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**United States Department of State
and the Broadcasting Board of Governors
Office of Inspector General**

Report of Inspection

Bureau of Democracy, Human Rights and Labor

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KEY JUDGMENTS

- Under the purposeful direction of the Assistant Secretary of the Bureau of Democracy, Human Rights and Labor (DRL), and with the support of Department of State (Department) senior leadership, the bureau is doing a good job in making the promotion of human rights and democracy an integral part of U.S. foreign policy.
- The bureau's leadership has been successful in securing increased funding for its human rights and democracy promotion efforts and in giving these efforts greater strategic focus and impact. Grants and programs are generally well managed, but the bureau is aware that the recent rapid growth of programs has created a need for a more systematic monitoring and evaluation process.
- Despite some apprehensions, DRL's expanded involvement in programming and grant making does not appear to have affected its commitment to the bureau's traditional human rights advocacy role. In a number of instances, the bureau's ability to offer advice and resources for addressing human rights issues has enhanced its influence with regional bureaus and other key players.
- With very few exceptions, DRL is doing a good job in managing its relationships with important constituencies, correspondents, and partners. This includes most notably the Department's regional bureaus, but it extends as well to a wide range of external interlocutors in other agencies and the Congress. Nongovernmental organizations (NGOs), an important DRL constituency, expressed satisfaction with the quality of their dialogue and interaction with the bureau and its leadership, even when they disagreed.
- A notable exception is the relationship between DRL and the Bureau of International Organization Affairs (IO). Disagreements over how best to advance U.S. human rights interests in the multilateral context, as well as continuing and sometimes acrimonious disputes over respective roles and responsibilities in this area, have hampered the Department's ability to develop a coherent approach and strategy. The problems in the policy development process are not without consequences for U.S. foreign policy interests.

- The current structure that places the congressionally mandated office of the Ambassador-at-Large for International Religious Freedom within DRL is at odds with the Department's organizational guidelines and has proved to be unworkable. As a consequence, the purposes for which the religious freedom function was created are not being adequately served. This situation also makes the Department vulnerable to potential criticism from concerned public and congressional constituencies.
- DRL's executive office also supports the Bureau of Oceans and International Environmental Scientific Affairs (OES). The substantial growth of both bureaus has placed severe strains on the office, justifying the establishment of separate executive offices.
- Although the bureau is meeting its essential goals, it has not performed as well in its handling of internal management issues. One important consequence is the generally low morale of bureau staff. Better management practices would improve both productivity and effectiveness.

The inspection took place in Washington, D.C. from April 28 to July 2, 2003.
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INTRODUCTION AND POLICY OVERVIEW

The Bureau of Human Rights and Humanitarian Affairs was created in 1977 by an act of Congress¹ to formulate and implement policies to advance human rights around the world, to provide policy advice to foreign policy decision makers, and to ensure that human rights considerations are integrated into U.S. foreign policy. The bureau's responsibilities have been broadened substantially in the intervening years. The Department reorganized the Bureau of Human Rights and Humanitarian Affairs to include labor issues in 1994, and the new entity was named the Bureau of Democracy, Human Rights and Labor. As the new title indicates, the bureau received additional mandates for democracy and the protection of worker rights. The bureau's specific responsibilities include publication of the annual country reports on human rights practices and the provision of advisory opinions with respect to individuals seeking asylum in the United States. The promotion of religious freedom and the preparation of an annual report on religious freedom were legislated in 1998. Most recently, the bureau has been tasked with preparing an annual report on U.S. efforts to support and promote human rights and democracy.² With the expansion of the bureau's responsibility has come a corresponding growth in staffing and organizational complexity.

The present administration has made the advancement of human rights, democracy, and the rule of law a foremost foreign policy goal. One reflection of that is the substantial expansion in both program activity and funding for the promotion of human rights and democracy. In the last year DRL's program budget, which includes the bureau's Human Rights and Democracy Fund (HRDF), has more than doubled.

¹ Pub. L. No. 95-105.

² The first edition of the latter report, entitled *Supporting Human Rights and Democracy*, was issued while the inspection was underway.

THE BUREAU PERFORMANCE PLAN

DRL's Bureau Performance Plan (BPP), which was being developed and reviewed while the inspection was in progress, sets forth a well-developed and coherent, if ambitious, agenda. Principal goals include:

- increased capacity and funding to support human rights and democracy promotion efforts;
- development of country-specific diplomatic strategies for improving human rights practices and strengthening democratic institutions, using both bilateral and multilateral mechanisms;
- ensuring compliance with both legislative and executive branch directives with respect to U.S. assistance and trade policies through a consistent application of human rights standards;
- the promotion of worker rights and protections through both diplomatic and promotional activities; and
- ending religious persecution and promoting religious freedom, with particular emphasis on the Middle East, and Central, South, and East Asia.

Significantly, the plan sets forth, as an overarching goal, ensuring that democracy and human rights issues are addressed as an important part of a comprehensive counterterrorism strategy. The plan also acknowledges the bureau's continuing goal and challenge of mainstreaming human rights considerations into all aspects of the foreign policy development process.

DRL RESOURCES

DRL has a total permanent staffing complement of 100, and uses other short-term and temporary staff. It manages appropriated funds, from HRDF and the Partnership to Eliminate Sweatshop Program, totaling \$38.5 million for FY 2003-04. A more complete breakdown of bureau resources is contained in the Diplomatic Readiness section of this report.

EXECUTIVE DIRECTION

POLICY AND PROGRAM DIRECTION

The DRL Assistant Secretary, a successful executive with experience in the NGO community and in both the legislative and executive branches of government, came to the job with a number of clear objectives. Under his purposeful direction, the bureau has recorded some important achievements.

The bureau has carried out a significant expansion in its program and grant making activities for the promotion of human rights and democracy, while at the same time enhancing the impact of its efforts by giving them greater strategic and geographic focus. The revamped approach to promotion has enabled the bureau to secure a doubling of its program funding, to \$38.5 million for FY 2003.

To support this expanded program emphasis, the bureau undertook a major reorganization, combining the old offices of bilateral affairs, democracy programs, and budget into the new Office of Human Rights and Democracy (PHD). It also brought in outside expertise to staff a new unit to oversee program and grants management.

DRL consciously sought to improve its relationships with other parts of the Department and to become better integrated into the policy process. Most bureaus, most notably the regional bureaus, expressed satisfaction with the improved quality of their dialogue and relationships with DRL.

Notwithstanding the greater emphasis on promotional activities, DRL does not appear to have lessened its attention to its traditional human rights advocacy role. The bureau's ability to bring resources and expertise to bear in addressing human rights concerns appears to have enhanced its influence with the regional bureaus and others in the Department.

DRL has also pursued an active program of outreach to the public and the Congress. NGOs, which remain an important constituency, were generally satisfied with the quality of their access and dialogue with the bureau and its leadership.

The bureau has also sought to strengthen other core functions. It has completed the first phase of a plan to improve the usability of the annual country human rights reports. In June 2003, the bureau released its first edition of a major new report documenting U.S. efforts to advance human rights and democracy. The bureau has expanded its corporate responsibility initiatives to new sectors and companies.

Finally, DRL leadership has begun to give needed and overdue attention and resources to the strengthening of the bureau's unique role in providing advisory opinions in asylum application cases.

HUMAN RIGHTS AND MULTILATERAL DIPLOMACY

Disagreements between DRL and IO are not new, but by all accounts they have become more pronounced and acrimonious. They reflect both policy differences over how best to advance human rights interests in the multilateral context and disagreements over respective roles and responsibilities. Most importantly, these continuing disagreements have adversely affected the normal policy development process and, in consequence, handicapped the Department in its ability to develop coherent approaches and long-term strategies. A fuller discussion of these issues, together with OIG's recommendations, is contained in the section on multilateral affairs.

INTERNATIONAL RELIGIOUS FREEDOM

The International Religious Freedom Act of 1998³ established the position of the Ambassador-at-Large for International Religious Freedom (IRF). The Department decided that the incumbent would report to and through the DRL Assistant Secretary. This arrangement appears at odds with the intent of the legislation, as well as with the Department's own organizational guidelines (1 FAM 014.2). The Department has only two other ambassadors-at-large, and both have a direct reporting line to the Secretary. Beyond the issue of legislative intent, OIG believes that a more mutually supportive relationship is needed. The legislation's purposes are primarily the promotion of religious freedom, often in countries where other

³ Pub.L.No. 105-292

violations of human rights are routinely committed, and the deeper integration of religious freedom concerns into U.S. foreign policy.

The placement of an ambassador-at-large, who is legislatively mandated to report to the President and the Secretary within an individual bureau, confuses those reporting relationships, undermines the ambassador's role, implies a role for his office different from that intended, and tends to create needless friction and conflict between the two offices. This situation has weakened the performance of both IRF and those parts of DRL that work on related issues. Relations between the two principals and their staffs have become increasingly distant and strained, in large part because of the difficulty of making the unusual organizational arrangement work. Neither party regards the current situation as satisfactory or sustainable. Resolution of this problem requires fact finding and consultations that go beyond the scope of this inspection. Therefore, OIG recommended later in this report that the issue be examined by the Department's senior management, with a view to finding a satisfactory solution.

INTERNAL MANAGEMENT

The inspection revealed a range of significant problems in the bureau's internal management, problems that have adversely affected both performance and staff morale.

Communication

Bureau staff members at all levels expressed concern about the quality of internal communication within the bureau. A key factor was the Assistant Secretary's own personal style and reserve, his penchant for holding information closely, and his habit of dealing directly and discreetly with individual staff members on particular issues. The result of this pattern of communications – which several staff members described as a hub-and-spoke configuration – is a restriction in the flow of needed information and guidance, both vertically and horizontally, and the consequent loss of opportunities for effective coordination and collaboration among the bureau's various offices. The Assistant Secretary has recently taken steps to increase information flow, including brown bag lunches, offsite retreats for bureau personnel, and more frequent front office meetings with managers.

Organizational Structure and Staffing

The DRL's front office executive leadership consists of the Assistant Secretary, a principal deputy assistant secretary (PDAS), a second deputy assistant secretary (DAS), a senior coordinator for democracy and human rights, and a senior adviser for strategic planning and external affairs. The previous PDAS left the bureau in November 2002 to take a special assignment in Afghanistan. At that time, the bureau enlisted the temporary assistance of a new PDAS who would serve until the summer of 2003. The senior coordinator position was a DAS until 1993 and has continued to be a senior executive service de facto DAS since then. The senior adviser acted as a de facto DAS, making a total of four official and de facto DASs. Before the inspection began, the senior coordinator departed the bureau with just a month's notice for a position in the White House, and the senior adviser took over the position of senior coordinator. The second DAS was on an indefinite detail to the Iraqi reconstruction effort throughout the inspection. OIG suggested that one way to fill the second DAS position would be to name an office director, perhaps on a rotating basis from among the bureau's offices, as a temporary replacement.

DRL's staffing and organizational structures are unusual and work against good management practice. As a bureau, DRL has traditionally relied more heavily than most bureaus on talent brought in from outside the Department. More problematic than the numbers is the way in which some noncareer appointees have been deployed. For example, senior experts hired to fill what are nominally staff positions have added new layers of supervision. In other instances, persons assigned to particular offices report not to the office director but directly to someone in the front office. This has led to some confusion in lines of reporting and responsibility and diluted the authority of office directors and middle managers. In several instances, front office leadership has made important decisions on staffing without consulting middle managers and other affected staff.

In the bureau's defense, it has been handicapped by having only two authorized DAS positions, despite a request made late in the Clinton administration and a second request made early in the Bush administration to add another DAS. Given the recent growth in DRL programs and the complexity of the bureau's mandate, the request for another DAS position is justified. OIG believes that the Department should seriously reconsider this request.

In principle, the bureau's PDAS is charged with overseeing the day-to-day management of the bureau. In practice, that task is complicated by the Assistant Secretary's direct interest and involvement in management issues, as well as the PDAS's frequent, extended absences from the office in order to fulfill other as-

signed duties. As a result, the staff complained that this leaves the bureau without a senior official to address management issues. The management challenge facing the front office has been exacerbated by the temporary absence of the bureau's second DAS.

Recommendation 1: The Bureau of Democracy, Human Rights and Labor should rationalize the present ad hoc management structure of the front office and realign responsibilities in such a way as to assign clear responsibility for management of the bureau's day-to-day operations. (Action: DRL)

Personnel Practices

The bureau has unresolved personal conduct issues that need early resolution. In addition, OIG received an unusual number of complaints alleging that personnel decisions taken by the bureau's leadership were arbitrary, unfair, and possibly in violation of established merit system promotion and protection procedures. OIG found nothing that would lead it to conclude that specific personnel rules or regulations might have been violated. However, the number and nature of the concerns expressed, coupled with other anomalies in the handling of personnel actions, prompted OIG to recommend that the Bureau of Human Resources (DGHR) conduct a more comprehensive oversight review of delegated personnel authorities to establish whether human resources management programs and practices are in compliance with merit system principles and are responsive to employee needs. DRL's leadership has welcomed this proposal.

Underutilized Resources

Although important attention has been given to a number of priority issues and core activities, the inspection found that some significant elements of the bureau viewed themselves as being on the margins of the bureau's agenda and considered that their resources and talents were not being fully utilized. One example is the Office of International Labor Affairs (IL). DRL leadership acknowledges that the now fully staffed IL office and other elements of the bureau can and should be enabled to make a greater contribution and promises to turn greater attention to these areas in the near future. The bureau's BPP for 2005 outlines intended increased efforts in the labor area.

Timely Decision Making and Clearances

Two specific and related issues emerged repeatedly in the course of the inspection. The first concerns the bureau leadership's slowness in addressing some critical policy and management issues and providing timely guidance to staff. One example involves revisions to the Department's guidelines for implementing the Leahy Amendment cases,⁴ which prohibits assistance to elements of foreign security forces that have committed human rights abuses.

DRL was credited and praised for its role in rewriting and tightening the regulations. However, at the end of the inspection, it had not approved the final version more than two months after the other bureaus involved had done so. Another example of slow decision making was an unresolved dispute over the preparation of the legislatively mandated international religious freedom report, which delayed issuance of instructions to embassies by almost three months.

The bureau also appears to be laboring under an unusually cumbersome clearance process, often resulting in front office review of even routine matters of only tangential interest to DRL. DRL clearance process does not follow the practice of most other bureaus. DRL staff said it was their understanding that they were required to clear virtually everything, including routine items, with the front office, and they cited instances in which resultant delays deprived the bureau of opportunities to register its views or influence policy. Representatives of other bureaus interviewed by OIG also noted problems in obtaining DRL input in a timely manner. The bureau's leadership believes that the problem arises from an overly rigid interpretation by DRL staff of the guidance that has been issued. The Assistant Secretary pointed out that the bureau was operating without two official or de facto DASs, which has caused delays in recent months. Nevertheless, the system as it is currently operating, places an undue burden on both busy front office principals and staff. Another problem with the clearance process of DRL is that there is no central tracking system to follow documents as they wind their way through the front office. The front office indicated to OIG its intention to reexamine the clearance process, including what material requires front office clearance.

⁴ Pub. L. No. 105-277 §568

MORALE

The clearance issue, along with other management practices, has adversely affected DRL's work environment, morale, and productivity. The issues have also contributed to a widespread perception of a gap between a small circle of insiders, which consists mainly, but not exclusively, of noncareer appointees, and the vast majority of the bureau's career staff, both Foreign Service and Civil Service. It should be noted, however, that the professionalism of almost all noncareer staff members and their conscientious efforts to develop and maintain good rapport with members of the career services have contributed importantly to mitigating these effects. Although the bureau continues to fulfill its primary responsibilities and meet its principal goals, better management practices would improve both productivity and effectiveness.

THE OFFICE OF EXECUTIVE DIRECTOR

The office of the executive director (OES-DRL/EX) currently provides administrative support to both DRL and OES, as well as to the office of the science and technology advisor to the Secretary. However, in recent years, both functional bureaus have grown substantially, both in size and in complexity, and further growth is anticipated. The capacities of the executive directorate office have been strained, performance and responsiveness have suffered, and the office's director and deputy director have been faced with competing priorities and conflicting requests. Therefore, OIG recommended the establishment of two separate executive directorate offices, one for each bureau, as a way to improve service and support and to strengthen responsibility and accountability.

EQUAL EMPLOYMENT OPPORTUNITY

The bureau's awareness of, and sensitivity to, Equal Employment Opportunity (EEO) concerns scored about average on the OIG administrative questionnaire. A small number of EEO complaints filed in the recent past have been either resolved or dropped, and no complaints, formal or informal, were pending at the time of the inspection. There is cause for concern, however, that other problems with the bureau's personnel practices, if not addressed, could prompt new EEO complaints in the future.

COMPLIANCE FOLLOW UP REVIEW

In light of the concerns identified by the inspection, DRL leadership has indicated that it would welcome a compliance follow up review in order to further assist the bureau in carrying out indicated reforms and improvements. OIG endorses this suggestion.

CORE FUNCTIONS

EFFORTS AND RESULTS

OIG was able to attest to DRL's ongoing efforts to improve specific human rights conditions throughout the world. Some of the accomplishments include:

- the first U.S. government programs to promote democracy in China;
- major additions and refinements of U.S. programs to advance human rights and democracy in central Asia;
- new programs that foreshadowed the administration's Middle East Partnership Program;
- contributions to the "governing justly" portion of the Millennium Challenge Account;
- joint efforts with IO to ensure a better UN Commission on Human Rights session;
- advising the Department of Commerce on new human rights training for commercial officers; and
- work with the Department of Labor in their overseas grants to improve labor conditions.

These efforts include a wide range of activities, such as funding printing presses and radio stations, engaging in dialogues with countries that have poor human rights practices, protesting detention of political prisoners and others wrongfully detained, and at times advocating sanctions against offending governments. Securing some degree of cooperation from host governments with poor human rights records is usually in itself an accomplishment. These efforts are numerous and address the most serious abusers of human rights in almost 100 countries. Sometimes the results can only be measured in gradual improvement in human rights practices. However, many of these efforts have reversed concrete cases of injustices and ended particular abuses of human rights in many countries.

The bureau also plays a key role in ensuring that human rights principles and obligations receive due consideration in the development of U.S. policies. For example, DRL has been actively but discretely engaged in ongoing discussions in the Department regarding the handling and treatment of the Guantanamo detainees. Although DRL's efforts in all areas cannot always succeed, the results show that the bureau is making an important difference in improving human rights practices around the world.

OFFICE FOR THE PROMOTION OF HUMAN RIGHTS AND DEMOCRACY

Overview

DRL decided in 2001 to merge the former offices of bilateral affairs and democracy programs and budget to create the PHD office. Although both of the former offices dealt with human rights and democracy issues, their perspectives were distinct, with the former emphasizing liaison with the regional bureaus and the latter with selection, funding, and implementation of programs funded by HRDF appropriations. There are at times inherent differences between the policy and program objectives, and some of the present problems experienced by PHD may stem from these historically disparate perspectives.

PHD provides overall policy direction and programmatic coordination for U.S. government activities promoting democracy and human rights. PHD works with foreign governments and NGOs, in addition to the Department's regional and functional bureaus and the U.S. Agency for International Development, to accomplish these objectives. PHD also oversees the bureau's HRDF funding grant programs to foster human rights and democracy initiatives worldwide. DRL's strategy of focusing HRDF support chiefly on the Middle East, Central Asia, and the People's Republic of China has earned both praise for its targeted agenda and criticism for omission of other critical regions.

Promotion and Human Rights and Democracy Staffing and Morale

A Foreign Service officer (FSO) is the office director in charge of PHD functions, with the assistance of two FSO deputy directors. Support staff includes a senior advisor on Asia, a Fellowship of Hope Fellow/special advisor (detailed from the British foreign service), one FSO, ten Civil Service foreign affairs officers (counting two who are on detail), three Civil Service program analysts, one American Academy for the Advancement of Sciences (AAAS) fellow, two Presidential Management Interns (PMIs), one Pickering Fellow, three summer interns (undergraduates), and three Civil Service administrative support employees. The imbalance between FSOs and Civil Service officers is a source of concern to PHD management, which believes that a more even or balanced mix would be beneficial to the office. However, recruitment of FSOs in DRL and other functional bureaus is a long standing problem, one that predates this administration. The foreign affairs officers have dual policy and program responsibilities, spending approximately 50 percent of their time on each.

PHD's strengths in the policy area are the expertise of its staff and an office director who motivates employees to achieve objectives. The director understands management and cares about the staff. The staff works well individually, and collectively they draw upon the experiences of the entire group to accomplish bureau objectives.

POLICY DIRECTION

PHD competently and successfully carries out its policy and promotion responsibilities. The office develops and implements country-specific strategies promoting human rights and democracy. It provides policy guidance to regional bureaus, U.S. embassies abroad, and other agencies. PHD meets with Congress, other agencies, the NGO community, and the private sector to explain and build support for U.S. goals. Moreover, the office monitors worldwide observance of human rights, democracy, and fundamental freedoms.

PROGRAM UNIT FUNCTIONS: GRANTS PROCESSING

PHD is responsible for administration and oversight of the HRDF projects, and manages approximately \$36.5 million in grant funds allocated for this fiscal year, up from \$13 million the previous year. Responsibility for processing and managing grants is borne by just three employees, two program analysts and a program coordinator, who have for the most part sought training on their own initiative to acquire expertise in grants administration and budget analysis. By all accounts, DRL's ability to process HRDF funds in a timely fashion has improved dramatically since the Assistant Secretary's arrival. Prior to 2001, funds were frequently not obligated prior to expiration of the authorized period. There were lengthy delays between project proposal and implementation, and HRDF funds were commonly assigned to supplement existing U.S. Agency for International Development administered programs rather than as stand-alone DRL administered projects. The significant increase in HRDF funds from the previous fiscal year has created workload challenges for the programming unit. Owing to statutory restrictions, the allocation of HRDF funds follows a circuitous path from the Office of Management and Budget through the U.S. Agency for International Development for transfer to DRL. The process must be completed in the relatively short time period between final budget appropriations and the end of the fiscal year. This invariably creates a seasonal bottleneck both within DRL and the Bureau of Administration's acquisitions management office as they strive to meet the goal of awarding the bulk of the two-year grants before the end of the first fiscal year.

DRL and the Bureau of Administration agreed that staff in both bureaus is insufficient to deal with the increased DRL grants workload. Several suggestions were offered to alleviate this problem including: the creation of a separate and fully functioning grants administration unit, i.e., a grants officer with a high dollar warrant within DRL; a review of the grant processing to determine whether redundant clearances or duplicate reporting can be eliminated or streamlined; or, the hiring of additional staff within the acquisitions office that would exclusively service DRL grants. The first suggestion has precedence within the Department, inasmuch as the Bureau of Population, Refugees and Migration (PRM), the Bureau of Near Eastern Affairs and the Bureau of International Narcotics and Law Enforcement Affairs have their own in-house grants officers with warrants. Although several PHD staff and managers argued for grant making authority, there are potential pitfalls with such an arrangement. Foremost are the risk of diminished objectivity and potential pressure on the grants officer, who would be separated from the front office chain of command by only one or two supervisors.

The Department is participating in the Federal Commons E-grant initiative and is scheduled to begin a transition to electronic grants processing by fall 2003. This federal initiative seeks to create a standardized federal system for grants that will reduce the paperwork burden and allow real time tracking of grant applications, awards, and post award reports. Because the software purchase for the agency portal has not yet been completed, the targeted schedule may not be realistic. However, eventual implementation of the initiative will have a dramatic impact on DRL's grants administration efficiency.

Recommendation 2: The Bureau of Democracy, Human Rights and Labor, in coordination with the Bureau of Human Resources and the Bureau of Administration, should ask that the Bureau of Administration be given sufficient additional grants officer positions to service their bureaus grants. (Action: DRL, in coordination with M/DGHR and A)

PROGRAM UNIT FUNCTIONS: PROGRAM EVALUATION

Several staff and managers suggested the need for more systematic post award monitoring of HRDF projects. An issue of particular concern is that projects intended to promote human rights or democracy have clear and lasting impact. This concern is exacerbated by the fact that PHD foreign affairs officers have limited opportunities to travel for on site visits to HRDF programs and are forced to rely on already overburdened liaison post staff for grants project monitoring. DRL has requested and obtained greatly increased travel funds to enable PHD staffers to monitor the portion of HRDF grants not managed by the U.S. Agency for International Development. Longitudinal evaluations in this area would be especially beneficial for strategic planning initiatives. PHD staff said that DRL has requested funds in the FY 2005 BPP to add an employee who would strengthen the program evaluation functions, but this may not be sufficient.

Given the current workload, desk officers and programming staff are doing a commendable job. However, PHD staff indicated that among foreign policy officers there is often the sentiment that programming work is the job of the programming unit, and that monitoring and oversight of HRDF programs and projects should be done from a budget analysis/grants processing perspective. A disconnect between policy and program oversight is detrimental to the success of the programs, because the foreign policy officers, in collaboration with the regional bureaus, have the most intimate knowledge of the program implementation. Unless program and policy tasks are combined to a greater degree, success is less likely. Cross training of staff and hiring of additional staff would alleviate the workload burden, allow greater oversight of programs, and ensure continuity of program monitoring and evaluation. In addition, the bureau needs increased staff to create a more systematic monitoring and evaluation function. DRL has requested one new evaluation position in the 2005 BPP, but this may not be enough.

Recommendation 3: The Bureau of Democracy, Human Rights, and Labor should provide cross training for programming and policy staff as deemed appropriate to ensure continuity of program monitoring and evaluation. It should also determine what additional staff is required for a more systematic monitoring and evaluation function and implement a plan for meeting that requirement. (Action: DRL, in coordination with M/DGHR)

OFFICE OF STRATEGIC AND EXTERNAL AFFAIRS

The Office of Strategic and External Affairs (SEA) provides concrete planning support for DRL through its responsibilities for several discrete functions. The office oversees compilation and writing of the annual BPP and the strategic planning presentation to the Secretary. It coordinates plans to inform key U.S. groups, and acts as a liaison with members of Congress, the media, and NGOs. SEA coordinates preparation of all bureau public documents, including speeches, press guidance, web content, and opinion editorials. It also formulates and implements public diplomacy strategies to influence foreign groups and opinion leaders.

SEA staffers are talented and dedicated. The office has an eclectic mix of ten employees including two Schedule Cs (excepted service appointments of a confidential or policy nature), one Schedule B (excepted service temporary appointments of a project nature), two FSOs, one contract employee, and four Civil Service employees. Despite its capable staff, SEA is organized in an awkward manner that impedes efficient operations. These observations are not related to individual performances but rather refer to organizational structure. The structure blurs the lines of authority leaving supervisory responsibilities unclear and the chain of command ad hoc. The senior advisor and office director positions are largely duplicative. The structure can best be described as horizontal with individual members focused on, and responsible for, distinct areas reporting to different people. SEA conducts weekly staff meetings to keep everyone informed of office and bureau happenings.

The Schedule C senior adviser acts as the de facto office director. The FSO encumbering the nominal office director position has limited authority and responsibility. Schedule C and B positions do not report to the nominal office director. Civil Service positions that appear to report to the director, in fact, do not. One of them works primarily under the direction of the front office. Another deals with the office director largely on administrative matters. Yet, the office director is responsible for performance evaluations. OIG believes that the senior advisor position is not needed and confuses the lines of responsibility. The office director should have full authority and responsibility for management of SEA and supervision of its staff.

Recommendation 4: The Bureau of Democracy, Human Rights, and Labor should reorganize the structure of the Office of Strategic and External Affairs to improve efficiency and to clarify lines of authority and responsibility. In particular, the position of the senior adviser for strategic planning and external affairs should be abolished or reprogrammed, taking advantage of the incumbent's recent move to the position of senior coordinator for human rights and democracy. (Action: DRL)

On August 25, 2002, SEA hired an expert on Muslim issues on a temporary Schedule B appointment for a period of one year. The position was newly created and had never been filled. The person selected worked several days in September 2002 but has remained on leave without pay since that time. On June 13, 2003, the person requested, and OES-DRL/EX approved, a change to intermittent status from full-time. The person has had outside commitments that have prevented his working full-time for DRL as originally anticipated. The June request did not include any type of proposed schedule or plan for working. The position uses full-time equivalent (FTE) funding, which could more productively be transferred to other bureau needs. One available option is to retain the person as a consultant. This would free up FTE, yet allow the person to provide expertise to DRL as needed. In view of the fact that in the last year the person has failed to encumber the position, there is no justification for continuing the Schedule B appointment. OIG informally recommended that the bureau terminate the Schedule B temporary appointment, and if warranted, retain the incumbent as a consultant.

SEA has three public diplomacy positions, but no public affairs positions. The responsibilities of SEA involve substantial amounts of public affairs work, including outreach to U.S.-based NGOs and other key U.S. groups and leaders. SEA also serves as the bureau liaison with members of Congress and their staffs and with print and broadcast media. The office produces pamphlets and materials designed primarily for domestic audiences that it ships to selected embassies. Consequently, the pamphlets become a part of its public diplomacy effort.

Interviews with each of the public diplomacy officers, and a review of their work, revealed that they function chiefly as public affairs officers. Their position descriptions are heavily weighted towards public affairs duties. A review of the three public diplomacy positions appears in order as the officers each devote a minimum amount of time and effort to public diplomacy work. Perhaps combining all public diplomacy related functions into one position and reprogramming the others may be a solution.

Salaries for public diplomacy positions are paid out of the congressional earmark controlled by the Office of the Under Secretary for Public Diplomacy and Public Affairs and not from the Department's central salary account. Congress has restricted use of the earmarked funds solely to public diplomacy activities. Each public diplomacy position also receives a small yearly expense account from the congressional earmark. For FY 2003, each slot received \$6,000, which provided DRL with a total of \$18,000. Because of this legislative mandate, it is important that positions be properly classified.

Recommendation 5: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Human Resources, should review the three public diplomacy positions (Position numbers U-00410-00, U-00411-00, and S-86806-00) in the Office of Strategic and External Affairs to determine whether any or all should be reprogrammed as public affairs positions. (Action: DRL, in coordination with M/DGHR)

OFFICE OF COUNTRY REPORTS AND ASYLUM AFFAIRS

Human Rights Report

One of DRL's most important functions is to produce the annual Country Reports on Human Rights Practices, commonly referred to as the Human Rights Report. The report, mandated by the Foreign Assistance Act of 1961, as amended,⁵ and the Foreign Trade Act of 1974,⁶ is due to Congress annually on February 25. In the past, some NGOs and other constituencies criticized the report for being less than objective. The report has evolved over the past several years, and it is now generally considered an authoritative summary of human rights practices and conditions for 196 countries. Some critics, who once produced their own sizable volumes criticizing the report's thoroughness and objectivity, no longer do so.

The office does an admirable job of producing the report by assembling and editing submissions from overseas posts, researching and incorporating supplemental material from a variety of sources, and vetting the report with posts, Depart-

⁵ Pub. L. No. 87-195

⁶ Pub. L. No. 93-618

ment bureaus and principals, and other agencies where necessary. The office is composed mostly of PMIs, interns, and when actually employed (WAE) staff. The report production period of September through February is intense, with the Office of Country Reports and Asylum Affairs (CRA) core staff of about 18 being joined by a dozen WAEs and other staff.

Until recently the report was faulted for being long, repetitive, boring, and poorly organized. However, the report's substance has improved. In the years between 1992 and 2002, the report grew from 1,200 to more than 5,000 pages. In 2002, at the request of the Assistant Secretary and under the leadership of the office director, DRL initiated a multi-year, phased approach to improve the report's readability and usability by making it shorter, more focused, and more manageable. The intention was to increase its usefulness to policymakers, interest groups, the U.S. public, and audiences overseas. Already streamlined by ten percent this year, the report will be reduced by another 15 percent next year. At the same time, SEA is working to make the report more accessible in translation, make it available electronically, and to increase the report's effectiveness as a foreign policy tool. These efforts have been applauded both in and outside the Department.

A further improvement is that regional bureaus noted that the process of resolving disagreements with DRL over the report's contents has become less combative and is now more collaborative. CRA staff ensured that during the clearance process comments from embassies, bureaus, and other agencies receive due consideration, and points of disagreement are resolved for the most part through constructive dialogue. The number of instances for which seventh floor intervention was required has dropped substantially.

Asylum Function

CRA's other main function is to process requests for information on country conditions for use by U.S. officials who adjudicate asylum claims from foreign nationals in the United States who are seeking asylum here. The asylum function has a long and consistent history of neglect in DRL and its predecessor bureau. As noted in OIG's 1994 inspection report on the Bureau of Human Rights and Humanitarian Affairs, the function traditionally has not been a priority, and it has suffered from long standing resource problems. By DRL's own recent assessment, the performance of the asylum unit has not been satisfactory for at least a decade. The Assistant Secretary and the CRA office director have committed to correcting this unacceptable problem. In early 2003, DRL hired a new deputy office director to oversee and energize the function. Since the deputy director's arrival he has

worked to reinvigorate the relationship between CRA and asylum officers and immigration judges. As indicated in DRL's FY 2005 BPP, the bureau is requesting three new permanent positions for the asylum function. However, there is no assurance these positions will be forthcoming. In the meantime, as described below, CRA is in the process of hiring three WAEs to fill in until such time as permanent staff can be obtained. Although progress is being made, and there are plans to devote much needed resources to the function, the bureau must work hard to make good on this commitment and sustain it for the long term.

OIG notes that over the years there has been discussion about the proper home for the asylum function within the Department. At the time of OIG's 1994 inspection of DRL, there was talk of assigning the asylum function to PRM, which did not want it. However, there is overall agreement now among bureaus that the function should remain in DRL and that, within DRL, CRA is the most logical office to assume the function.

Staffing and Priorities

The neglect of the asylum function is the result of competing priorities and insufficient staff within CRA. The CRA staff devotes most of their time to producing the annual human rights report, one of DRL's most important and visible undertakings. This is a six-month, all-out effort. Even those WAEs who are expressly assigned to the asylum function are pressed into service to work on the report. Unfortunately for the asylum cases piling up around them, many of the WAEs exhaust their hours working on the human rights report. The majority of CRA staff is interns, who when not working on the human rights report, are usually in class, on required rotation assignments, or on travel. The three months it takes CRA staff to prepare the IRF report reduces resources available for the asylum function. For FY 2003, the Assistant Secretary approved three additional WAEs, paid for out of bureau travel funds, but there is no date set for their arrival. One of these WAEs would serve as a much-needed asylum supervisor. However, there appear to be no funds committed for the three WAEs in the FY 2004 budget. The FY 2005 BPP calls for three FTEs for the asylum function, but this might not occur. The essential thing is that whether WAE or FTE, the employees must remain dedicated to the asylum function steadily throughout the year and not be subject to the cyclical nature of CRA's other work.

Recommendation 6: The Bureau of Democracy, Human Rights and Labor should ensure that the Office of Country Reports and Asylum Affairs receives additional staff to process asylum cases and that these employees remain dedicated to this function throughout the year. (Action: DRL)

Types of Asylum Cases

CRA receives two types of asylum applications: applications forwarded to DRL by asylum officers at the Department of Homeland Security's Bureau of Citizenship and Immigration Services (BCIS), formerly the Immigration and Naturalization Service at the Department of Justice and asylum cases forwarded to DRL by immigration judges at the Department of Justice's Executive Office of Immigration Review. Although CRA does not maintain statistics, it estimates that in FY 2002, it received between 97,000 and 133,000 applications in total. Both cases usually have a 60-day turnaround time. Although, by law, Department comment on the cases is discretionary,⁷ Department policy is to exercise its option to review all cases and provide either advisory opinions on conditions in the applicant's country of origin or generalized country profile information.

Department of Homeland Security, Bureau of Citizenship and Immigration Services Cases

For 2002, CRA estimates it received 60,000 cases from BCIS for comment. With current, or even moderately increased resources, CRA cannot review these cases. Further, these applications are at a preliminary stage of development and contain little useful information, so there is not much value in a CRA review. BCIS generally concurs with this and has no expectation that the Department will review these applications. Nevertheless, BCIS is required by law to forward them to CRA.⁸ Boxes of these applications fill up CRA offices, and bags full of them are piled high along the walls. Handling these applications is time consuming, an administrative burden for both BCIS and CRA, and an unnecessary taxpayer expense. According to CRA officials, BCIS is receptive to the idea of seeking relief from having to send these applications to the Department. CRA should encourage BCIS to consult with its legal office about this. In the meantime, CRA met with the L to explore whether

⁷8 CFR 208.11

⁸8 CFR 208.11

Tracking Asylum Cases

As described above, CRA does not track the asylum cases it receives, nor those it accepts for review. Bureau management was unable to provide an accurate count or consistent estimates of the cases. Additionally, there is no way to ensure that cases will be reviewed within allotted Department of Justice time frames. Only cases that receive a response are logged. For cases accepted for review, there are no criteria for determining the priority in which they should be processed. Such systems and controls are needed to ensure effective and efficient handling of applications. The deputy director is aware that these systems are lacking and hopes to institute them in the future.

Recommendation 8: The Bureau for Democracy, Human Rights and Labor, in conjunction with other planned improvements to the asylum function, should develop a system to track asylum cases and prioritize the order in which they are processed. (Action: DRL)

International Religious Freedom Report

CRA's role in the preparation of the annual IRF report is described in the IRF section later in this report.

OFFICE OF MULTILATERAL AFFAIRS

The Office of Multilateral Affairs (MLA) coordinates with other offices in the Department to support U.S. missions to international organizations and ensure that human rights and democratization issues are addressed in the international fora. The current staff in MLA is quite competent and is a strong advocate for DRL positions. The MLA office participated actively in the effort to regain a seat on the UN Commission for Human Rights (UNCHR) after the United States was voted off the Commission in 2001. This effort included multiple trips and lobbying efforts with allied countries and others to ensure the re-election of the United States to the commission in 2002.

On the negative side, the office has had trouble recruiting adequate staffing in recent years. The present FSO office director faced six vacancies out of ten authorized positions when she arrived in 2001. She devoted much of her time to personnel recruitment and was eventually able to boost the staff to a full complement.

DRL's generally good relations with regional and most other bureaus in the Department is lacking in the case of MLA's main interlocutor, the IO Bureau. The expansion of Department bureaus in recent decades in response to growing U.S. interests with respect to global issues has led to a blurring of responsibilities between IO and certain functional bureaus, including DRL. MLA and the DRL front office have had several disagreements with IO, especially concerning human rights policy in the UNCHR and other UN bodies. The disagreements between DRL and IO involve differences on how best to advance our human rights objectives in the multilateral context. They extend to disputes on strategy and tactics, as well as the respective roles and responsibilities of the two bureaus. The differences between DRL and IO go beyond normal bureaucratic tensions and exceed the point of useful competitive creativity. The result is wasted effort on the part of many personnel in both bureaus, including senior managers. Both bureaus are too prone to letting lower-level disputes escalate to high levels without intervention by senior managers, including office directors and DASs. The Office of the Under Secretary for Global Affairs worked with DRL and IO to sort out differences on issues and strategy related to the spring 2003 UNCHR session, and the results were better than in previous years. However, fundamental, underlying disagreements and tensions remain.

The disagreements and disputes have hampered the Department's ability to develop a coherent approach and strategy. Joint instructions to the annual UNCHR have been late and unclear due to IO and DRL battles. The Deputy Secretary has had to decide on several split memos from DRL and IO. The National Security Council and the White House Domestic Policy Council are working to establish their own policy development mechanisms, in part due to the Department's inability to develop a coherent set of objectives.

Past attempts by DRL and IO assistant secretaries to reach an understanding on joint preparations for UN bodies have not been clearly articulated to all bureau staff and/or respected by most players in the two bureaus. The two bureaus should once again seek to determine the appropriate delineation of responsibilities for DRL and IO in UN bodies and agree on the best structure and process for developing and implementing policy in the multilateral context. In particular, DRL and IO should emulate this year's UNCHR process of frequent consultations and set joint

strategy early on for upcoming UN events, including UN General Assembly, Economic and Social Committee, and other meetings.

Recommendation 9: The Bureau for Democracy, Human Rights and Labor and the Bureau for International Organizations should clarify the respective roles of the two bureaus relating to the Department's responsibility for human rights and democracy issues in United Nations bodies. The two bureaus should create a process for defining responsibilities on issues of mutual concern and for developing options for senior policy makers to consider with a view to establishing long-term strategy for advancing human rights objectives in the multilateral fora. (Action: DRL and IO)

OFFICE OF INTERNATIONAL LABOR AFFAIRS

The Office of International Labor Affairs (IL) is charged with promoting worker rights and working with others in the Department and other agencies to address international labor issues. It seeks to ensure the inclusion of labor rights in the promotion of human rights and democracy. The office also monitors countries' compliance with worker rights provisions in U.S. laws, such as the statutes governing the Overseas Private Investment Corporation⁹ and the Generalized System of Preferences program.¹⁰ IL provides policy and program guidance to the Department's labor officers and labor reporting officers at posts overseas. Although not always in agreement, IL maintains a good relationship with the Bureau of Economic and Business Affairs and a close relationship with the Department of Labor.

IL also supports the Advisory Committee on Labor Diplomacy, which was created in 1999 to study how to use labor diplomacy to advance U.S. interests. In 2000, the committee issued its first report, which contained 29 recommendations for reinvigorating U.S. international labor diplomacy. A second report, issued in 2001, reviewed the interagency labor diplomacy process. Some easy-to-effect recommendations from the first report were implemented. The Assistant Secretary recently asked the committee to shift its focus to the role that labor issues should

⁹ 22 USC 2191a

¹⁰ USC 2462, 19 USC 2467

play in advancing democracy in the Muslim world and China.

The position of special assistant to the Secretary and coordinator for international labor affairs was created in 1963. Upon DRL's creation in 1994, the labor position was moved into the bureau where it was given the rank of deputy assistant secretary, which diminished the tradition of directly reporting to the Secretary on labor issues. Nevertheless, according to the historical record, the transfer of labor from the Secretary's office to DRL was meant to give the labor function higher visibility and a stronger base from which to operate by including labor in the name of the newly expanded bureau. The transfer also recognized the increasing link of the labor function to the human rights of workers and democratization programs. The labor profile was raised again in 1999 when the position of Special Representative for International Labor Affairs, who reported to the Assistant Secretary, was established in DRL.

Although meant to play a leading role in U.S. labor diplomacy, the IL office is, to a large degree, operating at the periphery of the bureau. Generally, employees feel marginalized and morale is low. With the special representative position vacant since March 2002 and the DAS responsible for the IL portfolio on an extended overseas detail, the office's visibility has been reduced. In the past the United States was represented at major labor fora by the special representative or the DAS, but at the recent International Labor Organization convention the IL office director was the senior representative.

Part of the difficulty may stem from the fact that in 2002 IL was plagued by staffing gaps and vacancies that impaired its ability to function. Some of the gaps were attributable to the Department of Labor's refusal to allow its officials to perform details in the IL office. In 2002, five of seven positions in the office were vacant, including that of the deputy director. The office director was understandably overburdened. As a result, IL concentrated on the traditional task of ensuring that enforceable labor clauses are included in all U.S. trade agreements and that labor issues are considered in U.S. trade relations. The amount of work has significantly increased with renewed trade agreement negotiating authority granted to the U.S. Trade Representative. The first-ever position of Assistant U.S. Trade Representative for Labor was created in 2000. At the time of the inspection, the office was almost at full staffing. There was a new deputy director, and a new director was expected within the next two months.

The Assistant Secretary is very much focused on democracy and on programming to advance democracy, and he has often spoken of the importance of workers rights and labor issues in this effort. Nonetheless, when labor-related issues arise,

IL is often neither the action office or consulted. Overall, the IL office is concerned that DRL front office principals sometimes deal with labor constituencies and do not keep them apprised. Additionally, although IL is meant to be a principal channel of communication between organized labor in the United States and the Department, the AFL-CIO, for example, speaks increasingly to PHD because most DRL funding and programming authority are located there. IL does not have a representative on the DRL HRDF committee. The Partnership to Eliminate Sweatshops Program was transferred from IL to PHD because of financial management concerns during a period when the office was short staffed.

The IL office is not able to work up to its potential and not able to apply its resources to helping the bureau achieve its mission in the human rights area, because it is not being fully used and integrated within the bureau. The Assistant Secretary has indicated his intention to strengthen IL's ability to make a greater contribution.

Recommendation 10: The Bureau of Democracy, Human Rights and Labor should implement a plan to ensure the Office of International Labor Affairs and its portfolio are better integrated into the bureau and that the Office of International Labor Affairs resources are used effectively to achieve bureau goals and objectives. (Action: DRL)

Recommendation 11: The Bureau of Democracy, Human Rights and Labor should ensure that the Office of International Labor Affairs has a representative on the Human Rights and Democracy Fund grants committee. (Action: DRL)

COORDINATION OF HUMAN RIGHTS CONDITIONALITIES

REGARDING ECONOMIC, FINANCIAL, ASSISTANCE, AND TRADE ISSUES

The DRL/IL economist position was created in 2001 and placed in IL although it was meant to have bureau-wide responsibilities. The position has not been integrated into bureau operations and has never functioned as intended. It currently appears marginal to bureau operations. A DRL intraoffice economic team functioned briefly in 1999-2000, but has not met since then. A recent proposal to revive the team in order to discuss economic mandates, bilateral agreements and labor rights, and integrate them with multilateral issues, received no response from the front office. The economist, who mostly reviews mandates that require the United States to restrict economic benefits to countries that violate human rights, has little interaction with the rest of DRL.

The IL economist position is similar in nature to one in MLA, which deals with human rights certification of certain munitions exports, export-import bank loans, overseas private investment corporation guarantees, and Department of Commerce clearances for crime control items. In a further sign of diffused oversight responsibilities within the bureau, the PHD office works on Leahy Amendment assistance, which prohibits U.S. assistance to any unit of the security forces of a foreign country that is known to have committed gross human rights violations. In addition, the previous special coordinator for human rights and democracy was the bureau's representative during extensive Department discussions to set criteria for Millennium Challenge Account grant assistance. All of these positions focus on human rights considerations in the context of economic, financial, assistance, and trade issues. In that sense, the positions are complementary, and it is logical that they should reside together in whatever DRL entity is judged most appropriate. The combined unit would have the added benefit of facilitating more regular dialogue and early consultations with the Bureau of Economic and Business Affairs and the Office of the Under Secretary for Economic, Business, and Agricultural Affairs.

Recommendation 12: The Bureau of Democracy, Human Rights and Labor should redefine the role of the Office of International Labor Affairs economist and collocate this position, the complementary finance and trade position in the Office of Multilateral Affairs, and the parts of the Office of Human Rights and Democracy that deal with the Leahy Amendment and Millennium Challenge Account issues, to the bureau office deemed most suitable to house these combined functions. (Action: DRL)

OFFICE OF INTERNATIONAL RELIGIOUS FREEDOM

Background

In 1996, the Department created the Advisory Committee on Religious Freedom Abroad, which included scholars and religious leaders. The Committee's interim report in 1998 and its final report in 1999 recommended that U.S. foreign policy devote more attention to the promotion of religious freedom worldwide. Congress concurrently took greater interest in the issues of religious discrimination and persecution abroad. To respond to the committee and congressional interest, the Department created the position of the Special Adviser for Religious Freedom. The position, located in DRL, has a small staff, and was placed under the direction of the DRL Assistant Secretary.

The IRF Act was subsequently signed into law in October 1998.¹¹ According to the Act, "There is established within the Department of State an Office on International Religious Freedom that shall be headed by the Ambassador-at-Large for International Religious Freedom." The statute stipulated that the office and ambassador-at-large would assist the Secretary in producing the annual report on religious freedom, and that the ambassador-at-large would act as a principal adviser to the President and the Secretary in matters concerning religious freedom abroad. The annual report documents government policies affecting religious freedom and U.S. policy with respect to each country. Although neither the act nor the legislative history is explicit as to the location or placement of the office within the Department, established practice in the Department provided that offices of

¹¹ Pub.L.No. 105-292

ambassadors-at-large be established at the highest levels and attached to the office of the Secretary.

The incumbent Special Adviser for Religious Freedom became the first Ambassador-at-Large for International Religious Freedom in May 1999, and he remained within DRL with a small staff under the direction of the Assistant Secretary until late 2000. The first annual report on religious freedom covering 194 countries was produced in 1999, primarily through the efforts of the U.S. embassies that made the initial submissions, and DRL/CRA. The small size of the Ambassador's staff limited their role to a largely advisory one in preparing the annual religious freedom reports.

The current Ambassador-at-Large took office in May 2002. Apart from advising on the religious freedom report, the IRF office monitors religious persecution and discrimination worldwide, assists the Ambassador-at-Large in his conduct of diplomacy, and recommends policies and develops programs to promote religious freedom. The office is interested in reaching out to all faith communities. The office recommends that particularly severe violators of religious freedom be designated as "Countries of Particular Concern." These nations could be subject to further actions, including economic sanctions, by the U.S. government. The office does not have any program funds.

Office of Religious Freedom Staffing

The current personnel in the IRF office are dedicated and maintain a high morale. Apart from the Ambassador-at-Large, IRF has one Schedule B position, one Schedule C position, two AAAS fellows, two FSOs (including the office director), one FSO vacancy, one authorized but as yet unfilled FSO slot, two Civil Service positions, and one office management specialist. One FSO slot will be converted to a Civil Service position when a current AAAS fellow finishes his tenure in September 2003.

Many personnel in the IRF office have little sense of what the rest of DRL is doing and are not well integrated in the bureau, largely because of the unresolved organizational issues discussed below. Although some of the staff in IRF believes that they have been marginalized by the rest of DRL, many outside the office charge that IRF leadership has fostered and cultivated a sense of separation.

Ambassador-at-Large

According to 1 FAM 014.2, an ambassador-at-large is placed in organizational level one under the Secretary, Deputy Secretary, and Under Secretaries. An ambassador-at-large is not organizationally subordinate to an Assistant Secretary, who is in level two. The two other ambassadors-at-large in the Department (counterterrorism and war crimes issues) are treated organizationally as reporting to the Secretary.

Notwithstanding the FAM regulation, the IRF ambassador-at-large is perceived in the Department as subordinate to the DRL Assistant Secretary. The Ambassador is required to send memoranda through the DRL Assistant Secretary, does not attend the senior staff meetings with the Secretary, and is often not informed about policy initiatives, taskings, and meetings of direct consequence to the religious freedom issues in the Department or elsewhere in the government. These conditions constrain the office's ability to engage in or coordinate departmental and interdepartmental activities that touch on issues of religious freedom.

The structural problem has made the relationship between DRL's Assistant Secretary and the Ambassador-at-Large increasingly distant and strained. The present arrangement does not adequately serve the religious freedom function that was created by Congress. A disagreement on the preparation of the 2003 Report to Congress on International Religious Freedom at the time of the inspection illustrates current and potential problems.

Beginning in 1999, the CRA office in DRL was assigned responsibility for editing all IRF reports, in part because of the small size of the IRF office, but also because CRA was responsible for all bureau-wide reports. In the summer of 2002, the IRF office provided one officer on an ad hoc basis to CRA to help in the editing of the 2002 report. In the spring of 2003, the IRF office was asked by DRL to provide four officers for the summer to help edit the 2003 report. Although the number of IRF officers has grown since 1999, the office remains small. IRF argued that assigning four officers to prepare the report would shut down most of its work. In order to cope with new demands, CRA, with the support of the DRL front office, has made clear its desire to transfer full responsibility for the editing and publication of the annual religious freedom report to IRF. IRF notes that concrete plans for such a transfer have not been developed, and that it presently lacks the staff and other resources that would be needed to assume the responsibility. The

2005 BPP, which was done in the spring of 2003, stipulates that the IRF office will take over all preparation of the report for 2004. The IRF office did not concur with this proposal. However, the IRF office told OIG that it would be prepared to assume full responsibility for the report beginning in 2004, provided it is given the required staff and resources.

Because of the dispute, the annual instructions for the 2003 IRF report, which should have been issued in April 2003, had not been sent to posts by the time the inspection concluded on July 2. The late May and early June deadlines for post submissions passed with no results. Of greater concern than the timely submission of the 2003 report, which is due in September, is the larger issue of ensuring the adequacy of arrangements and resources for fulfilling this congressional mandate over the longer term.

Recommendation 13: The Assistant Secretary for the Bureau of Democracy, Human Rights and Labor and the Ambassador-at-Large for International Religious Freedom, in coordination with the Under Secretary for Global Affairs, should immediately resolve the impasse over the production of the 2003 Office of International Religious Freedom report. They should also agree on a plan for producing the annual report in 2004 and subsequent years, including the provision of adequate personnel resources and clearly delineated roles and responsibilities. (Action: DRL, in coordination with G)

Going beyond the issue of the preparation of the IRF report, the present structural disconnect between DRL and the IRF office must be resolved. Because resolving this issue requires fact-finding and consultation beyond the scope of this inspection, OIG is not in a position to recommend a particular solution.

Recommendation 14: The Bureau of Democracy, Human Rights and Labor, in coordination with the Office of the Under Secretary for Global Affairs and the Office of the Under Secretary for Management, should reexamine the role and organizational status of the Ambassador-at-Large for International Religious Freedom and the Office of International Religious Freedom, with a view to finding a satisfactory and workable solution. (Action DRL, in coordination with G and M)

DIPLOMATIC READINESS

BUREAU RESOURCES

DRL has 23 FSO and 77 Civil Service authorized permanent positions. Additional staffing includes six Schedule Cs, three Schedule Bs, 14 WAEs, three AAAS fellows, two National Science and Education Program Fellows and seven PMIs for a total staffing complement of 132. For FY 2003, DRL has a Diplomatic and Consular Program budget of \$3.4 million for operating funds and \$18 thousand for public diplomacy. The bureau also manages foreign operations funds of \$36.5 million for HRDF in FY 2003-04, increased from \$13 million for FY 2002-03, and \$2 million for the Partnership to Eliminate Sweatshops Program for FY 2003-04, decreased from \$3.9 million for FY 2002-03.

PEOPLE MANAGEMENT AND MORALE

Most DRL staff members said that they derived considerable satisfaction from the importance of the work they were doing and from the knowledge that their efforts often resulted in real improvements in people's lives. Despite the generally strong feelings of job satisfaction, the vast majority of employees at all levels throughout the bureau described their own morale, and that of the bureau as a whole, as low. Without exception, they attributed this to what they described as poor management practices and a seeming lack of awareness or concern on the part of the bureau's leadership. This was also reflected in the low scores for both management and morale on the personal and administrative services satisfaction questionnaires.

In part, the morale problem can be traced to the problems of communication discussed earlier in this report, and to the prevailing perception that there exists a significant gap between a small circle of bureau insiders, consisting largely but not entirely of noncareer appointments, and the majority of bureau staff members. The problem has been exacerbated by the perception of other management practices, such as clearance procedures that signal that office directors and other staff members do not enjoy the full confidence of the DRL front office.

Another factor is the manner in which the DRL leadership involves itself in the hiring and firing process. DRL leadership interviews and approves all new employees, both Foreign Service and Civil Service. Consequent delays in the interviewing and hiring process are said to have occasionally resulted in the loss of good candidates who eventually opted to take jobs elsewhere. In one case it is said that DRL leadership refused to hire a candidate selected by the office director without any explanation. Examples were also given of decisions by the bureau leadership to remove employees from their positions without the involvement of office directors and other middle managers, or consultation with the affected employee.

Beyond this, however, OIG received a significant number of complaints alleging that employees had been subjected to arbitrary or improper personnel actions that they felt were contrary to the spirit, if not the letter, of established merit system principles and rules. It was alleged, for example, that some employees had been deliberately denied opportunities to participate in meetings or discussions on issues for which they were nominally responsible; that some staff members had been “encouraged” by front office managers to leave the bureau and seek employment elsewhere; that others had their jobs redefined in ways that reduced both their substantive responsibilities and their promotion prospects; and, that still more had returned from extended leave or details to other agencies to find that they had been replaced or that their original jobs had been substantially changed. Personnel actions were not processed by the EX office to make these reassignments, nor were position descriptions revised to reflect changes in duties and responsibilities. There is widespread perception that many of these actions and decisions were arbitrary and unjustified and that they were made without regard to the person’s skills and contributions, or the potential impact on their careers.

OIG was not in a position to investigate these allegations thoroughly. Nor was it able to establish that any specific personnel or merit system regulation had been violated. Nevertheless, the number and nature of the concerns expressed raised serious questions as to whether the bureau’s personnel practices are consistent with the bureau’s obligation to its employees. Given these concerns, as well as the problems of performance and capacity in EX staff discussed later in this report, OIG believes that an oversight review of the bureau’s delegated personnel authorities is justified.

Recommendation 15: The Bureau of Democracy, Human Rights and Labor should ask the Bureau of Human Resources to conduct an oversight review of the management of its delegated personnel authorities to ensure that the human resources management program is in compliance with merit system principles and to determine whether the bureau should retain delegated personnel authorities. (Action: DRL, in coordination with M/DGHR)

OIG found problems in the bureau involving poor performance and misconduct, including belligerent and disruptive behavior. Some of these problems are long standing, predating the arrival of the current DRL management team. Nevertheless, the current leadership has been faulted both by DRL employees and knowledgeable outside observers for failing to act promptly and aggressively to resolve these performance and conduct issues. Many staff members do not perceive that there is someone in the DRL front office to whom they can turn to for support and assistance in dealing with such issues. As a consequence, some middle managers are reluctant to assume responsibility at their levels for fear that they will not be supported.

DRL has long had a problem in recruiting career staff, especially FSOs, to fill bureau positions. The generally low morale of bureau staff, and DRL's reputation for personnel management, are additional factors adversely affecting the bureau's ability to recruit and retain quality employees.

DRL does not have a formal orientation program for new employees. A number of employees commented that they received an inadequate orientation during their check-in with the bureau's personnel division. They were given a welcome packet and self-help check-in list and then turned over to their immediate supervisor. DRL comprises several distinct offices working on a diverse range of issues. Newly assigned employees would benefit from a more formal orientation to understand bureau goals and policy issues.

Recommendation 16: The Bureau of Democracy, Human Rights and Labor should develop and implement a formal orientation program for all new employees. (Action: DRL)

At the time of the inspection, there were no untenured FSOs in the bureau. This is unusual given the bureau's size and mix of staff and its stated interest in developing within the Foreign Service a cadre of officers both knowledgeable about, and professionally committed to, human rights issues. This absence of junior officers hinders the long-term process of training qualified personnel in this area.

Recommendation 17: The Bureau of Democracy, Human Rights and Labor Bureau should establish a plan to make more positions in the bureau open to junior Foreign Service officers, and to encourage junior officers to bid on these positions. (Action: DRL)

OFFICE OF THE EXECUTIVE DIRECTOR

OES-DRL/EX provides administrative support and service to two functional bureaus and to the separate Office of the Science and Technology Adviser to the Secretary. This is an unusual organizational arrangement that adds a level of complexity to the executive office operation not found in most other executive offices. OES-DRL/EX is one of the few combined executive directorates in the Department.

Both the executive director and deputy director positions are experienced, capable FSOs. Most of the staff in DRL is civil service. The deputy oversees the day-to-day running of the executive directorate office with the four division chiefs reporting directly to him. The deputy provides support to both bureaus but functions as the executive director for DRL. The goal of the office is to provide the same level of support to both bureaus, but there are often conflicting and competing priorities between the two bureaus.

Progress is being made in improving customer service and standardizing procedures in the directorate, mainly because of the hard work and constant attention of the executive director and deputy. The major problems over the past several years have been the generally low morale of the staff, conduct issues, poor performance, and a weak sense of customer service. The impact of these problems is reflected in the marginal scores the executive directorate office received in the OIG administrative services satisfaction questionnaire and in an OES-DRL/EX customer satisfaction survey conducted last year. With diligent effort some improvements have been made, but the situation overall is not good. The staff has been sent to

team building, leadership, functional, and customer service training. A Foreign Service Institute trainer is mentoring the division chiefs. The present staff size and skills mix are appropriate to meet operational requirements, but the quality of the work is often below standard.

The OES-DRL/EX director continues to work with the Employee Relations Office in DGHR for guidance on performance and discipline issues. Personnel regulations are followed in all cases, and documentation is made for the issues involved. In addition, directorate management, including the division chiefs, provide hours of counseling and training. Because of constraining Civil Service personnel regulations and procedures, directorate management has not yet been able to terminate any of the problem employees. Poor performers have been placed on performance improvement plans, but because they have shown marginal improvement, they must be retained. The director requires the division chiefs to write honest performance evaluations, and some of the staff received satisfactory ratings rather than the excellent or outstanding ratings received in previous years.

Despite the performance problems, OES-DRL/EX manages to get the work done, but time and effort are heavily invested. This situation is exacerbated by the constant rotation of FSOs in and out of the director and deputy director positions that affords little continuity. There is a difficult learning curve for newcomers, not only because of the complexities of the dual responsibilities of this office, but also for the performance capabilities of the staff. Not all FSOs are able or even willing to take on these issues in a two-year assignment. The staff remarked that they would like OES-DRL/EX management to be more involved in day-to-day operations. Most of the staff said that morale was low and that they do not believe they receive management support unless it involves a front office request. In contrast, OES-DRL/EX management does not believe that they receive adequate support from DRL management, even as bureau management continues to make unplanned, large requests. This is a difficult situation for the OES-DRL/EX managers who have administrative management responsibility for two separate and distinct bureaus. Both bureaus have competing priorities. The focus then is more on the immediate problem and not on improving the process.

Many OES-DRL/EX employees recommended that one of the management positions be converted to Civil Service. Converting the Foreign Service deputy executive director position to Civil Service would provide continuity but would not address the stretched loyalties of OES-DRL/EX management between the DRL and OES bureaus. The OES workload is generally two to three times greater than that of DRL. As a result, the OES-DRL/EX staff, including the director, devotes more time and attention to the larger OES bureau. There appears to be a lack of

accountability in this combined executive directorate office and a tendency to evade responsibility when problems are encountered. There is also no clear line of authority when responsibility for the administrative support is shared between two bureaus and two executive directors managers. Splitting the OES-DRL/EX office into two separate executive offices for each bureau would give the work of DRL the focus, support, and accountability it needs. Precedence for establishing a separate executive office for a small bureau was set in March 2002 when the Bureau for Legislative Affairs split off from the Executive Secretariat, Office of the Executive Director.

During the inspection survey, OES discussed problems it has with the OES-DRL combined executive office and proposed to split the executive office or convert one of the Foreign Service executive director management positions to Civil Service. OES questions the ability of OES-DRL/EX to manage two separate bureaus and feels it requires too much coordination and overlap. A combined executive directorate does afford more economies of scale and separate offices would require more resources and more positions. However, the workload for both bureaus has grown in recent years and is likely to grow in the future. During the inspection, consideration was being given to adding support for the new AIDS coordinator office to OES-DRL/EX. Given the current capacity and performance problems of the combined executive directorate, OIG does not believe that it could support an additional workload unless the office was split. Split executive directorates could also relieve the Under Secretary for Global Affairs' office of its current responsibility for the offices of trafficking in persons and international women's issues. OES and DRL are complex policy driven bureaus with most of their work program based. A small and separate executive directorate office for DRL would provide management with dedicated administrative support and assistance in meeting bureau goals and objectives.

Establishing an executive directorate office for DRL would require abolishing positions in OES-DRL/EX and creating new positions in the separate DRL/EX. All of the OES-DRL/EX positions are against the OES bureau complement, and some positions would have to be transferred to the DRL bureau and/or new positions requested. A split would open up opportunities to address some of the performance problems with the current executive directorate staff through reorganization. A Civil Service deputy position could be established to provide the needed continuity. Duties and responsibilities would have to be redefined and employees reassigned or possibly terminated through reduction in force. This is not the ideal way to remedy these problems, but given the effort already expended by OES-DRL/EX office management and division supervisors, and the meager results to date, it may be necessary.

Recommendation 18: The Bureau of Democracy, Human Rights and Labor should implement a plan and a memorandum of understanding with the Bureau of Oceans and International Environmental Scientific Affairs, in coordination with the office of the Under Secretary for Global Affairs, to create a separate Executive Office. (Action: DRL, in coordination with OES and G)

FINANCIAL MANAGEMENT DIVISION

One strength of the OES-DRL/EX office is the financial management division. The division chief is a financial and technical expert and is effective in managing the DRL financial program, but she is not as effective in managing the division staff. Under the guidance of the OES-DRL/EX director and deputy, her performance as a supervisor has notably improved. To build on her financial knowledge, the division chief has become more involved in the policy side of DRL to understand where the money goes that is managed by the OES-DRL/EX financial division.

Overall, this division provides good financial support and service to the bureau. The division is responsible for budget formulation, financial planning, developing financial processes, and financial oversight for all funds appropriated and allotted to DRL. A significant portion of the budget is foreign operations or grants funding and administration. Because DRL received a sizeable increase this fiscal year in grants funding, an additional position to manage these funds was established and filled. With this new position, the staff size of the financial division is appropriate to manage the workload. There is one financial management specialist dedicated to DRL. The two grants administration specialists and two travel assistant positions support both DRL and OES bureaus.

Timely awards of HRDF grants is critical to the support of programs promoting human rights, democracy, religious freedom, and labor rights. Because the political environment in many of these countries is extremely volatile, time is of the essence in implementing these programs. It is important that DRL have sufficient resources, in terms of staff, travel funds, and grant-processing support from A to ensure that all possible steps are taken to expedite and facilitate the award, implementation, and post-award monitoring of these grants. Conflicts sometime arise between the OES-DRL/EX grant administrators and front office grants managers over responsibilities.

There are performance problems in the travel section of this division, however, that hurt the quality of service provided to the bureau. Through counseling and mediation sessions, common ground has been established. The senior and lead financial specialist has been tasked to provide direction and act as an intermediary.

GENERAL SERVICES DIVISION

The four-person general services team is effective and provides good overall support to bureau personnel. However, OIG found some deficiencies in its internal operations, specifically in property management (see the management controls section of this report).

The EX office has two receiving officers for supplies and equipment that inspect and sign all incoming deliveries. A nonexpendable property application bar code is placed on appropriate items and the information is recorded by hand to a customized receiving worksheet for nonexpandable property. This worksheet has sections that no longer apply due to changes in Department regulations and was last revised in 1992. In reviewing the worksheets for FY 2002, OIG found that some sections, such as the signature of the responsible officer, replacement year, location of the item, and invoice cost, were incomplete. A revised, updated electronic worksheet would be more efficient and could be used as a tool for inventory accountability. The division should also consider using standard Department receiving forms. OIG made an informal recommendation in this regard.

The OES-DRL/EX office has drafted two memorandums to all DRL bureau employees on the overall policy on telephone usage and on the use of cell phones. At the time of the inspection, the memorandums have not been approved or distributed. Currently, telephone calls are not being accurately certified. Until earlier this year, the general services division provided a print out and charged telephone costs to each office. This is no longer being done, and the print out of charges for telephone usage goes directly to the financial management division for payment. As a result, bureau employees cannot certify the official calls or reimburse the Department for personal calls.

Recommendation 19: The Bureau of Democracy, Human Rights and Labor should complete and distribute standard operating procedures to all bureau personnel on telephone usage and on the assignment and use of cell phones. (Action: DRL)

DRL has no policy on who should have a cell phone. Informally it is understood that office directors and above should have one, but OIG found that others below the rank of office director have a government-issued cell phone. In reviewing cell phone bills, OIG found there were patterns of calls made to the same numbers sometimes after working hours. Cell phone users also do not certify official calls or make reimbursement for their personal calls.

Recommendation 20: The Bureau of Democracy, Human Rights and Labor should establish written procedures for the assignment of cell phones and for reimbursement to the bureau for personal calls. The bureau should also routinely provide each office and all cell phone users with a print out of telephone charges to certify official calls. (Action: DRL)

INFORMATION MANAGEMENT DIVISION

The quality of service the information management division provides is adequate, particularly when considering that the division supports a total of about 350-400 users in both DRL and OES. The responses to OIG administrative services satisfaction questionnaires indicate more emphasis should be placed on the delivery of services. In reviewing the help desk log of requests from users, OIG concluded that customer service, although responsive, would benefit from closer monitoring on the length of time it takes to complete user requests. There are three direct hire employees, seven computer support personnel on contract, and one temporary employee to maintain a help desk, servers and networks for two bureaus, and all computer equipment. There is low morale in the information management division in part because of the perception of disengaged management.

OIG found shortcomings in information systems security. Although DRL has designated an information systems security officer and an alternate, neither one is performing the full scope of the duties. One problem identified is that the infrastructure systems manager is also one of the designated information systems security officers. This creates a potential for conflicts of interest and diminishes management control. The information systems security officer should be separate from the infrastructure systems manager.

(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6) . The director has asked for assistance from DGHR in identifying an experienced HR specialist for the OES-DRL/EX office. The specialist would serve as a team leader focusing on establishing standard operating procedures, developing bureau policies on human resources management, and providing oversight and training to the HR staff. OIG agrees this would be a good solution in the short term.

Recommendation 22: The Bureau of Democracy, Human Rights and Labor should ask that the Bureau of Human Resources identify an experienced human resources management specialist to the Human Resources Division of the Executive Office to establish policies and procedures, to put systems in place, and to provide oversight and training to the division staff. (Action: DRL, in coordination with M/DGHR)

Foreign Service Recruitment

A WAE retired FSO working with the HR supervisor manages the Foreign Service employment program. Recruiting FSOs to fill positions in DRL is a challenge. The office directors are actively engaged in the recruitment process, but the process would benefit from more front office attention to attract interested and qualified candidates. There are a few problems with Foreign Service recruitment beyond the control of the WAE, most notably in the IRF office. There are four FSO positions that remain, or were vacant long into the recruiting cycle. OIG suggested that the DRL HR supervisor and the specialists receive training on the Foreign Service personnel system and become more involved, as almost one-fourth of DRL full-time staff is Foreign Service.

Personnel Authorities

In November 1998, the Office of Civil Service Personnel in DGHR conducted an oversight review of personnel authorities delegated to OES and DRL. The assessment by the office in April 1999 concluded that overall improvement was needed in the management of delegated personnel functions, and the required actions or recommendations were made.

The OES-DRL/EX office did not respond to the oversight review until February 2000. At that time the office addressed the compliance actions taken on the requirements and recommendations made in the oversight review, and as a result some improvements were made. These included establishing complete merit

promotion files, an effort accomplished earlier this year. Because of extensive turnover in the DRL HR division in 2000 and the arrival of a new supervisory HR specialist, there was some discussion between the executive directorate office and DGHR to temporarily rescind DRL's delegated personnel authorities. Based on the OIG inspection, DRL needs to continue improvement in its management of delegated human resources functions. Program areas that require attention are classification, position management, employee relations, performance evaluation, and records review.

A separate memorandum will be provided by OIG to DRL and the Office of Civil Service Personnel in DGHR that identifies possible violations and possible grievances, as well as problems OIG has identified with specific positions and employees. DRL has 11 temporary hiring waivers, some to fill behind employees on detail, others to convert employees under PMI or career development programs. The bureau may not have permanent positions to convert the PMI or career development employees at the end of the program as required. There was a vacancy announcement for a permanent appointment to fill a temporary hiring waiver, but management decided not to make a selection. Bureau management has been reluctant to ask for any additional permanent positions but continues to ask for temporary hiring waivers. DRL would benefit from doing more workforce planning with DGHR.

Several position classifications need to be reviewed. Positions on the staffing pattern are in one location, when in reality the positions are performing different functions in other locations. Duties and responsibilities of other employees have been changed without the position descriptions being revised. Other position management problems include reassigning employees without processing a personnel action. The memorandum is intended to assist the EX office and the Office of Civil Service Personnel in DGHR during the oversight review to regularize the position classification, appointment, and personnel actions.

Time constraints on the OIG inspection did not allow an in depth review of a majority of the personnel actions or position classifications. In the reviews completed, no clear violations of Civil Service regulations and procedures were identified. The appearance of irregularities, however, was a concern raised frequently by DRL staff. Given these concerns and the problems of performance and capacity in OES-DRL/EX staff, OIG believes that an oversight review of the bureau's delegated personnel authorities is justified.

SECURITY

DRL has designated a principal security officer for the bureau and individual security officers for each bureau office. There are security procedures and guidelines in place, but the bureau needs to increase its security awareness. (b) (2)
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Recommendation 23: The Bureau of Democracy, Human Rights and Labor should reissue security procedures and guidelines clearly stating Department security policy and require all bureau personnel, including unit security officers, to take refresher security briefings to ensure compliance with security practices. (Action: DRL, in coordination with DS)

EQUAL EMPLOYMENT OPPORTUNITY

There have been no formal EEO complaints filed, and no informal complaints are in process in DRL. Four bureau employees are assigned collateral duties as EEO counselors. Awareness and sensitivity to EEO scored about average in the OIG administrative questionnaire. There were a few EEO complaints filed in previous years that were either dropped or resolved. OIG did not find any specific EEO related problems in discussions with bureau staff. A suggestion was made to more widely publicize the names of the bureau EEO counselors, along with basic complaint procedures and requirements.

The EEO office has offered advice and counsel to the bureau's leadership on both EEO matters and broader personnel management issues. Most of the issues presented as EEO matters were in fact traceable to other problems and deficiencies in the bureau's handling of personnel issues. However, there is a concern that these broader personnel management problems, if not addressed, could lead to genuine EEO complaints in the future.

MANAGEMENT CONTROLS

The management controls program for DRL is acceptable. The OES-DRL/EX executive director is the designated management controls officer. Responsibility for management controls is included in both the OES-DRL/EX director's and deputy director's work requirements. The bureau completed a risk assessment review prior to the inspection. The results and evaluation by the Bureau of Resource Management determined that overall scores indicated that DRL has moderate risk. Overall controls were adequate, with two areas that need to be strengthened. Two of the bureau offices scored marginally below the Department standard of 75 percent or less in either general control environment or management control standards. OIG found the lower scores might reflect misunderstanding of the risk assessment questionnaire rather than program vulnerabilities. During the inspection, the risk assessment results were under review by office managers to determine whether corrective action plans and improvements in management controls could be made.

The inspection did reveal the following weaknesses in some administrative and program areas where management and internal controls require attention and can be improved.

TRAVEL

Complaints about late travel authorization requests and slow travel voucher processing were significant in the OIG administrative services satisfaction questionnaire. The large amount of travel in both DRL and OES creates a great demand for travel services from two OES-DRL/EX employees. DRL has requested an increase in travel funds for FY 2004. One employee oversees travel authorizations and the other processes travel vouchers. The bureau made travel manager training mandatory for all employees and continues to offer brown bag lunch travel manager workshops. Despite the training, most travel requests and vouchers are prepared by the office management specialists and not the individual traveler, creating an intermediary layer that slows down and confuses the process.

As discussed under the Diplomatic Readiness section of this report, there are performance problems in the travel unit that hinder operations. But the travel unit

problems go beyond performance issues. There are several detailed standard operating procedures in place on all aspects of travel that some DRL employees tend to ignore. Requests for travel authorizations are often made at the last minute, vouchers include improper claims for reimbursement that must be returned, vouchers are submitted several days and even months late with demands for prompt payment, and several filings of vouchers are outstanding. Adding to the problem is the volume of authorizations and vouchers that must be processed. OIG suggested that the bureau consider hiring a third fully qualified travel assistant to work in the section to meet the workload demand. Another alternative would be to reassign some of the nontravel related duties from the senior travel position to allow more time for closer oversight and additional training. OIG also suggested that the bureau strengthen and reissue its standard operating procedures on travel, and encourage travelers to prepare more of their own authorizations and vouchers.

In 2002, DRL tightened management controls on the use of government travel cards after several instances of delinquent accounts and inappropriate uses of the card were uncovered. The EX office issued a standard operating procedure on travel card use, sent e-mails to all bureau employees to remind them that misuse of the travel card is a serious offense, and requested the assistance of all office directors and supervisors to ensure their staff understood the regulations. Disciplinary actions were taken on persons found in violation, and others were counseled. The travel section completes a monthly check on all accounts of bureau government travel cardholders.

PROPERTY MANAGEMENT

DRL completed its annual property inventory reconciliation for FY 2002, which showed a 2.2 percent loss of the total inventory. Department regulations require that any inventory loss greater than one percent be reported to the property survey board. DRL complied with this regulation. To date, the survey board has not taken any action. The OES-DRL/EX office believes the reason for the inventory loss is that some of the missing items were properly disposed of but were never deleted from the nonexpandable property application system. There was no indication that control weaknesses resulted in theft of property. OIG found that better record keeping for receiving, disposal, transfer and reconciliation of property is needed to establish an accurate baseline for future inventories. OIG suggested several constructive steps to strengthen controls, such as consolidating disposal

records, maintaining paper copies of record updates, and scheduling general inventories well in advance to allow adequate time for reconciliation of any discrepancies. Before the inspection, the general services division started to implement a more effective inventory control system. OIG made an informal recommendation in this area.

TIME AND ATTENDANCE

Proper procedures for time and attendance have not always been followed, and adequate records have not been maintained. Time and attendance has not been reported accurately in previous years, and there were allegations of insufficient oversight of the procedures. The bureau recognized the problem and assigned time and attendance record keeping to three front office support staff, each with their own password, and the responsibility rotated every pay period. Improvements have been made, but controls over time and attendance still need to be tightened. The OIG review indicated that supervisors have not been consistently responsible in monitoring and approving the time and attendance of their staff. They have not been counseling people who may be abusing leave. An OIG review of time and attendance records indicated leave slips approved by the supervisor are not routinely turned in with the employee's timesheet, timesheets are not reviewed and signed in all cases by the supervisor, some timesheets are missing from employees on detail, a few employees with negative leave balances do not have approval for advanced leave, and the final time and attendance reports are not always reviewed and signed by the office directors. OIG made informal recommendations to address these problems.

PERFORMANCE EVALUATIONS

Foreign Service and Civil Service performance evaluations require bureau management attention. There are no standard operating procedures in place. Work requirements statements or performance plans have not been submitted for the majority of DRL employees and are overdue. During the past rating period, the bureau had to ask for an extension of the submission deadline on several Foreign Service evaluation reports to avoid being delinquent. The bureau did complete the evaluation reports and did identify delinquent raters. However, there were three Foreign Service and three Civil Service evaluations incomplete as of June 24, 2003. In addition, there were no indications that mid-year progress reviews were com-

pleted. DRL needs to strengthen management controls by focusing more on work planning, counseling, and performance evaluation.

Recommendation 24: The Bureau for Democracy, Human Rights and Labor should, in accordance with 3 FAH-1 H-2815.1(a)(1) and 3 FAH-1 H-2823.1(b), ensure that work requirements statements for Foreign Service employees and performance plans for Civil Service employees are completed by the applicable due date. (Action: DRL)

HUMAN RESOURCES MANAGEMENT

There are no DRL policies or standard operating procedures in place for HR management programs. Some of the policies and procedures that need to be established include employee relation issues, time and attendance, performance evaluations, work requirements, incentive awards, and training. Standard operating procedures should reflect overall bureau policy and be in compliance with Department human resources program regulations.

Recommendation 25: The Bureau for Democracy, Human Rights and Labor should establish policies and procedures on human resources management programs. (Action: DRL, in coordination with M/DGHR)

The HR division implemented and maintains a monthly vacancy report and arrival/departure report on Foreign Service personnel. A number of position descriptions are outdated and/or do not accurately reflect the duties and responsibilities assigned to the position. A routine review of position descriptions to ensure their accuracy and that they are properly classified is good position management. The HR specialist for DRL has organized position descriptions by office and is working towards reviewing all position descriptions one office at a time. OIG suggested that a vacancy review of every position be done as part of the recruitment process and that position descriptions be reviewed and updated during the annual performance evaluation cycles.

INFORMATION MANAGEMENT INVENTORY

The information management division does not maintain, either manually or in the Worldwide Property Accountability System, an inventory of its information technology equipment. There is no accountability for any missing equipment and no controls to reduce exposure to loss. There is a lack of coordination between the information management division and the general services division on inventory responsibilities and access to computer equipment. The information management division has begun drafting internal inventory procedures to include coordination with general services division staff, instituting a “no move” equipment policy and restricting access to storage space.

Recommendation 26: The Bureau of Democracy, Human Rights and Labor should, in accordance with 5 FAM 842.6, maintain an inventory of information technology equipment and conduct an annual inventory reconciliation of the recorded inventory to the physical inventory. (Action: DRL)

LIST OF RECOMMENDATIONS

Recommendation 1: The Bureau of Democracy, Human Rights and Labor should rationalize the present ad hoc management structure of the front office and re-align responsibilities in such a way as to assign clear responsibility for management of the bureau's day-to-day operations. (Action: DRL)

Recommendation 2: The Bureau of Democracy, Human Rights and Labor, in coordination with the Bureau of Human Resources and the Bureau of Administration, should ask that the Bureau of Administration be given sufficient additional grants officer positions to service their bureaus grants. (Action: DRL, in coordination with M/DGHR and A)

Recommendation 3: The Bureau of Democracy, Human Rights, and Labor should provide cross training for programming and policy staff as deemed appropriate to ensure continuity of program monitoring and evaluation. It should also determine what additional staff is required for a more systematic monitoring and evaluation function and implement a plan for meeting that requirement. (Action: DRL, in coordination with M/DGHR)

Recommendation 4: The Bureau of Democracy, Human Rights, and Labor should reorganize the structure of the Office of Strategic and External Affairs to improve efficiency and to clarify lines of authority and responsibility. In particular, the position of the senior adviser for strategic planning and external affairs should be abolished or reprogrammed, taking advantage of the incumbent's recent move to the position of senior coordinator for human rights and democracy. (Action: DRL)

Recommendation 5: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Human Resources, should review the three public diplomacy positions (Position numbers U-00410-00, U-00411-00, and S-86806-00) in the Office of Strategic and External Affairs to determine whether any or all should be reprogrammed as public affairs positions. (Action: DRL, in coordination with M/DGHR)

Recommendation 6: The Bureau of Democracy, Human Rights and Labor should ensure that the Office of Country Reports and Asylum Affairs receives additional staff to process asylum cases and that these employees remain dedicated to this function throughout the year. (Action: DRL)

Recommendation 7: The Office of the Legal Adviser should respond to the Bureau of Democracy, Human Rights and Labor regarding options for handling Bureau of Citizenship and Immigration Services asylum applications and provide any needed assistance. (Action: L)

Recommendation 8: The Bureau for Democracy, Human Rights and Labor, in conjunction with other planned improvements to the asylum function, should develop a system to track asylum cases and prioritize the order in which they are processed. (Action: DRL)

Recommendation 9: The Bureau for Democracy, Human Rights and Labor and the Bureau for International Organizations should clarify the respective roles of the two bureaus relating to the Department's responsibility for human rights and democracy issues in United Nations bodies. The two bureaus should create a process for defining responsibilities on issues of mutual concern and for developing options for senior policy makers to consider with a view to establishing long-term strategy for advancing human rights objectives in the multilateral fora. (Action: DRL and IO)

Recommendation 10: The Bureau of Democracy, Human Rights and Labor should implement a plan to ensure the Office of International Labor Affairs and its portfolio are better integrated into the bureau and that the Office of International Labor Affairs resources are used effectively to achieve bureau goals and objectives. (Action: DRL)

Recommendation 11: The Bureau of Democracy, Human Rights and Labor should ensure that the Office of International Labor Affairs has a representative on the Human Rights and Democracy Fund grants committee. (Action: DRL)

Recommendation 12: The Bureau of Democracy, Human Rights and Labor should redefine the role of the Office of International Labor Affairs economist and collocate this position, the complementary finance and trade position in the Office of Multilateral Affairs, and the parts of the Office of Promotion of Human Rights and Democracy that deal with the Leahy Amendment and Millennium Challenge Account issues, to the bureau office deemed most suitable to house these combined functions. (Action: DRL)

Recommendation 13: The Assistant Secretary for the Bureau of Democracy, Human Rights and Labor and the Ambassador-at-Large for International Religious Freedom, in coordination with the Under Secretary for Global Affairs, should immediately resolve the impasse over the production of the 2003 Office of International Religious Freedom report. They should also agree on a plan for pro-

ducing the annual report in 2004 and subsequent years, including the provision of adequate personnel resources and clearly delineated roles and responsibilities. (Action: DRL, in coordination with G)

Recommendation 14: The Bureau of Democracy, Human Rights and Labor, in coordination with the Office of the Under Secretary for Global Affairs and the Office of the Under Secretary for Management, should reexamine the role and organizational status of the Ambassador-at-Large for International Religious Freedom and the Office of International Religious Freedom, with a view to finding a satisfactory and workable solution. (Action DRL, in coordination with G and M)

Recommendation 15: The Bureau of Democracy, Human Rights and Labor should ask the Bureau of Human Resources to conduct an oversight review of the management of its delegated personnel authorities to ensure that the human resources management program is in compliance with merit system principles and to determine whether the bureau should retain delegated personnel authorities. (Action: DRL, in coordination with M/DGHR)

Recommendation 16: The Bureau of Democracy, Human Rights and Labor should develop and implement a formal orientation program for all new employees. (Action: DRL)

Recommendation 17: The Democracy, Human Rights and Labor Bureau should establish a plan to make more positions in the bureau open to junior Foreign Service officers, and to encourage junior officers to bid on these positions. (Action: DRL)

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Recommendation 21: The Bureau of Democracy, Human Rights and Labor should designate, in accordance with 12 FAM 662.1, an alternative information systems security officer to provide an adequate separation of duties. (Action: DRL)

Recommendation 22: The Bureau of Democracy, Human Rights and Labor should ask that the Bureau of Human Resources identify an experienced human resources management specialist to the Human Resources Division of the Executive Office to establish policies and procedures, to put systems in place, and to provide oversight and training to the division staff. (Action: DRL, in coordination with M/DGHR)

Recommendation 23: The Bureau of Democracy, Human Rights and Labor should reissue security procedures and guidelines clearly stating Department security policy and require all bureau personnel, including unit security officers, to take refresher security briefings to ensure compliance with security practices. (Action: DRL, in coordination with DS)

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Recommendation 25: The Bureau for Democracy, Human Rights and Labor should establish policies and procedures on human resources management programs. (Action: DRL, in coordination with M/DGHR)

Recommendation 26: The Bureau of Democracy, Human Rights and Labor should, in accordance with 5 FAM 842.6, maintain an inventory of information technology equipment and conduct an annual inventory reconciliation of the recorded inventory to the physical inventory. (Action: DRL)

INFORMAL RECOMMENDATIONS

OFFICE OF STRATEGIC AND EXTERNAL AFFAIRS

In August 2002, SEA hired a person who is an expert on Muslim issues. The person was hired on a temporary Schedule B appointment for a period of one year. The person selected worked several days in September 2002 and has remained on leave without pay since that time. In June 2003, the person requested and OES-DRL/EX approved, a change to intermittent status from full-time. The appointee has had outside commitments that have prevented his working full-time for DRL as originally anticipated. The June request did not include any type of proposed schedule or plan for working. The position uses FTE, which could be used more productively for other bureau needs.

Informal Recommendation 1: The Bureau of Democracy, Human Rights, and Labor should not renew the Schedule B appointment (S-85565-00), and if warranted, retain the incumbent as a consultant.

OFFICE OF INTERNATIONAL LABOR AFFAIRS

The response to the majority of requests for information pertaining to asylum cases is to provide the Department of Justice immigration judges with a “Country Profile” that describes country conditions with a focus on issues pertinent to adjudicating asylum claims. Asylum adjudicators value these profiles. Rather than dealing with hard copies, CRA staff could improve efficiency and better serve customers if the profiles could be available electronically, as are the human rights and religious freedom reports.

Informal Recommendation 2: The Bureau of Democracy, Human Rights, and Labor should explore the possibility of making country profiles available electronically as well as explore other means by which efficiency and effectiveness could be improved by taking advantage of technology.

Informal Recommendation 10: The Bureau of Democracy, Human Rights, and Labor should strengthen and reissue the standard operating procedures on travel.

The DRL financial management division asks each office to prepare a “wish list” prior to the end of the fiscal year on items and projects that may not have been funded during the year. OIG found that some of projects and proposed items on the “wish list” were very costly and should have been included in the bureau’s budget request.

Informal Recommendation 11: The Bureau of Democracy, Human Rights, and Labor financial management division should stop the “wish list” policy and adhere to an end-of-year procurement policy in accordance with 6 FAM 1224.

GENERAL SERVICES DIVISION

The DRL Bureau secretaries and staff assistants are not following standard operating procedures when ordering expendable and nonexpendable equipment and supplies.

Informal Recommendation 12: The Bureau of Democracy, Human Rights, and Labor secretaries and staff assistants should follow established standard operating procedures when ordering equipment and supplies.

One of the receiving clerks for DRL is the secretary in the general services division. However, receiving function duties are not in her work requirements.

Informal Recommendation 13: The Bureau of Democracy, Human Rights, and Labor should update and revise the work requirements of the general services division secretary to include the receiving clerk duties.

Informal Recommendation 14: The Bureau of Democracy, Human Rights, and Labor should update, revise and develop an electronic receiving worksheet for the nonexpandable property form to be used as a tool for inventory accountability or use standard Department receiving forms.

DRL needs better record keeping for the receiving, disposal, transfer, and reconciliation of property to establish an accurate baseline for future inventories.

Informal Recommendation 15: The Bureau of Democracy, Human Rights, and Labor should implement more effective procedures for property records, property disposal records, property transfers, and inventory reconciliation.

INFORMATION MANAGEMENT DIVISION

DRL does not maintain an inventory of tapes and disks and cannot ensure an adequate supply to meet operational needs.

Informal Recommendation 16: The Bureau of Democracy, Human Rights, and Labor should maintain an inventory of tapes and disks and conduct an annual reconciliation.

Standard operating procedures for the information management division of DRL have been in draft for over a year but were never approved or distributed to bureau staff. Standard operating procedures ensure that policies are properly followed and help to minimize errors and confusion.

Informal Recommendation 17: The Bureau of Democracy, Human Rights, and Labor should finalize and approve the standard operating procedures for the information management division and make them available to all bureau staff and end users.

DRL storage rooms for computer equipment do not provide for adequate room temperature.

Informal Recommendation 18: The Bureau of Democracy, Human Rights, and Labor should ask the Department to maintain adequate room temperature in the computer equipment storage rooms, as described in 5 FAM 842.1.

Some of the computer equipment in DRL storage rooms is not properly labeled as excess equipment for property disposal.

Informal Recommendation 19: The Bureau of Democracy, Human Rights, and Labor should properly label as excess all computer equipment for property disposal following guidelines in 6 FAM 237.

DRL does not conduct regular inventories on sensitive or easily stolen items, such as laptop computers, cellular telephones, and digital cameras.

Informal Recommendation 20: The Bureau of Democracy, Human Rights, and Labor should conduct regular inventory and reconciliation of all sensitive or easily stolen items.

EQUAL EMPLOYMENT OPPORTUNITY

DRL has designated four employees as EEO counselors; however, the names are not widely publicized. Also, basic procedures on filing and processing an EEO complaint are not available.

Informal Recommendation 21: The Bureau of Democracy, Human Rights, and Labor should publicize the names of the designated equal employment opportunity counselors along with basic procedures on filing and processing equal employment opportunity complaints.

PRINCIPAL OFFICIALS

Assistant Secretary	Lorne W. Crane	06/01
Principal Deputy Assistant Secretary	E. Michael Southwick	11/02
Deputy Assistant Secretary	J. Scott Carpenter	10/01
Special Coordinator for Democracy and Human Rights	Elizabeth Dugan	08/02
Ambassador at Large for International Religious Freedom	John V. Hanford, III	05/02
Office Director for International Religious Freedom	Thomas F. Farr	06/99
Office Director for Strategic Planning and External Affairs	Judith Baroody	08/02
Office Director for International Labor Affairs	George White	09/01
Office Director for Promotion of Human Rights and Democracy	Robert P. Jackson	07/02
Office Director for Multilateral Affairs	Tatiana Gfoeller-Volkoff	08/01
Office Director for Country Reports and Asylum Affairs	Cynthia Bunton	01/01
Executive Director for Office of the Executive Director (OES-DRL/EX)	Penny Williams	09/01

ABBREVIATIONS

AAAS	American Academy for the Advancement of Sciences
BCIS	Bureau of Citizenship and Immigration Services
BPP	Bureau Performance Plan
DAS	Deputy Assistant Secretary
Department	Department of State
DGHR	Bureau of Human Resources
DHS	Department of Homeland Security
DRL	Bureau of Democracy, Human Rights and Labor
DRL/CRA	Office of Country Reports and Asylum Affairs
DRL/IL	Office of International Labor Affairs
DRL/MLA	Office of Multilateral Affairs
DRL/PHD	Office of Human Rights and Democracy
DRL/SEA	Office of Strategic and External Affairs
EEO	Equal Employment Opportunity
FSO	Foreign Service officer
FTE	Full-time equivalent
G	Under Secretary for Global Affairs
HRDF	Human Rights and Democracy Fund
IO	Bureau of International Organization Affairs
L	Office of Legal Adviser
NGO	Nongovernmental organization
OES	Bureau of Oceans and International Environmental Scientific Affairs
ES-DRL/EX	Office of the Executive Director, Bureau of Oceans and International Environmental Scientific Affairs
OIG	Office of Inspector General

PDAS	Principal Deputy Assistant Secretary
PMI	Presidential Management Intern
PRM	Bureau of Population, Refugees and Migration
UNCHR	UN Commission for Human Rights
WAE	When actually employed

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