the system was not fully deployed even though costs had substantially exceeded the cost estimate. PRM estimated the total cost in support of the original task order and the successor delivery order to complete the project would be \$4,102,133. This is more than \$3.3 million over the independent cost estimate and more than \$3.4 million over the original contract. Federal Acquisition Regulation 16.202-1 states that firm fixed-price contracts are not subject to any adjustment on the basis of the contractor's cost performance in performing the contract. Without internal controls to prevent exceeding the contract ceilings in the Validatek delivery order, improper contract payments occurred.

**Recommendation 5:** The Bureau of Population, Refugees, and Migration, in coordination with the Bureau of Administration, should implement internal control procedures for delivery order SAQMMA14F1425 to prevent spending in excess of the contract ceilings. (Action: PRM, in coordination with A).

OIG questions costs of \$1,361,408 incurred by PRM under task order SAQMMA11F4076, and \$845,429 under delivery order SAQMMA14F1425 because payments made under these orders exceeded the firm-fixed price ceilings in the original orders without justifications in the contracting file. Federal Acquisition Regulation 1.602-1(b) states that no contracts shall be entered into unless the contracting officer ensures that all requirements of law, executive orders, regulations and all other procedures are met. Because contract ceilings were exceeded and reasons for contract modifications were not documented, contract payments may not be allowable.

**Recommendation 6:** The Bureau of Administration should determine whether the questioned costs of \$1,361,408 incurred under SAQMMA11F4076 and \$845,429 incurred under delivery order SAQMMA14F1425 in support of the Bureau of Population, Refugees, and Migration Enterprise System, as identified by OIG, are allowable, and recover any costs determined to be unallowable. (Action: A)

## RISK MANAGEMENT

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PRM programs face several types of operating risks, including working in conflict zones where risks of terrorism and political violence pose security threats to aid workers. For example, in 2014, 121 aid workers were killed and 88 were injured in major attacks.<sup>20</sup> In addition, aid furnished to PRM's partners could be diverted to terrorist groups through infiltration and exploitation of these organizations. Finally, PRM programs face risks of waste, fraud, and mismanagement associated with funding programs in war and conflict zones.

### *PRM Completed All Cooperative Agreement Risk Management Checks*

PRM established risk management procedures for its foreign assistance programs that meet requirements under federal law and Department guidance. OIG reviewed PRM's administration of 5 risk management processes for a sample of 30 awards from FY 2014 and FY 2015 and found all files contained evidence of proper checks. Specifically, OIG reviewed whether the cooperative agreements included evidence of completion of risk assessment processes,<sup>21</sup> System for Award Management checks,<sup>22</sup> and Risk Analysis and Management system checks for cooperative agreements in Lebanon and Kenya.<sup>23</sup> OIG also reviewed whether the federal assistance recipient was registered with an Office of Management and Budget-designated repository of financial

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<sup>20</sup> Attacks included acts of terrorism, crime, and political violence directed against aid workers.

<sup>21</sup> U.S. Department of State Federal Assistance Policy Directive, Section 2.03-A, states that risk assessments are required for all competitive and noncompetitive awards. (Office of the Procurement Executive, dated 1/2016)

<sup>22</sup> Federal Assistance Policy Directive, Section 2.02-B, states that grants officers are required to verify, prior to award, that all potential recipients of federal assistance awards are not currently in the Excluded Parties List System, and are registered with the System for Award Management.

<sup>23</sup> Federal Assistance Policy Directive, Section 2.05-B, states that the purpose of vetting recipients is to reduce the risk that U.S. Government funding is provided to terrorists or their supporters. All high-risk programs are vetted, as well as random representative samples of non-high risk programs to evaluate the accuracy of the risk assessment. The Department and USAID conduct joint testing in five countries: Guatemala, Kenya, Lebanon, Philippines, and Ukraine.

integrity information<sup>24</sup> and that PRM had consulted with the Bureau of Intelligence and Research, the Bureau of International Narcotics and Law Enforcement Affairs, and the Intelligence Community, when applicable.<sup>25</sup>

Prior to 2015, PRM incorporated a brief, risk-based narrative assessment of terrorist financing risk and mitigation strategy in its record of funding decisions. In 2015, PRM developed a more extensive risk assessment checklist that included additional operational, financial, internal control, and terrorism risk factors. Although PRM did not retain documentation of Risk Analysis and Management checks for 12 files that required them, OIG confirmed that they had, in fact, been performed. OIG also found that consultations with other bureaus were not comprehensively documented, but files did include basic information establishing they were conducted. OIG advised PRM to retain completed Risk Analysis and Management checks in grants files.

### ***Risk Management Formally Incorporated Into International Organization Oversight***

PRM formally incorporated risk-based assessments of terrorist financing into its funding decisions for IOM, UNHCR, ICRC, and UNRWA. PRM identified through the U.S. Government-UNRWA Framework for Cooperation measures that UNRWA planned to comply with conditions on U.S. assistance under Section 301(c) of the Foreign Assistance Act, as amended.

## **RESOURCE MANAGEMENT**

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### **Office of the Executive Director**

#### ***Understaffed but Delivering Satisfactory Services***

Despite an imbalance between staffing and workload, 62 of 85 customers surveyed in a 2015 internal PRM survey rated overall EX services as good or better. EX provides the PRM administrative support platform, including IT, security, travel, procurement, supply, and certain HR services. PRM employees consistently reported that EX struggled to meet its increased workload. EX staffing levels remained flat between 2013 and 2016, while bureau staffing levels grew from 180 to 194 positions in the same period. Moreover, 25 percent of EX's positions were vacant in May 2016. OIG advised EX management to designate and train a backup employee for the office's sole budget analyst, as that position has internal controls responsibilities for funds management that are essential to bureau financial operations. OIG also advised the office to

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<sup>24</sup> Federal Assistance Policy Directive, Section 2.03, states, "Prior to issuing a Federal assistance award, the bureau, office, or post is required by 31 U.S.C. 3321 and 41 U.S.C 2313 to review information available through any OMB-designated repositories of government-wide and Department-wide eligibility qualification or financial integrity information."

<sup>25</sup> PRM internal policy requires consultation with the Bureau of Intelligence and Research, Bureau of International Law Enforcement Affairs, and the Intelligence Community in selected operating environments.

limit the employee's collateral duties where possible. OIG reviewed 17 business-class travel authorizations and found that all contained adequate supporting documentation.

### ***Human Resource Office Did Not Track Hiring Process Efficiently***

EX did not track Civil Service hiring processes to ensure efficient employee recruitment. PRM employees interviewed by OIG raised concerns about the length of time needed to recruit new Civil Service employees. The Department established a target of 80 days to hire Civil Service employees, as described in Bureau of Human Resources internal policy guidance and the bureau's service-level agreement with its shared services provider. OIG reviewed all 13 FY 2015 all-sources Civil Service official hiring files and found that participating offices<sup>26</sup> had missed target dates for different phases of the hiring process. Because the Department's personnel tracking forms were incorrectly or incompletely filled out, OIG could not fully assess whether the unit complied with overall 80-day timeliness goals for hiring. PRM's human resources office operated with staffing gaps in 2015 and 2016 that affected its ability to support customers and complete tracking of hiring actions. EX had only one human resources employee from December 2014 to August 2015, and filled only two of the four human resources positions from August 2015 to June 2016, which contributed to delays in processing and documenting hiring actions. Without a tracking mechanism to measure performance against the 80-day hiring goal, the bureau was unable to ensure timely hiring Civil Service employees.

**Recommendation 7:** The Bureau of Population, Refugees, and Migration should implement procedures to accurately track compliance with the Department's 80-day Civil Service hiring target, as specified in the service-level agreement with its shared services provider. (Action: PRM)

### ***Lack of Administrative Notices to Communicate Policies***

In addition to the hiring processes, EX customers expressed dissatisfaction with the time required for procurement and a lack of understanding of procedures involved in both areas. In the past, EX issued bureau-wide notices to provide information to PRM staff but discontinued the practice several years ago. PRM staff told OIG that resumption of these notices, explaining both the regulations and the processes involved, would help improve communications on administrative issues. Effective information and communications are vital for an entity to achieve its objectives. OIG advised EX to resume the practice.

### ***Purchase Card Internal Controls Improvements Needed***

Purchase card file documentation was incomplete. A review of 16 PRM cardholder files from January 2015 through April 2016 found five instances where corroborating documentation was incomplete, missing, or incorrect. The Department's SmartPay 2 Worldwide Purchase Card

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<sup>26</sup> PRM receives certain HR services under a service-level agreement with the Foreign Service Institute. Under this agreement, hiring requires coordination among EX, hiring managers, and the Foreign Service Institute.



Program Manual specifies that a cardholder is responsible for maintaining supporting documentation for purchase card transactions for 3 years. PRM/EX failed to properly maintain documents and to appropriately follow Department guidelines on procurement of recurring anticipatable services. Failure to properly maintain procurement records can impede the accuracy of the review process and create potential internal control weaknesses.

**Recommendation 8:** The Bureau of Population, Refugees, and Migration should review all purchase card records, including supporting documentation, and file all missing documentation for acquisitions processed. (Action: PRM)

OIG questioned costs of \$48,996 incurred by PRM for security escort services. PRM employees used a government purchase card to procure recurring staffing services from a security escort company during a period of more than four years. The cost for services procured from the security escort vendor during the period January 2015 to April 2016 was \$48,996. The Department's SmartPay 2 Worldwide Purchase Card Program Manual states that use of the purchase for services other than construction with a value of more than \$2,500 per year is not authorized. Because the purchase card was used for purposes not authorized, payments made may not be allowable and within the authority of the purchase card holder.

**Recommendation 9:** The Bureau of Administration should determine whether the questioned costs of \$48,996 incurred in support of the Bureau of Population, Refugees, and Migration security services, as identified by OIG, are allowable, and recover any costs determined to be unallowable. (Action: A)

The Executive Director served both as the approving official responsible for monthly reviews of credit card purchases and as the program coordinator responsible for an annual review of the program. This situation occurred because the Executive Office failed to properly follow Department guidelines on separation of duties related to the Purchase Card program.

The Department's SmartPay Purchase Card Manual specifies that these two functions are to be performed by different individuals in order to ensure separation of duties. The approving official is usually the cardholder's immediate supervisor, and the program coordinator is usually the bureau's Executive Director. A three-tiered review chain is critical to ensure proper oversight and prevent fraud and abuse. Having one individual perform two separate levels of review represents an internal control weakness that could lead to fraud or mismanagement.

**Recommendation 10:** The Bureau of Population, Refugees, and Migration should designate purchase card supervisors as purchase card approving officials and the Executive Director as the purchase card program coordinator. (Action: PRM)



## Security

### *Closing-Hours Security Checks Not Conducted*

PRM did not conduct closing-hours checks to ensure the proper safeguarding of classified material. Guidance in 12 FAM 534 requires closing-hours security checks and the use of Standard Form SF-701, Activity Security Checklist. PRM did not have a policy regarding closing-hours security checks and did not enforce related Department guidance. Failing to implement and enforce a closing-hours security check policy increases the risk that classified material could be compromised.

**Recommendation 11:** The Bureau of Population, Refugees, and Migration, in coordination with the Bureau of Diplomatic Security, should implement a program of closing-hours security checks to safeguard classified material. (Action: PRM)

## RECOMMENDATIONS

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**Recommendation 1:** The Bureau of Population, Refugees, and Migration should implement an annual action plan for its Functional Bureau Strategy to identify priorities and objectives and communicate them to its staff. (Action: PRM)

**Recommendation 2:** The Bureau of Population, Refugees, and Migration should implement a staffing plan as part of its FY 2019 Bureau Resource Request. (Action: PRM)

**Recommendation 3:** The Bureau of Population, Refugees, and Migration should implement a standard operating procedure for future annual statement of assurance processes that includes reviews of contracts, information security, and refugee admissions processes. (Action: PRM)

**Recommendation 4:** The Bureau of Population, Refugees, and Migration should implement an action plan to improve its monitoring and evaluation of cooperative agreements and grants. (Action: PRM)

**Recommendation 5:** The Bureau of Population, Refugees, and Migration, in coordination with the Bureau of Administration, should implement internal control procedures for delivery order SAQMMA14F1425 to prevent spending in excess of the contract ceilings. (Action: PRM, in coordination with A).

**Recommendation 6:** The Bureau of Administration should determine whether the questioned costs of \$1,361,407.51 incurred under SAQMMA11F4076 and \$845,428.73 incurred under delivery order SAQMMA14F1425 in support of the Bureau of Population, Refugees, and Migration Enterprise System, as identified by OIG, are allowable, and recover any costs determined to be unallowable. (Action: A)

**Recommendation 7:** The Bureau of Population, Refugees, and Migration should implement procedures to accurately track compliance with the Department's 80-day Civil Service hiring target, as specified in the service-level agreement with its shared services provider. (Action: PRM)

**Recommendation 8:** The Bureau of Population, Refugees, and Migration should review all purchase card records, including supporting documentation, and file all missing documentation for acquisitions processed. (Action: PRM)

**Recommendation 9:** The Bureau of Administration should determine whether the questioned costs of \$48,996 incurred in support of the Bureau of Population, Refugees, and Migration security services, as identified by OIG, are allowable, and recover any costs determined to be unallowable. (Action: A)

**Recommendation 10:** The Bureau of Population, Refugees, and Migration should designate purchase card supervisors as purchase card approving officials and the Executive Director as the purchase card program coordinator. (Action: PRM)

**Recommendation 11:** The Bureau of Population, Refugees, and Migration, in coordination with the Bureau of Diplomatic Security, should implement a program of closing-hours security checks to safeguard classified material. (Action: PRM)

## PRINCIPAL OFFICIALS

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Title	Name	Arrival Date
<b>Front Office:</b>		
Assistant Secretary	Anne Richard	4/2012
Principal Deputy Assistant Secretary	Simon Henshaw	5/2013
Deputy Assistant Secretary	Nancy Izzo Jackson	8/2015
Deputy Assistant Secretary	Catherine Wiesner	2/2012
Deputy Assistant Secretary	Mark Storella	6/2016

**Source:** Bureau of Population, Refugees, and Migration

## APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

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This inspection was conducted 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 the 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 Broadcasting Board of Governors. 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 pertinent records; reviews, circulates, and compiles the results of survey instruments, as appropriate; conducts interviews; and reviews the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by the review.

For this inspection, OIG conducted approximately 49 interviews in the survey phase and 149 interviews in the inspection phase (some people were interviewed more than once). The team also reviewed 112 personal questionnaires, and 593 other documents.

## APPENDIX B: STAFFING AND BUREAU-MANAGED FUNDING<sup>27</sup>

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	U.S. Staff Domestic	U.S. Staff Overseas	Total	Funding (\$)
<b>STAFFING</b>				
Civil Service	131	1	132	
Foreign Service	34	29	63	
Re-Employed Annuitants	13	0	13	
Limited Non-career Appointments	0	1	1	
Students/Interns	16	0	16	
<b>FUNDING DESCRIPTION</b>				
Migration and Refugee Assistance				969,561,400
Migration and Refugee Assistance – Overseas Contingency Operations				2,131,838,726
President’s Emergency Fund for AIDS Relief				3,496,014
Economic Support Fund				7,228,238
Diplomatic Engagement				443,112
Representation				4,159
<b>Total</b>	<b>194</b>	<b>31</b>	<b>225</b>	<b>3,112,571,649</b>

Source: PRM Office of the Comptroller

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<sup>27</sup> Funding totals are for FY 2015, staffing totals are for FY 2016.

## ABBREVIATIONS

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AQM	Office of Acquisitions Management
Department	Department of State
EX	Office of the Executive Director
FAM	Foreign Affairs Manual
ICRC	International Committee of the Red Cross
IOM	International Organization for Migration
MRA-OCO	Migration and Refugee Assistance-Overseas Contingency Operations
OCO	Overseas Contingency Operations
PDAS	Principal Deputy Assistant Secretary
PRM	Bureau of Population, Refugees, and Migration
UNHCR	United Nations High Commissioner for Refugees
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
USAID	U.S. Agency for International Development

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