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

Report of Inspection

Management Review of Youth Programs Bureau of Educational and Cultural Affairs U.S. Department of State

Report Number ISP-I-10-16, October 2009

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PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION

This inspection was conducted in accordance with the Quality Standards for Inspections, as issued by the President's Council on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

PURPOSE

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

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

METHODOLOGY

In conducting this inspection, the inspectors: reviewed pertinent records; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.



**United States Department of State
and the Broadcasting Board of Governors**

Office of Inspector General

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "H. W. Geisel".

Harold W. Geisel
Acting Inspector General

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KEY JUDGMENTS

- The youth exchange programs are some of the Department of State's (Department) most valuable programs for promoting mutual understanding and respect among successor generations globally.
- Due to the age group of the participants of youth exchange programs (15 – 18 years), these exchanges constitute one of the most vulnerable exchange programs in the Department and should demand priority of attention.
- There is insufficient oversight of the youth exchange programs at all levels within the Bureau of Educational and Cultural Affairs (ECA) in the Department and at the private sector sponsors' level.
- There are insufficient dedicated resources at ECA to conduct effective oversight of youth exchange programs.
- There should be a restructuring of the youth exchanges oversight processes within the ECA since support for the conduct of the program comes from several offices within the bureau and is also connected to other programs.
- Priority must be given to filling the leadership gap in the ECA to facilitate restructuring the bureau to effectively conduct youth exchange programs.

This review took place in Washington, DC, between July 6 and August 14, 2009, as part of a special Office of Inspector General (OIG) inspection. (b) (6)(b) (6) (b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)

CONTEXT

PURPOSE

OIG undertook a limited review at the request of the Under Secretary for Public Diplomacy and Public Affairs and the Acting Assistant Secretary of ECA to determine the level of the Department's oversight of secondary school exchange programs. The purpose of the review was to assess monitoring procedures within ECA and their effectiveness as oversight tools.

BACKGROUND

OIG initiated this limited management review of the Youth Exchange Study (YES) program on July 6, 2009, but determined that a review of the YES program would be incomplete without addressing the three other secondary school programs — American Serbia and Montenegro Youth Leadership Exchange (A-SMYLE) program, Congress-Bundestag Youth Exchange (CBYX) program, and the Future Leaders Exchange (FLEX) program — that share the same grantees (sponsors) and regulatory basis. The objectives of the four selected secondary school exchange programs are similar: to provide a full academic year to create mutual understanding and respect between young citizens of the United States and other countries in the age-group of 15 – 17 years old, except in the CBYX, whose age group is 15 – 18 years old. Midway through the review, the principal deputy assistant secretary, also acting as the Assistant Secretary, retired. This left a sizable leadership gap in ECA.

OIG Span of Review

The OIG team also expanded the review beyond the Youth Program Division within the Office of Citizens Exchanges (under the deputy assistant secretary for Professional Exchanges), which is one of three separate directorates within ECA involved in the conduct and oversight of these exchange programs. The other two are under the deputy assistant secretary for Private Sector Exchange (Office of Exchange Coordination and Compliance and Office of Private Sector Designation)

and Office of the Executive Director (Grants Division). The Office of Citizen Exchanges is the umbrella office for the Youth Programs Division that administers the four secondary school exchange programs. The Office of Exchange Coordination and Compliance and Office of Private Sector Designation provide the regulatory basis for compliance in accordance with the Exchange Visitor program (J-Visa). The Office of the Executive Director is the umbrella office for the Grants Division.

The OIG team reviewed previous ECA audits and reviews to determine if the question of the effectiveness, or lack thereof, in the Department's oversight procedures is a recent phenomenon, or if there is a pattern that indicates ongoing internal management control shortcomings. The United States Government Accountability Office (GAO) report in February 1990, *United States Information Agency: Inappropriate uses of Educational and Cultural Visas*¹, reported problems with program monitoring and oversight. The Department's OIG audit in September 2000,² found that the Office of Exchange Visitor Programs was unable to effectively monitor and oversee the exchange visitor program primarily because of inadequate resources. Finally, the 2006 GAO report to the Subcommittee on Immigration, Border Security, and Claims, Committee on the Judiciary, House of Representatives³ found that State had "not exerted sufficient management oversight...and has been slow to address program deficiencies."

Youth Programs

A-SMYLE was established in 2005 to reach out to youth and create stronger linkages between the United States and Serbia and Montenegro. CBYX, known in Germany as the Parlamentarisches Patenschafts – Program, was inaugurated in 1983 by the U.S. Congress and the German Bundestag. The FLEX program encourages long-lasting peace and mutual understanding between the United States and countries of Eurasia. Finally, the YES program was established in October 2002, sponsored by the Department, to provide scholarships to students from countries with significant Muslim populations to spend up to one academic year in the United States.

¹ GAO/NSIAD-90-61 Educational and Cultural Exchange Visas

² Report of Audit, *The Exchange Visitor Program Needs Improved Management and Oversight*, 00-CI-028, September 2000

³ GAO-06-106, *STATE DEPARTMENT: Stronger Action Needed to improve Oversight and Assess Risks of the Summer Work Travel and Trainee Categories of the Exchange Visitor Program*, October 2005

Program Costs/Budget Information

	Funds Appropriated in 2008	(Academic Year)
A-SMYLE	\$ 747,299	(2008-10)
CBYX	\$ 3,230,000	(2009-10)
FLEX	\$16,000,000	(2008-09)
YES	\$20,370,000	(2008-10)

Number of Participants

	Total	Countries	(Period)
A-SMYLE	255	2	(2006 – 2009)
CBYX	17,000 (Both)	1	(1983 – Present)
FLEX	18,000	12	(1993 – Present)
YES	3,480	39	(2003 – Present)

Sensitivity of Youth Exchange Programs

There are two significant factors that make these programs stand out from all other ECA exchange programs: the age group (15 – 18), and the fact that the students are hosted by private families without remuneration. While being one of the most valuable of all exchange programs, these are concomitantly the most sensitive and vulnerable. These factors alone dictate extra measures of oversight above and beyond the standard “managerial oversight” measures employed in other exchange programs. The current Youth Program Division follows a traditional staffing pattern that is based on economy of resources for normal exchange programs. As will be discussed further in this review, the youth exchanges are not traditional programs and require dedicated staffs as well as increased budgets to allow for professional conduct and oversight of the programs. The current configuration takes advantage of support resources for several programs within the Office of Citizen Exchanges in addition to those in the Youth Programs Division. This limited review does not constitute an in-depth analysis needed to determine restructuring the office that addresses youth exchange programs exclusively, Youth Programs Division.

Youth Exchange Program Effectiveness

The students have the opportunities to observe and participate in civic projects in their American communities with their American host families, schools, and community organizations during their academic year in America. The majority of the

students take these experiences back to their home countries whereupon they apply their American experiences to local community development projects. In some instances, they apply them regionally across borders with other students with similar experiences. These activities are normally conducted through locally established alumni associations of their respective exchange programs. The OIG team had the opportunity to attend a portion of an alumni conference in Washington where over 150 students assembled to report on activities in their home countries. While most of the projects focused on local civic development programs, some of the students crossed political borders to link up with their neighbors to promote mutual understanding where political differences were very deep. For example, students from Iraq and Turkey decided to link their local alumni associations in regional consortia to promote mutual understanding. Students from Afghanistan reported on facilitating dialogue between provincial reconstruction teams and villages that had significant Taliban presence to help support local reconstruction projects. Students from Syria reported organizing to support foreign scholars and tourists and help them navigate through the colloquialisms of the local dialects. Students often reach back to solicit support from their American host families in fund raising projects to support local civic projects in their home countries.

MANAGEMENT REVIEW

PROFESSIONAL EXCHANGES

Lack of Resources

The Youth Programs Division within the Office of Citizen Exchanges is authorized 16 full-time and two part-time positions. Teams of program officers are responsible for supervising six academic year/semester programs (four inbound and two outbound), 14 youth leadership programs, and the virtual exchange program Global Connections and Exchange. Although the relative size of the division appears to be large, there are many areas of cross-over responsibilities for other programs between the teams. There has been a significant personnel upheaval in the Youth Programs Division in the last 24 months. There was a gap of four and a half months after the retirement of the division chief in June 2007. In October 2007, one FLEX program officer was detailed to the front office, and the position was vacant for 18 months. There was another six-month gap with a senior Flex program officer who retired, and the position was filled on a part-time basis by another program officer. A program officer position was vacated in June 2008, and the replacement process was only completed five months later, in November 2008. A CBYX program coordinator was promoted to a new position in August 2008, and the position is still not filled 18 months later, although a candidate has been identified, and is awaiting a security clearance. There are other examples of positions that have had delayed assignments. The OIG team reviewed the last two ECA Bureau Strategic Plans and noted no significant requests to increase personnel resources in the Youth Programs Division. ECA has a request for three additional positions in the current draft Bureau Strategic Plan.

Lack of Exchange Oversight

Except for two team leaders, none of the team members are dedicated to core program assignments as they are cross-assigned between the programs. Their responsibilities fall heavily into the realm of the administrative processes of grants preparation, grants solicitation, and grants management. In addition, program officers liaise with sponsors and students on incidental problems. Most of the team

leaders also serve as grants officer representative (GOR). They rely heavily on the grants, which are replete with language that requires “monitoring.” Yet, they further interpret the direct monitoring responsibilities as being within the domain of responsibility of the grantee-sponsors, the private educational associations that recruit the students, the host families, the coordinators, regional managers, and other administrative personnel. This was a prevalent assumption among all of the program officers that were interviewed, “the language in the grants requires that the sponsor organizations monitor the programs and report any problems to ECA.” There is an inherent danger in ascribing major responsibilities without clear guidance and support. None of the program officers expressed awareness of 10 FAM 236⁴ that provides guidelines for proactive monitoring (oversight) of the youth exchange programs. Program officers focus on the administrative monitoring of the grant process rather than the participants (students). They assume that the responsibility for direct monitoring of the participants is transferred to the grantee sponsors in the language of the grant. A significant part of effective monitoring is the availability of resources to carry out proactive oversight of the programs even though monitoring is also significant to the grantee-sponsoring organization.

Program officers attend Foreign Service Institute (FSI) courses on grants management and are required to successfully pass two examinations in order to serve as GOR. Yet the FSI course does not include training that addresses compliance with regulatory requirements in the terms of the grant. This is critical in view of the fact that for youth exchange programs, the same program officers are also categorized as ‘sponsors’ subject to the same sanctions for violating the rules contained in 22 Code of Federal Regulations (CFR) and applicable 9 FAM regulations. The aforementioned unawareness of the provisions of the 10 FAM 230 series also applies to provisions of the 9 FAM series on consular operations. Since program officers are also de facto sponsors when it comes to providing information for the completion of the students’ Form DS 2019 (application for the issuance of a J-Visa), there should be comparable training available to the program officers. It is conceivable that the current curriculum for grants training can be enhanced to address compliance with regulatory requirements in the terms of the grant agreement, including J-Visa requirements. FSI’s Public Diplomacy training division’s curriculum includes three courses on grants and cooperative agreements. These courses are structured and taught by subject matter experts in the Bureau of Administration. ECA could collaborate with the Bureau of Administration to restructure the courses to include oversight regulatory procedures without adding hours.

⁴ 10 FAM 236 and 237 comprise general Program and Grant Monitoring guidelines for the bureau after grants and /or cooperative agreements have been written in support of exchange programs. The general purpose is to establish standards for monitoring as a common framework for all program offices to follow.

Recommendation 1: The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Administration and the Foreign Service Institute, should revise as appropriate the current federal assistance administration curriculum to include compliance with internal and external regulatory procedures for the conduct of oversight of youth exchange programs. (Action: ECA, in coordination with A and FSI)

The Youth Programs Division consumes approximately 35 to 40 percent of the Citizen Exchanges Office's budget for both domestic and foreign travel. About \$34,494 was spent on staff travel in FY 2009. The breakdown of this amount includes \$17,759 for international staff travel, leaving about \$17,000 for domestic travel in support of the youth exchange programs. The division requires an additional \$22,000 by the end of the fiscal year, which may include up to \$10,000 for travel to India and the remainder for domestic travel. Considering the number of participants with the ratio to program officers, this figure is not reasonable. To date, site visits have been done in connection with regional training programs with the grantee organizations, at which time visits were made to the local coordinators, students, schools, and an occasional host family visit. This usually occurs once or twice a year.

Recommendation 2: The Bureau of Educational and Cultural Affairs should reconfigure and augment the Youth Programs Division with personnel and budget to allow program officers and teams to focus on single programs and to do periodic unannounced site visits. (Action: ECA)

Lack of Adequate Database Management

The Youth Programs Division does not maintain a central log of complaints or incidents relying on occasional information from the sponsoring U.S. embassies during debriefings, or other indirect information from the families or overseas partner organizations. The division was not aware of a master log of complaints and incidents maintained by the Office of Private Sector Designation. There is no central clearing house to collate this information or to use it to support recurring report requirements to develop discernable patterns within the exchange programs as a part of a proactive oversight plan. The Office of Information Technology for the Bureau of International Information Programs and Bureau of Educational and Cultural Affairs (IIP-ECA/IT) has the capability to review and design data management systems

to enhance program oversight through virtual site visits to grantee sponsor organizations' youth exchange program files. This would represent savings in both costs and time to allow for more expansive visits with coordinators and students during the current infrequent visits with coordinators, schools, students, and host families.

Recommendation 3: The Bureau of Educational and Cultural Affairs should request that the Office of Information Technology for the Bureau of International Information Programs and Bureau of Educational and Cultural Affairs provide a systems design team to work with the Youth Programs Division, the Office of Private Sector Designation, and the Grants Division to design systems that facilitate a clearing house of information to support youth exchange programs and to reduce duplication of records keeping through archival sharing. (Action: ECA, in coordination with IIP-ECA/IT)

PRIVATE SECTOR EXCHANGES

Lack of Effective Communication and Coordination

The youth exchange program's engine is contained in regulations governing the Exchange Visitor program, 22 CFR Part 62. This is the third element of monitoring and oversight of the youth exchange programs, and is the real base from which all other regulations, external and internal, flow. There are 31 positions in Private Sector Exchanges. The Office of Exchange Coordination and Compliance is responsible for maintaining currency of the program, better known as the J-Visa process. This office coordinates extensively with Congressional offices, the Department's Bureau of Consular Affairs (CA), the Department of Labor, and the Department of Homeland Security. However, effective internal communication and coordination between Private Sector Exchanges and the Youth Exchange Programs Division in the Office of Citizen Exchanges is lacking. The OIG team visited one grantee sponsor and also observed that coordination and communication between ECA's Private Sector Exchanges and the sponsor could be improved. The OIG team informally recommended that ECA management take appropriate steps to improve communication between the Private Sector Exchanges, the Youth Programs Division within the Office of Citizen Exchanges, and grantee/sponsors.

Lack of Clarity on Criteria

The Office of Private Sector Designation closely tracks incidents that sponsors are required to report to the Department pursuant to 22 CFR Part 62.13 and 62.25(m) as it relates to the Secondary School Student category. Also, criminal background checks are required on all host family members 18 years and older. Sponsors generally subscribe to third-party background check services with varying degrees of completeness of information. There is serious concern over the establishment of objective standards without clarity upon which different decisions will be made on the placement of 15-18 year-old students with new host families. The OIG team visited with one sponsor and examined a file with a questionable entry that the sponsor was not sure about the disposition based on the vagaries of the criteria. Due to the extra sensitivity of the youth exchange participants, there should be no doubt about the criteria, and there should also be consistency about the level of criminal background checks among all sponsors.

Recommendation 4: The Bureau of Educational and Cultural Affairs should establish a standard requirement based on objective criteria to conduct national criminal history checks of host families to ensure uniformity and adequacy of information provided by third-party background check companies. (Action: ECA)

GRANTS MANAGEMENT FOR YOUTH EXCHANGE PROGRAMS

Criteria for Youth Exchange Programs

The regulation governing youth exchange programs is 22 CFR Part 62, which covers the administration of all exchange visitor programs. Subpart B section 25 governs the Secondary School Student category. Specifically, the purpose of the Mutual Educational and Cultural Exchange Act of 1961, as amended (PL 87-256, September 21, 1961, the “Fulbright-Hays Act”) is to increase mutual understanding between the people of the United States and the people of other countries by means of educational and cultural exchanges. The purpose of the program is to provide foreign nationals with opportunities to participate in educational and cultural programs in the United States and return home to share their experiences as well as encouraging Americans to participate in educational and cultural programs in other countries.

Criteria governing the grant process for youth exchange programs include the appropriate Office of Management and Budget Circulars depending on the organization type. These are specified in the grants agreement along with Department terms and conditions. Other Department directives over the grants process include the 10 FAM 230 series over grants management and the Bureau of Administration, Office of the Procurement Executive (A/OPE), Federal Assistance Policy Manual and grants policy directives.

The Grants Division of ECA-IIP's Office of the Executive Director is responsible for planning, directing, and executing grants and cooperative agreements for youth exchange programs in ECA. The grants officer is authorized by A/OPE to award, amend, and terminate federal assistance awards. The grants officer is the primary manager of the assistance award, and is responsible for coordinating with the program office in the course of the grants process, both pre-award and post-award. The roles and responsibilities in the pre-award and post-award administration of federal assistance, according to A/OPE Grants Policy Directive 28, are as follows:

The grants officer executes the award and maintains contact with the program office, the Grants Officers Representative and the recipient to ensure proper award administration, including the recipient's compliance with reporting requirements. The grants officer is the mandatory control point of record of all official communications and contacts with the recipient that may affect the budget, the project scope or terms and conditions of the award.

In practice, grants officers are extensively involved with the financial side of the grants agreement, including budgeting and reporting. Based on a limited review of the office, the grants office of ECA-IIP's Office of the Executive Director performs its responsibilities adequately.

As previously mentioned, a program officer generally serves as the GOR, the individual designated, in writing, by the grants officer to administer certain aspects of the grants or assistance agreement from the award through to closeout. While the designation process is in place and recordkeeping largely in compliance with Department regulations and procedures, the OIG team noted during a limited review of grants files that the original, signed GOR designation letters are not always maintained in the grants file. An informal recommendation addresses this issue.

Monitoring Responsibilities

Monitoring is a key element in oversight of the grants process and addresses compliance with statutes, regulations, and terms and conditions of the grants award, and quality and accomplishment of stated goals and objectives of the program. Two key elements in the criteria for monitoring are maintaining contact, for example, through site visits and liaison with the recipient, as well as notifying the grants officer of anything that could significantly impact the recipient's performance.

While processes and criteria for monitoring grants are in place in the Department, and ECA has incorporated these criteria into its internal procedures, implementation is ad hoc and decentralized. ECA has developed and implemented more specific guidance on the grants side (in the form of a grants handbook) than on the monitoring side. The most detailed guidance on grants monitoring is found in 10 FAM 236. However, this regulation is not used by ECA for youth exchange programs. The OIG team was told that it is outdated and in the process of being revised. Instead, program and grants officers largely use 22 CFR Part 62, in addition to criteria specified in the terms and conditions of the grant agreement. The criteria applicable to monitoring are broader than that found in 10 FAM 236 and states in general that proposals should include monitoring and evaluation plans for the program to ensure the goals and objectives are met.

A/OPE sets the policy for administration of grants in the Department and issues guidance for monitoring and oversight. In October 2008, it implemented a grants management review directive to strengthen management and oversight of assistance agreements in response to GAO, OIG, and Office of Management and Budget recommendations addressing grants management, including monitoring. It plans to conduct a management review of federal assistance in ECA in the fall of 2009.

The home stay experience of the participants is intrinsic to the program's goal. However, monitoring guidance is geared towards actual program and financial goals rather than specific problems with the host family or other related issues. The monitoring criteria do not specify a requirement to report applicable problems, although the proposal in the grants agreement may address this concern. Nor does Department federal assistance guidance specify this matter. Therefore, ECA guidance, in this respect, is consistent with Department guidance. The criteria applicable to living conditions of the students appear to fall under the J-Visa regulations.

Based on a limited review, the grants process does not appear to emphasize actual verification of what the recipient says it will do in the proposal. Instead, the emphasis appears to be more on evaluating the success of the goals and objectives

of the grant. However, this practice appears to be consistent with current criteria. Grants proposals appear to address monitoring, as required by the instructions, although it varies among the grantees as far as the detail. The proposals reviewed also generally specify that State Department guidance (22 CFR 62) and the Council on Standards for International Educational Travel (CSIET) standards are followed in host family recruitment, screening, and selection. ECA lacks specific policies and/or procedures for grants monitoring over youth exchange programs similar to what is already contained in 10 FAM 236. Without specific monitoring guidelines, verification of the recipient proposed actions will continue to be deemphasized.

Recommendation 5: The Bureau of Educational and Cultural Affairs should develop specific procedures for grants program monitoring similar to 10 FAM 236, implement the procedures for youth exchange programs, and train all staff involved in the grants process, as well as supervisors, to use the procedures. (Action: ECA)

ECA recognizes that improvements are needed in oversight and monitoring youth exchange programs, and has begun to take steps to improve guidance and internal controls. These efforts were being planned during the inspection and therefore have not been assessed.

COORDINATION WITH SPONSOR AGENCIES

The OIG team visited one grantee sponsor. The staff was very professional with both educational backgrounds and extensive experiences abroad with youth exchange programs or similar work in the Peace Corps. There was a keen awareness of the sensitivity of youth exchange programs in that this organization, similar to most others, provides support to a variety of educational exchange programs in the private and public sector. The staff focuses on providing the students with direct access via a toll free telephone number and a Web site for the students and their families. The students are also provided with a password for privileged communications and reports. Each of the program officers showed an interest in new ways to use electronic information in the conduct of the program. In this regard, they have initiated surveys of students' opinions about the programs through electronic surveys. They emphasized this was strictly a voluntary process. The point they stressed with the OIG team was they wanted to create an open environment for dialog in recognition of cultural variations on "what to report or what not to report." The sponsor reports sexual abuse complaints directly to ECA's Office of Private Sector Designa-

tion. All other complaints are sent directly to the Youth Programs Division, while the Office of Private Sector Designation maintains a master log on complaints and incidents. The sponsor organization is involved in the training of coordinators (the direct contacts with the students as well as the schools and host families, which they recruit). They stated they are required to perform two independent audits annually, one for financial statements, and the other covering programmatic items required by CSJET (Accreditation office for participating educational exchange sponsors). According to the sponsor organization, copies are submitted to the Youth Exchange Programs Division, although the division was not aware of the submission.

The OIG team observed communication problems between offices in ECA that adversely impact oversight procedures. The sponsor stated that it would welcome ECA electronic access to youth exchange program files. The sponsor emphasized openness in its conduct of exchange programs and, also encouraged the biological families of the participants to access the students' one-page profiles as well as the public information about the programs on the rest of the Web site.

The OIG team asked the sponsor how it "monitors" the students in the program. The response was that the sponsor relies on coordinators and assumed other sponsoring organizations also rely on regional managers and coordinators in the absence of travel funds to visit schools, students, and host families. The sponsor said that travel funds are not in the grants and would require an extra \$500 to \$800 per student to travel and monitor the exchange programs directly. In effect, monitoring and direct oversights of the programs at the student/host family/school levels are performed mainly by the coordinators and reported to the sponsors.

CONCLUSIONS

Youth Exchange Programs Effectiveness

An important aspect of the youth exchange programs is the basis for mutual understanding and respect between Americans and foreign students is established during the academic year, but the interaction continues for a lifetime. The students cherish the unique opportunity to study in the United States and have an adoptive American family. They take this back to their native countries and preserve the experiences in their local exchange alumni organizations. Fifty-four countries are represented in this program, with a significant number of countries with a demographic division of the population of more than 60 percent of the population below the age of 27 years. The long range investment of \$40 million is minuscule considering the

multiplier effects over time. The age group of these programs makes them the most sensitive and vulnerable of all of the Department's exchange programs demanding whatever resources available to facilitate the safety and welfare of the participants. A very important factor in guaranteeing the continuity of the effective oversight of these important exchange programs is to have senior leadership positions filled to coordinate the efforts of the separate ECA directorates and offices with responsibility for exchange programs.

Oversight and Monitoring Youth Programs are Ineffective at All Levels

A combination of factors has contributed to the ineffectiveness of the monitoring and oversight processes for these programs: the lack of human and financial resources and an erroneous assumption in ECA that monitoring responsibility passes with the grants language to the grantee sponsor organizations. The OIG team further discovered the fallacy of this assumption in that grants to the sponsoring organizations may not include ample funds per student to allow for the grantee sponsors to provide minimal oversight through site visits, relying instead on the coordinators to self-monitor.

There are three offices within ECA that have direct monitoring/oversight responsibilities but communications between the major implementers borders on unprofessional dialogue that detracts from a structured approach for proper oversight of these important programs. There is a gap in the assignment of high level ECA management to foster continuity in these sensitive and important programs.

In the meantime, the Under Secretary for Public Diplomacy and Public Affairs (R) is putting together a task force with representation that includes the Offices of the Procurement Executive and Acquisition Management, the Bureau of Consular Affairs, and the Bureau of Administration to examine Public Diplomacy exchange and grant program oversight issues. This group will work under the guidance of R's Office of Policy, Planning and Resources and include representatives from ECA and the regional public diplomacy office directors.

Management Information System Not Effectively Employed

There is much information available within ECA, and to which ECA has access, to make the tools at its disposal work toward effective oversight of the youth exchange programs. There is no clearing house to take advantage of this information

and even to save on time and money to access records and files at the various sponsors' offices. The Office of Information Technology for the Bureau of International Information Programs and Bureau of Educational and Cultural Affairs has the capability to design information access and management systems. This is an in-house capability that should be used in the reconstruction of the systems to monitor and oversee youth exchange programs.

LIST OF RECOMMENDATIONS

- Recommendation 1:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Administration and the Foreign Service Institute, should revise, as appropriate, the current federal assistance administration curriculum to include compliance with internal and external regulatory procedures for the conduct of oversight of youth exchange programs. (Action: ECA, in coordination with A and FSI)
- Recommendation 2:** The Bureau of Educational and Cultural Affairs should reconfigure and augment the Youth Programs Division with personnel and budget to allow program officers and teams to focus on single programs and to do periodic unannounced site visits. (Action: ECA)
- Recommendation 3:** The Bureau of Educational and Cultural Affairs should request that the Office of Information Technology for the Bureau of International Information Programs and Bureau of Educational and Cultural Affairs provide a systems design team to work with the Youth Programs Division, the Office of Private Sector Designation, and the Grants Division to design systems that facilitate a clearing house of information to support youth exchange programs and to reduce duplication of records keeping through archival sharing. (Action: ECA, in coordination with IIP-ECA/IT)
- Recommendation 4:** The Bureau of Educational and Cultural Affairs should establish a standard requirement based on objective criteria to conduct national criminal history checks of host families to ensure uniformity and adequacy of information provided by third-party background check companies. (Action: ECA)
- Recommendation 5:** The Bureau of Educational and Cultural Affairs should develop specific procedures for grants program monitoring similar to 10 FAM 236, implement the procedures for youth exchange programs, and train all staff involved in the grants process, as well as supervisors, to use the procedures. (Action: ECA)

INFORMAL RECOMMENDATIONS

Informal recommendations cover operational matters not requiring action by organizations outside the inspected unit and/or the parent regional bureau. Informal recommendations will not be subject to the OIG compliance process. However, any subsequent OIG inspection or on-site compliance review will assess the mission's progress in implementing the informal recommendations.

The OIG visited one grantee sponsor and observed that coordination and communication with ECA could also be improved.

Informal Recommendation 1: The Bureau of Educational and Cultural Affairs should take appropriate steps to improve communication between the Office of Private Sector Designation, Youth Programs Division, and grantee/sponsors.

While the designation process is in place and recordkeeping largely in compliance with Department regulations and procedures, a limited review of grant files found that the original, signed GOR designation letters are not always maintained in the actual grant file. A/OPE Grants Policy Directive Number 16, Revision 1, requires that the original signed copy of the designation file be maintained in the assistance award file.

Informal Recommendation 2: The Bureau of Educational and Cultural Affairs should establish procedures that ensure grant files contain the information required by Grants Policy Directive Number 16.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Principal Deputy Assistant Secretary	C. Miller Crouch	July 15, 2002
Deputy Assistant Secretary	Maura M. Pally	May 4, 2009
Deputy Assistant Secretary	Stanley Colvin	June 13, 2004

ABBREVIATIONS

A/OPE	Bureau of Administration, Office of the Procurement Executive
A-SMYLE	American Serbia and Montenegro Youth Leadership Exchange program
CBYX	Congress-Bundestag Youth Exchange program
CFR	Code of Federal Regulations
CSIET	Council on Standards for International Educational Travel
ECA	Bureau of Educational and Cultural Affairs
FLEX	Future Leaders Exchange program
FSI	Foreign Service Institute
GAO	United States Government Accountability Office
GOR	Grant officer representative
J-Visa	Exchange Visitor program
OIG	Office of Inspector General
YES	Youth Exchange Study

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