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Report of Inspection

The Office to Monitor and Combat Trafficking in Persons

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KEY JUDGMENTS

- With strong Congressional and Administration backing, the Office to Monitor and Combat Trafficking in Persons (G/TIP) has been forceful and successful in ensuring that the Department of State (Department) and embassies pursue monitoring and combating the trafficking of persons as an important foreign policy goal.
- G/TIP's annual assessment and ranking of foreign country anti-trafficking performance and the threat of sanctions for countries failing to meet minimal standards is proving to be a useful vehicle to prod delinquent governments.
- G/TIP's aggressiveness in pursuit of its single-issue anti-trafficking goal has been contentious from the start, but working relations with the regional bureaus are much improved, and procedures are in place to resolve most of the major policy differences without recourse to the Secretary or Deputy Secretary.
- Monitoring and combating trafficking in sex has dominated G/TIP's agenda, but this reflects Congressional and Administration priorities; the office does give appropriate attention to other trafficking interests, e.g., child labor, bonded labor, and involuntary servitude.
- The interagency Senior Policy Operating Group (SPOG), chaired by G/TIP's director, is beginning to improve interagency coordination and cooperation.
- With trafficking in persons having a broad Congressional and executive order mandate, but G/TIP itself having limited staffing and funding resources, the office should establish priorities among the many useful activities it could undertake; the annual preparation of its Bureau Performance Plan (BPP) would be a useful tool for doing this.
- G/TIP's current staffing complement of 24 Department employees augmented with several contract employees is appropriate to its mission. A mix of more Foreign Service personnel in this complement would facilitate working relations with the geographic bureaus and embassies whose cooperation is crucial to G/TIP's success in the field.
- Grants management and evaluation needs to be tightened, especially as G/TIP seeks to involve smaller, less experienced community and faith-based nongovernmental organizations (NGOs) in anti-trafficking program activities.

CONTEXT

The establishment of G/TIP was authorized by Congress in the Trafficking Victims Protection Act of 2000, P.L. 106-386, Div. A (TVPA). The TVPA, the Trafficking Victims Protection Reauthorization Act of 2003, P.L. 108-193 (TVPRA), and the December 16, 2002, National Security Presidential Directive/NSPD-22 provide important authorities for the work done by the office. G/TIP's major responsibilities, include:

- Providing staff support for the President's Interagency Task Force to Monitor and Combat Trafficking (Task Force) chaired by the Secretary of State;
- Coordinating within the Department the annual report to Congress on the compliance of foreign governments with minimum standards for the elimination of human trafficking;
- Coordinating within the Department assistance to foreign governments in their anti-trafficking activities; and
- Helping expand interagency procedures and undertake research to collect data on domestic and international trafficking.

The director of the office also chairs the SPOG established under the TVPRA.

G/TIP is one of several offices or units within the Department that works on human rights issues. Most are lodged in the Bureau of Democracy, Human Rights and Labor. Two of the units, the Office of Human Rights and Democracy and the Office of the Ambassador-at-Large for International Religious Freedom undertake the work involved in writing annual reports submitted by the Secretary to Congress. The Country Human Rights Reports and the Annual Report on International Religious Freedom address human rights conditions outside the United States. G/TIP addresses trafficking in persons in the United States as well as outside the United States.

The centerpiece of G/TIP's work is the Department's annual Trafficking in Persons Report to Congress, which assesses the actions countries have taken to prevent trafficking, prosecute traffickers, and protect trafficking victims. Countries that fail to comply with the legislation's minimal anti-trafficking standards or fail to make significant efforts to bring themselves into compliance can be subject to

sanctions, including the withholding of nonhumanitarian and nontrade related assistance. In some circumstances, sanctions may include U.S. votes to deny World Bank and International Monetary Fund assistance to noncomplying countries. The determination of what countries do not meet the minimal standard and what sanctions, if any, should be applied to them has been a source of contention between G/TIP and the Department's regional bureaus and embassies since the submission of the first report to Congress in 2001. (Procedures for resolving these differences are discussed in the Policy and Program Implementation section of this inspection report.)

The TVPRA provided for the establishment of the SPOG to coordinate federal international anti-trafficking activities. The act stipulates that the director of G/TIP chairs the SPOG. Senior representatives of 10 agencies attend the quarterly SPOG meetings. Subcommittees meet more frequently to advise and coordinate information, program activities, and grants regulations. To ensure greater coherency among the various agencies' anti-trafficking grant programs, SPOG members review all their proposed anti-trafficking grants. These in FY 2004 numbered about 300 and totaled more than \$82 million.

The G/TIP office began operations in October 2001 and continues to develop staff and office structures to meet its broad monitoring and combating mandate. It began operations with a staff of five and now has 24 Department employees, several contract employees, and interns. The G/TIP offices are located in a Department annex a few blocks from the main Department building. G/TIP's current director is a former member of Congress with the rank of ambassador. He reports directly to the Under Secretary for Global Affairs (G), with whom he enjoys a close working relationship. The Under Secretary is kept fully informed of G/TIP's activities and engages on trafficking issues when deemed appropriate or requested. In practice, G/TIP functions pretty much as an autonomous unit of the Department. There is strong Congressional interest in and support for G/TIP.

This is OIG's first inspection of G/TIP, and it reviews the office in the context of its relatively recent inception and considerable progress towards institutionalization.

EXECUTIVE DIRECTION

The director of G/TIP is a Schedule C¹ employee and a former member of Congress. He is a forceful and committed anti-trafficking advocate and has worked hard and effectively to ensure that the Department of State, indeed all departments of the U.S. government, pursue the combating of trafficking in persons as an important foreign policy objective. The director's and the office's accomplishments are impressive. OIG did not encounter any regional bureau or embassy that is not treating trafficking as a serious policy priority.

The 2005 Trafficking in Persons report (TIP report), prepared annually by G/TIP, is today viewed inside and outside of the U.S. government as an objective, no-holds-barred assessment of foreign government compliance, or noncompliance, with the minimum anti-trafficking standards spelled out in U.S. legislation. The director and G/TIP's key officers are tough negotiators when the regional bureaus and embassies seek to soften G/TIP country assessments. G/TIP does not place much credence on foreign government promises; they want evidence of anti-trafficking action and results. At the same time, the director does not wish to burden the Secretary or Deputy Secretary with having to resolve differences between the bureaus and G/TIP, and therefore, he has been willing to negotiate changes with the bureaus. He and G/TIP display the same willingness to negotiate when later in the year G/TIP and the bureaus make recommendations on tier adjustments and sanctions. The director and G/TIP, however, do not compromise on assessments where there is no evidence of foreign government commitment or demonstrable anti-trafficking progress. For this year's trafficking report, G/TIP and the geographic bureaus could not agree on the tier ranking of five countries. The Secretary had to resolve these disputes.

Relations between G/TIP and some of the regional bureaus and embassies are not as close or convivial as they should be. No doubt some of this is a byproduct of the annual wrangling over the G/TIP country tier rankings. But it also results

¹ Schedule C appointments are to those positions that are policy determining or involve a close and confidential working relationship with the head of an agency or other key appointed officials. Positions filled under this authority are excepted from the competitive service and constitute Schedule C.

from aggravations generated by the behavior of a few early G/TIP grantees on official projects in foreign countries who were dismissive or disdainful of embassy counsel and delivered reports that contained false or misleading allegations harmful to bilateral relations. Reports of these few unfortunate episodes circulated throughout the Department and initially made bureaus and embassies wary of dealing with G/TIP. The relationship was exacerbated when some of the grantees and G/TIP were reluctant to share the information that had prompted their allegations. Both G/TIP and the bureaus are working hard and with considerable success to overcome this, but the sour aftertaste of these few episodes lingers in a few pockets within the Department and in the field. With G/TIP now consciously seeking to use more community and faith-based NGOs in project activities, G/TIP must weigh carefully the credentials and qualifications of these smaller NGOs to avoid recurrence of the past unfortunate episodes and ensure accountability.

The establishment of the SPOG in 2003 added appreciably to G/TIP's workload. To ensure that SPOG would be taken seriously, the director of G/TIP personally contacted senior managers of the participating departments to urge them to accord SPOG senior level attention. Their positive response has helped make SPOG a more useful vehicle for eliciting interagency cooperation on anti-trafficking matters.

The monitoring and combating of trafficking in prostitution and sex exploitation have dominated the work agendas of G/TIP and SPOG. This is not surprising, because combating trafficking in sex is clearly a Congressional and Administration policy priority. In the TVPRA Congress singled out sex tourism as having reached alarming proportions, requiring close monitoring. The Administration also deemed it important in its NSPD-22² to reiterate its strong opposition to legalized prostitution and to insist that all grant (or subgrant) recipients certify their opposition to legalized prostitution. This certification requirement is proving troublesome for some U.S. agencies working to reduce the spread of HIV/AIDs. These agencies would like to continue to work with NGOs that refuse to sign such a certification but who are doing useful work. Because both G/TIP and the Office of the U.S. Global AIDS Coordinator are working with victims of trafficking, policy and operational coordination between the two is advisable.

² NSPD-22 - National Security Policy Directive-22 states, "The policy of the United States is to attack vigorously the worldwide problem of trafficking in persons, using law enforcement efforts, diplomacy, and all other appropriate tools."

Recommendation 1: The Office to Monitor and Combat Trafficking in Persons should request that the Senior Policy Operating Group invite the Office of the U.S. Global AIDS Coordinator to participate in its meetings. (Action: G/TIP)

The G/TIP and SPOG focus on trafficking in sex does not mean that trafficking in forced or bonded labor, domestic servitude, child soldiering, or other nonsex related trafficking matters are being slighted. They may not get the media attention that trafficking in sex or sex tourism is receiving, but they are not neglected.

The director is getting close to optimum performance from his recently augmented staff of 24 officers, who are pleased to be working in G/TIP. The office's coordinators and key personnel are well qualified for the work they are doing. The director meets with all his staff once a week. He has an open door policy, of which many of the staff avail themselves. He will listen to others and change direction if he is presented with a convincing argument. The director has confidence in his staff and is comfortable in delegating work but chooses to set the office's work priorities himself. The deputy director, a GS-15 Civil Service officer, is new to the office. She has been asked by the director to oversee the day-to-day work of the office and to tighten untended administrative and personnel procedures. Almost to a person, staff members say that morale is good, much better, they note, than a year ago. A recent off-site staff meeting has contributed to this.

BUREAU PERFORMANCE PLAN

The TVPA and TVPRA assign many complex duties to the Task Force. Two executive orders add still more tasks. G/TIP's staff is motivated but concerned about burn out and maintaining focus on its priorities. Given G/TIP's limited personnel and funding resources, the office would improve the impact of its work if it focused its effort on its highest priority activities. G/TIP has not found the Bureau Performance Plan (BPP) process to be a helpful management tool even though each of the three divisions contributes to the BPP, and G/TIP's management tries to review performance against the performance indicators annually.

OIG believes that G/TIP would be able to use the BPP as its performance plan and measuring tool if G/TIP structured it more strategically and systematically. This would help G/TIP focus its effort, refine its performance measures, review progress more regularly, and achieve better results. The coordinator's statement introducing the FY 2007 BPP highlights the importance of the office's activities to the United States and describes its resource needs. The statement's coherence and clarity suffer, however, because it does not explain the context for G/TIP's performance goals, the rationale for their prioritization, G/TIP's strategy for achieving them, and why G/TIP changed their order from the FY 2006 BPP. The declaration that "the office's most important goal is to free more victims and throw more traffickers in jail" is buried on the fifth page. OIG suggested that when G/TIP prepares its FY 2008 BPP, it describe the context, basis, and circumstances of each performance goal. Apportioning past and future accomplishments among performance goals is more effective than listing the accomplishments by office.

G/TIP's FY 2007 BPP includes three program and one management performance goals. Only one of the three program performance goals is divided into two bureau initiatives/programs. As a result, the long-term supporting strategies are lumped together, which makes it difficult to devise useful performance indicators and ratings.

OIG stressed to G/TIP the advantages of making performance goals more strategic so they can remain consistent over several years. Separating initiatives and programs would allow G/TIP to better plan and measure and more clearly address all of the areas in its legislative mandate. For example, none of the 24 strategies in the office's FY 2007 BPP goals is devoted to the TVPA 105(d) (2) measuring and evaluation or to 105(d) (3) expanding data collection.

Separating the initiatives and programs that support each performance goal also would assist G/TIP to establish better performance indicators. Reliable statistics related to trafficking in persons are elusive, but G/TIP resorts too often to process oriented rather than results oriented performance indicators in its FY 2007 BPP. Most do not include sufficient information to make policy or program implementation decisions. A third party could verify few. Many are relevant only for a few years. When drafting its BPP, G/TIP did not identify relevant, objective, and clear performance indicators that could be used to compare progress from year to year. It also did not determine how often to review its progress against those indicators.

Recommendation 2: The Office to Monitor and Combat Trafficking in Persons, when it drafts its 2008 Bureau Performance Plan submission, should work with the Bureau of Resource Management to ensure that the Coordinator's statement, bureau initiatives/programs, and performance indicators are in accordance with Office of Strategic and Performance Planning guidelines. (Action: G/TIP, in coordination with RM)

POLICY AND PROGRAM IMPLEMENTATION

G/TIP pursues its goals of the three “Ps,” the prosecution of traffickers, the protection of trafficking victims, and the prevention of trafficking - in the United States as well as outside the United States. They include support for the Task Force, the director’s chairmanship of the SPOG, assisting with production of the annual worldwide Trafficking in Persons Report to Congress, support for foreign countries’ development of anti-trafficking capacity, outreach to domestic and international organizations, and research on trafficking-related issues.

Since the opening of the G/TIP office in October 2001, the G/TIP director has sought to acquire sufficient staff to keep pace with its ever-increasing responsibilities. Only within the past few months, with the addition of three officers to support the Task Force and SPOG, can G/TIP’s staffing level, which now numbers 24, be considered adequate for the work it is expected to perform. As part of the 24, it funds a position for the Senior Advisor for Trafficking Issues in the Office of the Under Secretary for Global Affairs. G/TIP is seeking to fill some vacancies. G/TIP currently has a director, deputy director, nine reports officers, four programs officers, four public affairs officers, two officers with responsibilities for SPOG support, one part-time research coordinator, and one officer with responsibilities for international organizations.

G/TIP also has an overseas presence. The Bureau of International Narcotics and Law Enforcement Affairs (INL) funds a section in U.S. Embassy New Delhi, which includes an INL-funded Foreign Service officer, a part-time intermittent secretary/administrative assistant, one or more Foreign Service national employees, and an eligible family member. The eligible family member is devoted to trafficking issues. The section covers, in theory, narcotics, chemical controls, intellectual property rights violations, money laundering, and trafficking, and G provides policy direction to the trafficking aspect of the work. INL directs administrative support. Personnel problems have plagued the office in India and prevent reference to it as a model for other possible G/TIP field presence for reporting and/or project monitoring functions.

G/TIP often does not fully use the Department resources at its disposal in part due to its physical isolation from the Department and its unfamiliarity with embassy and Department structures, procedures, and perspectives. Time and increased program cooperation will overcome some of this problem, but G/TIP would benefit more quickly if more people on its staff had embassy or field experience. If G/TIP wishes to augment the number of Foreign Service officers on its staff, it must commit itself to a recruitment outreach program. The Office of Inspector General (OIG) made an informal recommendation that G/TIP designate an additional position on its staff for a Foreign Service officer when an appropriate position becomes available through normal attrition.

Travel is one of G/TIP's main operational expenses. G/TIP has a strategic travel plan for its reports and program officers. It has developed standard operating procedures for country clearances and visitor schedules. G/TIP reports and program officers are generally welcomed by embassy officials - in part because they are in the position to explain in greater depth G/TIP standards, assessments, and the steps countries may take to improve their tier designations. OIG discussed with G/TIP the advantage of reports officers viewing G/TIP grants projects while in host countries on travel - a procedure now not always followed. A single trip reports file is needed. This reflects a general need for G/TIP to develop more standard operating procedures on communications, responsibilities, assignments, and other issues to help it facilitate cooperation and reduce tension among its staff. OIG made an informal recommendation that encompasses this needed change.

THE SENIOR POLICY OPERATING GROUP

The director's highest interagency mandate is chairmanship of the SPOG. The SPOG meets quarterly and includes representatives from 10 agencies, including the Departments of State, Justice, Homeland Security, Health and Human Services, and Labor, plus the U.S. Agency for International Development, Office of Management and Budget, and Central Intelligence Agency. The Department of Defense and the National Security Council also participate in SPOG meetings.

To further its work in more frequent meetings the SPOG created several subcommittees. The Subcommittee on Regulations was charged with drafting a regulation to ensure that U.S. government funds were not granted to programs and organizations that promote, support, or advocate the legalization of prostitution; the Subcommittee on Grant Making was tasked to conduct the initial review of program ideas for possible funding under the President's Initiative on Trafficking in

Persons; the Subcommittee on Research was charged with coordination of research projects on trafficking conducted by all SPOG member agencies; and the Subcommittee on Public Affairs was tasked with coordinating the federal government's anti-trafficking outreach programs. The Subcommittee on Regulations is chaired by the Department of Justice, the other three subcommittees by G/TIP staff members.

The SPOG's most important accomplishments have been its coordination of the \$50 million Presidential Initiative on Trafficking in Persons, clarification of U.S. government grants policies related to prostitution, and the development of a grant coordination process among SPOG members, which has helped avoid duplication and on occasion resulted in adjustment of grant projects.

SPOG's member agencies are pleased with the G/TIP office director's chairmanship of the SPOG. G/TIP only recently assigned an energetic, experienced officer to coordinate its SPOG responsibilities. This should greatly improve general performance and tighten interagency coordination. OIG noted that the SPOG agendas for its quarterly meetings, which focus on brief status reports from SPOG's participating members, leave little time for discussion of issues that arise. It is to G/TIP's advantage to promote more discussion from senior members who attend these meetings.

THE TRAFFICKING IN PERSONS REPORT - PROCESS

Production of the Annual Trafficking in Persons (TIP) report is G/TIP's major, annual activity. A seasoned foreign affairs professional with strong overseas credentials and commitment coordinates the work of G/TIP's eight reports officers. He is open, provides counsel when approached, trusts his staff, but his heavy workload at times makes him less accessible to his colleagues.

Under the TVPA, the Secretary of State is required to submit to Congress by June 1 of each year a report on the status of trafficking around the world. The Secretary must report on countries for which "certain minimum standards for the elimination of trafficking" apply. The statute describes those countries to which the "minimum standards" apply as countries "of origin, transit or destination for a significant number of victims of severe forms of trafficking." Once the threshold determination has been made that there are a significant number of trafficking victims in a country, the Secretary must determine to what extent that country's government is making efforts to combat trafficking in order to decide onto which

one of three lists (described by the Department as tiers) the country will be placed for purposes of the report. Countries whose governments “fully comply” with the minimum standards are placed on the first list (Tier 1); countries whose governments do not “fully comply” but who are “making significant efforts to bring themselves into compliance” are placed on the second list (Tier 2); and countries whose governments neither “fully comply” nor are making significant efforts are placed on the third list (Tier 3).

G/TIP sends a worldwide instruction cable in December to embassies to request submissions by March 1 of data for use in the next year’s June 1 reports. Between March 1 and March 30, G/TIP carries out internal deliberations on tier rankings and writes TIP assessments based on embassy submissions and its other governmental and NGO sources, as well as its own research.

In April G/TIP releases its draft reports to the regional area offices and meetings are held between G/TIP and the regional area offices to resolve disagreements over facts and tier rankings. G adjudicates unresolved disputes over assessments. Disputes G cannot resolve are passed with split memos, memos presenting views of the two competing elements for decision by the Deputy Secretary (as was done in 2004) or by the Secretary (as was done in 2005). Given the relatively small number of decisions on countries made by the Secretary from among 150 countries in the report, OIG believes that the number of disagreements is not unduly burdensome. The involvement of the Secretary this year indicated the importance attached to the tier designations.

Countries on Tier 3 of the Trafficking in Persons Report may be subject to sanctions or other consequences mandated by the statute. The sanctions described in the statute are: (A) withholding of nonhumanitarian, nontrade-related foreign assistance (or, in the case of countries that receive no such assistance, withholding of funding for participation of such countries’ officials in educational or cultural exchange programs); and (B) opposition to loans or other utilization of funds in international financial institutions.

If G/TIP and geographic area offices cannot agree on which Tier 3 countries to recommend for placement on the Tier 2 Watch List, or which sanctions, if any, to apply to countries remaining in Tier 3, the unresolved differences are referred to the Secretary for decision. This year as well, the Secretary was called on to make decisions on a relatively small number of countries.

G/TIP deserves credit for institutionalizing the process of production of the TIP report; embassy officers contributing to and area office officers supporting the process now can respond to a known, predictable, and established schedule and routine. In addition, the TIP report itself now has a format and professional look that gives it greater credibility and draw to potential readers. The first TIP report was an unimpressive document, which could not be used effectively as a public diplomacy tool because of its pedestrian production values, lack of photos, and bland presentation of material and lack of content that could connect with potential readers. The 2005 edition is a full-color 256-page report on glossy paper with photos and highlights in box inserts. It explains anti-trafficking issues and praises individual and NGO contributions by publicizing the work of anti-trafficking “Heroes” and “Best Practices” G/TIP has identified in part from embassy nominations.

ANNUAL TRAFFICKING IN PERSONS REPORT - ISSUES

OIG’s interlocutors readily acknowledged that the TIP report has become an effective foreign policy tool, but some say the annual assessment and tier rankings have become too burdensome and labor-intensive and consume too many scarce human resources from G/TIP, the embassies, and the regional bureaus. The resources could be used elsewhere, including implementing anti-trafficking programs. Some suggested that the workload would be less of a problem if a standard operating procedure could be developed based on yearly updates, rather than the present procedure, which necessitates drafting the segment from scratch each year. Another suggested that G/TIP consider developing several questionnaires for countries based on size, developmental status, or other criteria that would reduce questions irrelevant to some countries. On the other hand, some embassies have submitted explanations of their assessment of their host-countries that are far lengthier than what G/TIP requests. Now that the annual report has gained wide acceptance and contributors know what is expected of them, the assessment and report will require less of a workload on its contributors. The coordinator of the report is also exploring ways to reduce the burden on the bureaus and embassies.

OIG heard about disagreements between the assessments made by G/TIP and the embassies on the progress countries were making on the TIP prevention, prosecution, and protection. Disagreements have become less common and acrimonious in 2005 than in former years. Assessing terms such as “significant progress,” is complex and demands understanding a country’s economic, social, and

cultural context, as well as understanding of the political and legal system and its capacity for change. G/TIP has made an effort to sharpen its definition of conditions marking progress. It has done a very credible job listing in greater detail criteria for progress, but there will remain a subjective element from which different assessments will arise.

OIG, however, also heard several times that in the past G/TIP had not fully disclosed its sources of information used for its assessments, making rebuttal impossible. Although adversarial positions strengthen the assessments, the process requires full disclosure by both sides. If either side ignores this principle, the credibility of the assessments is damaged, and neither side will fully understand the problems the Department faces in its fight against trafficking.

G/TIP has in the past placed more credence on its outside sources of information than on an embassy's assessment of foreign government performance. This process challenges the Department operational principle that field officers and embassies on the ground overseas are the prime source of information and have a better grasp of facts than Washington offices. The G/TIP reports officers must handle a very large number of countries; the field officers handle only one - but in many dimensions rather than just TIP conditions. Progress on legislation and legal initiatives in any country is a complex process specific to its political system, society, and stage of infrastructure development. An embassy should also be in a better position than G/TIP to assess whether a foreign government's professed commitment should be taken at face value or discounted. Although embassies must deal in many issues and policy considerations in addition to TIP, which may weaken their focus on G/TIP's specific issue, their work on a wider range of issues gives the embassies a much more concrete understanding of the possibilities and the time frame for host country change. G/TIP's deference to the embassy viewpoints on these factors in the decision will keep G/TIP focused on the situations in countries that it can most surely improve.

Although some would prefer that the embassies rather than the G/TIP offices provide the initial TIP report drafts, in January 2004 the Deputy Secretary confirmed that G/TIP would continue to provide the initial draft. In OIG's canvass of embassy comments on anti-trafficking work and G/TIP, only a few embassies recommended that the first draft of the country assessments be prepared in the field; most appeared to be satisfied with the current arrangement. Moreover, OIG believes that many of the embassies are not adequately staffed to accord the draft as much attention as can G/TIP. Also, field submissions no doubt would vary too much in length and style for efficient editorial reconciliation.

OIG has discussed with G/TIP management the possible consolidation of the reports section staff, which writes the assessments in the annual TIP report, and program section staff, which provides grants assistance. Staff members of both sections work with specific regions - East Asia, Africa, etc. Individual reports officers covered as many as 30 countries for the 2005 TIP report, and one officer covered even more. The program section is also strapped. Office management feels that if the reports and program sections were combined into geographic sections, officers would have a smaller number of countries in their portfolios, communications and coordination problems would be reduced, country expertise more easily amassed, and travel more efficient. OIG, in discussions with G/TIP management, has found its thinking on the reorganization sound.

PROGRAMS SECTION

G/TIP's grant assistance is designed to help cooperating countries address shortcomings highlighted in the annual TIP report. The program staff consists of a senior coordinator for programs and three analysts. There is intermittent, contracted assistance, but the workload is heavy. It predictably will decrease when G/TIP's grants, funded by its share of the \$50 million from the 2003 Presidential Initiative, are closed.

The former G/TIP senior coordinator for programs recently has moved to the position of international organizations coordinator. The acting senior coordinator worked as a G/TIP program analyst but has limited experience in grants program management. She is capable, analytic, and enthusiastic, but needs proper training and the authority to institute standard operating procedures to maximize the effectiveness of the section. This section of the inspection report addresses only the programmatic aspect of the office's grants. The grants management section of this report reviews G/TIP's technical grant procedures.

G/TIP provides grants to U.S. NGOs, international governmental organizations and NGOs, foreign governments, and U.S. government organizations. G/TIP's FY 2005 grants budget totaled \$17 million, \$5 million of which was provided from International Narcotics Control and Law Enforcement (INCLE) funding and \$12 million from the Economic Support Fund (ESF).

Of G/TIP's INCLE funds, \$5 million go to U.S.-based NGOs for projects in the Western Hemisphere, East Asia and the Pacific, South Asia, and Africa. Of the ESF support, \$10 million of the \$12 million will carry out approximately 150

projects submitted by U.S. embassies, which support U.S. government organizations and in-country NGOs. Some project funds will be directed through the U.S. Agency for International Development or other U.S. government organizations. Grants to U.S.-based NGOs will provide \$2 million of the support.

Although G/TIP has moved expeditiously to underwrite anti-trafficking grant programs, G/TIP by its own admission needs to prescribe procedures and standards to evaluate grant effectiveness. G/TIP is in the process of doing this. It realizes that more thorough documentation and evaluation of the grants will enhance accountability, inform the reports section's assessments for the annual report, provide the public relations section quick access to facts and talking points, and allow it to respond to queries. When sought out for suggestions on how G/TIP could improve evaluation, OIG mentioned the resources available in the Bureau of Resource Management and suggested that it review some of the evaluation procedures in the Bureau of Educational and Cultural Affairs, which carries out useful, innovative work in the field. OIG also highlighted the value of the BPP in evaluating G/TIP programs.

Beyond developing evaluation metrics, G/TIP must ensure its projects overseas are monitored. Although embassies enthusiastically submit proposals for G/TIP projects, they sometimes neglect to monitor the projects or write evaluation reports. The political and/or economic sections in embassies would gain much from exposure to the issue in their countries, but they are strapped for time and human resources. Although the embassies should be involved more systematically in project evaluation, OIG explained to G/TIP the propriety of discussion between G/TIP and the regional area offices on any procedure that would include greater involvement of the embassies in monitoring projects.

Unfortunately, disbursements for G/TIP's ESF grants were late in 2005. Although G/TIP paneled and approved FY 2005 ESF grants in May, it was waiting in August at the start of this inspection for the final Office of the Deputy Secretary approvals necessary for ESF grants. Delays in grant approval undermine the credibility of G/TIP and our embassies as partners with NGOs and foreign governments in fighting trafficking. G/TIP's new program coordinator and INL administrative support staff worked together to develop ESF grant approvals procedures appropriate for G/TIP's unique program requirements, and next year's ESF grants should be processed in a more timely fashion.

INCLE foreign assistance funds are authorized for anticrime or counternarcotics purposes and include law enforcement programs. Because INCLE is foreign assistance funding, it should be used primarily to benefit foreign countries

or international organizations rather than the United States. In addition, research and other projects using INCLE funding should support anticrime programs in specific countries. Grant panel decisions on the use of INCLE funding can be very complex, and panel members deserve guidance. OIG made an informal recommendation that G/TIP, in consultation with the Office of the Legal Adviser, formulate an appropriate way to render guidance on the use of INCLE funding, including a mechanism for answering specific questions on the sufficiency of the extent of a proposal's anticrime and foreign assistance component.

The G/TIP report cycle and the cycle of G/TIP grants promoting foreign countries' anti-trafficking activity does not allow G/TIP to synchronize easily its programs to needs of countries identified in the report. The call for proposals from the embassies is sent in December. Proposals are received in January and February. This year all G/TIP and/or SPOG approvals were complete by May. Ideally these proposals should address shortcomings of countries on Tier 3 and the Special Tier 2 Watch List, but substantial actions from these proposals upon which G/TIP can base a tier designation often do not take place before the June 1 TIP report release. To overcome this obstacle G/TIP and Embassy officers must project the needs that the report will identify.

Foreign populations should recognize U.S. government provision of foreign assistance through any U.S. government agency. U.S. government grants, therefore, sometimes stipulate that the grantee cooperate with the embassies on in-country public affairs activities. This ensures that the foreign public knows that the U.S. government is actively supporting programs and ensures regular contact among the embassies and all the parties to the grants. G/TIP grants do not contain such a stipulation. Without such a grant requirement, G/TIP-funded projects fail to demonstrate to foreign publics the depth of U.S. government commitment. OIG made an informal recommendation that G/TIP develop standard language for its grants requiring the grantee to develop a strategic media plan with the U.S. embassy in the foreign country to ensure optimum public pay-off on our grant activity.

The Administration's policy encourages G/TIP to make more use of community and faith-based and other NGOs to fight trafficking in persons. Some of these would-be grantees are small with limited or no foreign or anti-trafficking project experience. In addition, they may not have significant experience handling U.S. government grant procedures and may not have the capacity to perform in accordance with the Department and Office of Management and Budget's established principles. Although the Administration's policy promoting capacity building is clear, awarding first-time grants as a training experience to groups without sufficient program management background creates waste and significantly increased

management overhead for G/TIP's already complex grants program. G/TIP can build the capacity of faith-based and other smaller NGOs while it safeguards U.S. government funds if it enlists more established grantees to train smaller, less experienced groups in grants and program management as subgrantees. OIG made an informal recommendation that G/TIP stipulate that larger, experienced NGOs receiving grants, when appropriate, provide grants training and more focused, detailed oversight for first-time groups as subgrantees. G/TIP has done this in one case, but more grants should be structured in this way. Receipt of such training by the newer groups would help grants officers determine that a first-time grant applicant is eligible for funding.

PUBLIC AFFAIRS SECTION

G/TIP's public affairs section carries G/TIP's public affairs message to target audiences outside and inside the Department, domestic and foreign. The staff includes four officers. They possess a useful mix of backgrounds to contribute to the unit. The senior coordinator and one other on the staff are Schedule C employees. The section chief has developmental program experience from time with the U.S. Agency for International Development and strong media credentials. Her staff praised her management style for the leeway she provides for creativity and teamwork. She has written a formal communications strategy for her section. Despite the need for an update on the section's progress, the strategy is analytic and provides structure to the work.

The public affairs section is responsible for the design of the annual TIP report, which stands as a serious, concrete expression of U.S. government resolve to address the issues, as well as an instrument that, through its tier assessments, draws international attention to the issue. G/TIP outreach activities are extensive and take advantage of each individual's background. Nearly all G/TIP officers participate in speaking activities with a surprisingly diverse group of audiences - there is a heavy emphasis on domestic audiences. The G/TIP director has addressed NGO conferences, students at Princeton University, Congressional hearings, the Congressional Youth Leadership Conference, and the Family Research Council, among others. The G/TIP staff members have spoken at small and large meetings and/or conferences at Christian Solidarity International, the National Association of Attorney Generals, and Florida State University, among others.

The office takes part in TIP training at the Foreign Service Institute in several of its curricula. G/TIP also supports TIP awareness efforts in state, local, and U.S. agencies, and with the U.S. military and the Department of Defense. The G/TIP public affairs office carries out TIP awareness training for U.S. civilian police trainers preparing for work overseas.

In addition, G/TIP has a working relationship with several of the Department's public diplomacy elements. It is pleased with the cooperation it received from the Bureau of International Information Program's Thematic Unit for Global Issues and Communications, which when provided with an advanced copy of the 2005 TIP report, provided translations of the introductory materials in Spanish, French, Arabic, Russian, and Chinese for electronic distribution overseas. After the June release of the report, the director of G/TIP participated in a series of 12 digital videoconferences and two web-chats arranged to explain the issues and tier rankings and promote U.S. government policy on the issue. G/TIP staff work on the programs was excellent.

G/TIP's outreach program section partners well with the Bureau of Educational and Cultural Affairs' International Visitor Leadership Program. They frequently make presentations to foreign government and NGO leaders who are in Washington on these programs. They also provide input into multiregional group International Visitor programs.

OIG discussed how G/TIP's continued integration into the Department would help it find more opportunities to benefit from the work of other elements, such as the Bureau of Intelligence and Research's Media Reaction and the Office of Public Affairs' Foreign Press Center. The Foreign Press Center hosts the G/TIP director for briefings, etc., but G/TIP has not yet partnered with it on a foreign media tour addressing trafficking in the United States. Like G/TIP, the Bureau of Educational and Cultural Affairs carries out a program of meetings with domestic U.S. law enforcement officials - synergies could be found by coordinating their activities.

The inspectors noted that the public affairs section uses press circulation and/or readership figures of newspapers in which articles on G/TIP are found to claim that individual readers in these numbers read articles on G/TIP. While the public affairs section can claim placement of an article before audiences of these numbers, a claim that a specific number of readers read the article is very questionable. Unfortunately, use of such figures undermines the credibility of G/TIP's results reporting or BPP statements and distracts from the record of G/TIP's impressive activities and accomplishments.

Some public affairs section standard operating procedures need to be strengthened, such as keeping files on their e-mail information bulletins. The G/TIP web site could be more useful by providing information such as budget totals for program expenditures along with the numbers per geographic area as it now provides. The section also lacks some tools to carry out its role well; cooperation between the public affairs and programs section is needed to develop an effective file of program evaluations that the public affairs sections can call on to provide best practices and/or achievements and talking points for the G/TIP director and others. Planned additional staff and the reorganization will help this effort.

INTERNATIONAL ORGANIZATIONS

G/TIP has expanded the human resources it devotes to cooperation with international organizations by removing the responsibility from the public relations section and creating a separate coordinator for international organizations. One of G/TIP's most senior employees with considerable additional Department experience has been shifted to this position. G/TIP works smoothly with the Bureau of International Organizations to help monitor and shape U.S. government policy and positions towards anti-trafficking issues in international forums and agreements. G/TIP tracks U.S. government policy towards and ratification of UN conventions such as the Palermo Protocol, which contains anti-trafficking measures. G/TIP has been particularly effective at raising the visibility of trafficking issues at the United Nations, and G/TIP has organized high-profile events in coordination with the Bureau of International Organizations, including a lunch and press conference at the UN General Assembly in 2004 with singer Ricky Martin. The 2005 TIP report lists him as a "Hero" in the anti-trafficking effort. G/TIP has provided input into the U.S. position on the recommendations of the UN Secretary General's Advisor on Sexual Exploitation by UN Peacekeeping Personnel to put an end to abuse in the Democratic Republic of Congo, Burundi, and Liberia, among other countries. It provides input into position papers for U.S. government officials engaging on TIP issues in the Organization of American States, Organization for Security and Cooperation in Europe, and the UN General Assembly.

RESEARCH

In addition to its other functions, G/TIP funds anti-trafficking research and, in its role as the Task Force's secretariat, coordinates interagency information ex-

change on anti-trafficking research. The President, through Executive Order 13333 (March 18, 2004), instructed implementing agencies to award research grants in accordance with SPOG policies. As noted earlier in the report, G/TIP's BPP does not capture the work G/TIP does to implement TVPA Section 105(d) (2) on measuring and evaluation or Section 105(d) (3) on data collection.

Despite its extremely limited staffing, G/TIP has made important efforts to begin coordinating interagency information exchange on anti-trafficking research. G/TIP created, and one of its staff chairs, a SPOG subcommittee on research that met in January and August 2005. The subcommittee is consultative and advisory only. Agencies come to independent decisions on what research grants to award and fund research in a way that is consistent with their respective appropriations of funds. Subcommittee participants, who plan to meet three times a year, exchange information on research each agency is funding or plans to fund and identify information gaps. Like other grants, research grants are then run through the SPOG review process before approval. In August 2005, G/TIP activated a new TIP research page on its web site that lists research projects being funded, links to other agencies' web sites, and provides information on applying for research grants. To enhance the U.S. government's understanding of trafficking in persons, G/TIP initiated planning for a conference that G/TIP and the Bureau of Intelligence and Research will co-host at the Carnegie Endowment for International Peace in November 2005. This conference seeks to close data gaps, refine existing models, and generate new ideas to combat trafficking by discussing existing data and methodologies and establishing how to measure success of anti-TIP initiatives. G/TIP noted to OIG that agencies participating in the subcommittee have indicated they value G/TIP's coordination.

In addition to its efforts to improve interagency coordination on anti-trafficking research, G/TIP awards its own research grants. OIG reviewed a few of G/TIP's research grant files. Like other grants G/TIP awards, many of the files did not include important documentation. A few files contained documentation indicating that the field research or methodology was not in accordance with what the embassy thought had been agreed. OIG believes that more detailed grant proposals, particularly on the amount and kind of field research, would resolve these issues. It is important that G/TIP and involved embassies establish for use in G/TIP's requests for proposals their respective responsibilities for research oversight and support. Some of the files included correspondence with embassies and/or outside academics questioning the credentials of the organizations G/TIP funded to conduct research. The findings of the research were questioned or disputed. As a result, G/TIP and posts expended valuable time arguing with each other - time that could have been devoted to making progress on combating trafficking in persons.

Recommendation 3: The Office to Monitor and Combat Trafficking in Persons should submit grants proposals and reports to a rigorous peer review when awarding grants to groups with which embassies or the geographic bureaus are not familiar or uncomfortable. (Action: G/TIP)

G/TIP is just beginning to identify data gaps in interagency knowledge. No file that OIG reviewed included information on how the findings from the research were used to improve programs, either in the country or in anti-trafficking programs as a whole. G/TIP staff admitted to OIG that they did not have sufficient time to review the lengthy reports, identify best practices, publicize those best practices, and then systematically integrate the best practices into programming. G/TIP's and overall U.S. government anti-trafficking advocacy would be more effective if this were done.

Recommendation 4: The Office to Monitor and Combat Trafficking in Persons should assign more staff hours to determining what research the U.S. government needs, mining research for best practices, disseminating those best practices with other agencies and posts, and integrating those best practices into anti-trafficking programs. (Action: G/TIP)

RESOURCE MANAGEMENT

OVERVIEW

INL's Office of Resource Management (INL/RM) provides adequate support to G/TIP especially in light of the heavy administrative burden it bears supporting its own bureau. OIG found that G/TIP and INL/RM need to work together to ensure the delivery of administrative services and that both elements should be more involved partners in the relationship. OIG informally recommends that G/TIP and INL/RM establish a framework for their working arrangement, agree on levels of service expectations, and meet regularly.

G/TIP is a relatively new office, and by its own admission, while striving to fulfill its policy mandate, has not devoted ample time to develop a sound administrative platform. This began to change with the arrival of a new deputy director in May 2005. She has already established a good working relationship with the Executive Director of INL/RM and has begun to improve G/TIP office procedures. Going forward, with INL/RM and G/TIP now working more closely, there is every indication that INL/RM can become a better service provider. G/TIP provides funding for INL/RM services through a direct funds transfer.

G/TIP's staff includes 24 Department employees, including one Foreign Service officer, three contractors, and two interns. Its authorized FY 2005 full-time equivalent personnel level is 21. Its FY 2005 Diplomatic and Consular Programs funding is \$3.6 million, of which \$2.4 million is for salaries and \$1.2 million is for operations. Its program funding for FY 2005 is \$29.3 million, of which \$24.3 million is ESF and \$5 million is INCLE funds. G/TIP's program funding for FY 2006 is projected to be \$17 million, \$12 million in ESF, and \$5 million in INCLE funds.

With the movement of INL from the Office of the Under Secretary for Global Affairs to the Office of the Under Secretary for Political Affairs, it is uncertain whether INL/RM will continue to provide administrative support to G/TIP. These issues are discussed later in the report.

EXECUTIVE OFFICE SUPPORT

INL/RM provides administrative services in procurement and grants management, financial management, information technology, and general services. INL does not have delegated personnel authority and relies on the Department's central human resource system for personnel matters — with the exception of training, awards, and orientation, which two INL human resources specialists provide. Additionally, INL/RM has shifted some contracting responsibilities, including some of G/TIP's requirements, to the Office of Acquisitions Management (A/LM/AQM). INL's Budget Office (INL/RM/BD) does not prepare a budget for G/TIP, because G/TIP prefers to do its own. Finally, INL/RM's Support Services Unit had done G/TIP's purchase card purchases, but now G/TIP will take over its own purchase card purchases — under the watchful eye of INL/RM.

G/TIP's deputy director is responsible for coordinating with INL/RM for the provision of general administrative support. Although the deputy director's position description only calls for 10 percent of the deputy director's time to be devoted to general administration, this portion of the portfolio is critical to ensure that INL/RM is attentive to G/TIP requirements. The deputy director, however, has responsibility for the day-to-day management of the office; supervises the senior coordinators for public affairs, reports, and programs; and has program responsibilities for budget preparation, strategic planning, bureau performance planning, program evaluation, and specific grant oversights. This is a heavy load. The deputy director is relatively new in her position, and in time when she settles into her job, she will take on more policy responsibilities, so it is imperative that management and administrative issues are resolved now.

A contracted administrative assistant assists the deputy director. In addition to a meeting and greeting function, the administrative assistant is primarily responsible for office security, preparation of travel authorizations and vouchers, and overseeing expendable supplies and maintenance of office equipment. This arrangement could be sufficient to ensure front office attention to administrative and management issues once G/TIP adapts better management practices and establishes a more structured relationship with INL/RM.

IMPROVEMENTS TO MANAGEMENT PRACTICES

A few minor changes to improve G/TIP's management practices are suggested through a series of informal recommendations at the end of the report. To a great

extent, G/TIP communicates its work orders and purchase requests to INL/RM via e-mail correspondence. It does not use standard Department forms for these purposes. It does not number, date, log, or track its e-mail work requirements or purchase requests. If it were to use standardized forms and maintain a tracking system, its requirements might be clearer, and it would have a better means of requesting follow-up from the INL/RM service providers.

Currently, the administrative assistant spends the bulk of her time preparing travel authorizations and travel vouchers for the G/TIP staff. If G/TIP were to require its travelers to train on Travel Manager Plus and prepare their own travel authorizations, the administrative assistant could devote more time to interfacing with the INL/RM service providers.

G/TIP, by its own admission, would be helped if it had a handbook on office administrative policies and procedures or more standard operating procedures in place to guide its staff through administrative processes. High on the list should be a procedure on procurement that addresses avoidance of unauthorized commitments. A good starting point would be to draw from standard operating procedures of Department executive offices and modify them to fit G/TIP's situation. Well-researched and well-written standard operating procedures could reduce the time spent by the deputy director and administrative assistant shepherding the staff through routine administrative functions.

G/TIP would be better served if it allowed INL/RM/BD to prepare its administrative budget based on input provided by G/TIP. G/TIP may be hesitant to do so because it is under the misconception that it would be giving up its say in the direction of the budget. In fact, INL/RM/BD's only role would be to act as a functionary to prepare a competent administrative budget based on G/TIP's requirements. In practice, G/TIP is now operating without a comprehensive budget, which creates uncertainty in budget execution, especially during the fourth quarter. G/TIP, however, gets high marks from RM for the resource charts it prepared without INL/RM/BD assistance for its BPP submission.

MORE STRUCTURED WORKING RELATIONSHIP

When it was decided that INL/RM would provide administrative services to G/TIP, the two elements did not create documents establishing requirements for G/TIP as a user nor what standards INL/RM would meet as a service provider. This was not unusual. Now, however, some in INL/RM believe G/TIP would be a

better user if it planned and coordinated its requirements, refined its administrative budget, and made timely requests. G/TIP would like INL/RM to respond to its requests more quickly and provide G/TIP offices service equal to that it provides INL. INL/RM has not established service standards, and it is not clear if it provides INL better service than G/TIP. OIG made an informal recommendation that the two elements agree on reasonable time frames for deliverables and customer service goals, including periodic job status feedback.

Going forward, it is apparent that G/TIP's deputy director and INL/RM's executive director need to define better their working relationship. They planned to meet monthly, but have not done so. Monthly meetings are a good idea. Requiring the responsible staff to attend and report on the status of outstanding jobs regularly would be beneficial.

UNCERTAINTY SURROUNDING ADMINISTRATIVE SUPPORT

With the movement of INL from the Office of the Under Secretary for Global Affairs to the Office of the Under Secretary for Political Affairs it is uncertain whether INL/RM will continue to provide administrative support to G/TIP. Five options are being considered. They include:

1. Maintaining the status quo;
2. Establishing a G/TIP executive office;
3. Having the executive office of the Bureau of Democracy, Human Rights and Labor (DRL/EX) assume all administrative support;
4. Having G/TIP assume responsibility for grants and the executive office of the Executive Secretariat (S/ES-EX) assume other administrative support; and
5. Having DRL/EX assume responsibility for grants and S/ES-EX assume other administrative support.

G/TIP certainly will not get its own executive office, as the Department prefers consolidation of administrative functions in fewer executive offices. Until an alternative means is decided, INL/RM will continue to provide administrative support to G/TIP. OIG would need to assess in detail the capacity of each administrative support element to make a recommendation among the options. This is beyond the scope of this inspection.

BUDGET OFFICE

INL/RM/BD provides adequate allotment management, funds availability certification, voucher processing, and financial reporting for G/TIP's appropriations. The responsible budget analyst is experienced and customer service oriented and appears to have favorably responded to G/TIP requests for urgent assistance. From INL/RM/BD's point of view, G/TIP is a problematic account. INL/RM/BD would benefit if G/TIP provided an annual administrative budget and more timely written requests for assistance. A review of FY 2005 procurement actions revealed that during the voucher examination process the budget analyst recognized and dealt with several unauthorized commitments. The executive director later ratified each. A better understanding of proper procurement procedures and how to avoid unauthorized commitments by the G/TIP staff is paramount. A review of FY 2005 travel vouchers disclosed that several travelers claimed and were paid for laundry and dry cleaning. These are unallowable expenses, payments for which INL/RM/BD has since disallowed.

SUPPORT SERVICES UNIT

The Support Services Unit of the Office of Program Assistance and Evaluation has been responsible until recently for placing purchase card orders for G/TIP. Approximately five orders were placed for G/TIP in FY 2005. G/TIP's deputy director has just been authorized to place purchase card orders. She sought this arrangement to expedite simplified acquisitions, and it is a positive move. G/TIP will continue to rely on the Office of Management Systems (INL/RM/MS) for its other procurement needs. The Support Services Unit does not maintain an inventory of G/TIP's nonexpendable property. However, the Information Technology Systems Division does maintain an inventory of G/TIP's information technology equipment.

OFFICE OF MANAGEMENT SYSTEMS

INL/RM/MS provides adequate procurement services for G/TIP but has been tagged as being slow to respond to procurement requests and rather nonresponsive to requests for status reports on pending procurement actions. The largest portion of G/TIP's FY 2005 procurement expenditures was for hiring contract employees.

These purchases were handled by A/LM/AQM, because INL/RM/MS generally passes task orders for hiring contract employees through existing Department contracts to A/LM/AQM for processing. Although this could account for some of the delay in purchases, as noted earlier, G/TIP could facilitate the process and better steer inquiries if it prepared standard purchase requests and maintained an internal tracking system.

MANAGEMENT CONTROLS

G/TIP's most recent risk assessment results and evaluation from the Bureau of Resource Management in August 2005 indicated moderate risk. The scores showed that overall controls standards are good but that the general control environment needs to be strengthened, including the offices of the deputy director, programs, and public affairs. The deputy director, who is the designated management controls officer, indicated that she is concerned with the low scores and will take corrective actions to strengthen procedures.

GRANTS MANAGEMENT

G/TIP has been managing grants since 2002. The grants officer is located in INL. The grants officer assigns some G/TIP employees as grants contract representative officers, with responsibilities including monitoring progress of grants projects. G/TIP's grants funds totaled more than \$350,000 in FY 2002, \$2 million in FY 2003, and \$5 million in FY 2004. At the time of the inspection, the planned \$17 million for FY 2005 grants had not yet been processed. Money for the G/TIP grants comes from ESF and INCLE funds. These types of funding accounts are explained elsewhere in the report.

OIG reviewed 15 G/TIP managed grants from 2002 through 2004. Most grants were awarded competitively, and an explanation was included in the files for those sole source or unsolicited grants. Although there are procedures for soliciting and approving grants, OIG found no written guidelines for maintaining and keeping grants files. OIG found conflicting information about grants funding and processing. For example, information obtained from the INL budget office shows that a particular grant was awarded and processed in FY 2003; however, G/TIP documentation shows that the grant was awarded and processed in FY 2004. Information about grants funding and processing should be consistent in both offices. Although the grants officer in INL has organized grants files, OIG found a lack of uniformity in how grants files are organized in the G/TIP office. For example, not all the grants in G/TIP are in one location. Some grants are found in a file drawer, and other grants are kept in the grants officer representative's safe. In reviewing grants files, OIG found that the files are not kept in a logical order, and not all the files contain the same required documentation. For instance, in some G/TIP grant files, OIG did not find the quarterly financial status report or six-month evaluations of grantee projects. In one closed grant file, there was no final report. Information contained in G/TIP files in its offices and in the INL budget offices should be consistent.

G/TIP does not adequately monitor its grantees activities. Although G/TIP personnel visit some of its grantees, there are no trip reports in most of the files. The grants officer in INL relies on the G/TIP grants officer representatives to monitor the grantees. G/TIP relies on embassy personnel to monitor the grantee in the country where work is performed, but OIG could find very few embassy

evaluation reports verifying monitoring has been occurring. There is in practice no accountability for the monitoring of many grants. There were no audit reports in the grants files as required by the grants agreement. Given that some of the grantees are new NGOs, OIG believes that this is a vulnerable area.

The grants officer representatives in G/TIP recognize that grants files are not ideally organized because other priorities take precedence over organizing grants files. Grants officer representatives are responsible for managing other programs, leaving little time to dedicate solely to the grants files. OIG believes that the grants files in INL need to mirror the grant files in G/TIP, not only to maintain good management internal controls but also to provide quality assurance on the grants.

Recommendation 5: The Office to Monitor and Combat Trafficking in Persons should establish and follow written procedures for maintaining grants files to include filing order, required documentation, such as financial and audit reports and six month and final evaluations, as well as monitoring reports, such as trip reports. (Action: G/TIP)

HUMAN RESOURCES

Currently INL/RM handles human resources services for G/TIP. With INL now moved into the Office of the Under Secretary for Political Affairs, it is uncertain whether they will continue to provide administrative services to G/TIP. The G/TIP deputy, who took over the position in May 2005, has assumed management responsibilities within the office and serves as liaison with INL/RM. She has done a good job keeping track of human resources issues and maintains a copy of individual employee files in G/TIP. INL human resources support has improved recently because the deputy is in frequent contact.

G/TIP has a staff of 23 Civil Service employees, one Foreign Service officer, and three contractors. The office also has several interns. In the FY 2007 BPP, G/TIP requested three more Civil Service positions.

New Civil Service employees in G/TIP often have no prior experience working with either the Department or a U.S. embassy. The office has no structured orientation for new employees, although some attend a group orientation at INL/RM. OIG informally recommended that G/TIP develop for new employees an orientation program that includes the Civil Service Orientation course offered at the Foreign Service Institute. This will assist them in understanding the goals of the Department and improve their ability to work with bureaus and embassies.

A formal training plan covering mandatory training and skill enhancement courses is crucial to enable the office to fit training into the busy calendar and to keep advancing employees' abilities. G/TIP has started to develop such a plan. OIG informally recommended that G/TIP include in the plan diversity and leadership training for those required to take this training and complete individual development plans for each employee as soon as possible. G/TIP is also forming an awards committee. OIG encouraged G/TIP to follow through with this as soon as possible. OIG found that supervisors provide regular guidance and counseling and that human resources documents, such as position descriptions and performance evaluations, were completed on time.

OIG found that there was no bulletin board with Equal Employment Opportunity information. Several employees were not aware that there is a person in INL/RM designated as G/TIP's Equal Employment Opportunity counselor.

Because G/TIP is not collocated with INL and Equal Employment Opportunity information was lacking, OIG made an informal recommendation that G/TIP nominate one of its employees as an Equal Employment Opportunity counselor, who would then obtain certification from the Office of Civil Rights and requisite training from the Equal Employment Opportunity Commission.

INFORMATION MANAGEMENT

INL operates the information management and information security program for G/TIP. INL/RM/MS provides the appropriate protection to the G/TIP systems. For example, the information systems staff has developed standard operating procedures, information system security program plans, and contingency plans. The information systems security officer regularly scans for abnormal security settings, scans monthly for inappropriate material, and follows up on computer incidents.

G/TIP does not follow appropriate procedures when requesting technical assistance. Currently customers bypass the InfoCenter and go directly to the assigned computer specialist. Management cannot determine whether support is appropriate and timely based solely on anecdotal complaints. OIG made an informal recommendation that this issue be resolved by enforcing the procedure that all customers must go through the InfoCenter to request technical assistance. Managers can use the Department's tracking application to monitor support activities and to track support calls from start to finish.

FORMAL RECOMMENDATIONS

Recommendation 1: The Office to Monitor and Combat Trafficking in Persons should request that the Senior Policy Operating Group invite the Office of the U.S. Global AIDS Coordinator to participate in its meetings. (Action: G/TIP)

Recommendation 2: The Office to Monitor and Combat Trafficking in Persons, when it drafts its 2008 Bureau Performance Plan submission, should work with the Bureau of Resource Management to ensure that the Coordinator's statement, bureau initiatives/programs, and performance indicators are in accordance with Office of Strategic and Performance Planning guidelines. (Action: G/TIP, in coordination with RM)

Recommendation 3: The Office to Monitor and Combat Trafficking in Persons should submit grants proposals and reports to a rigorous peer review when awarding grants to groups with which embassies or the geographic bureaus are not familiar or uncomfortable. (Action: G/TIP)

Recommendation 4: The Office to Monitor and Combat Trafficking in Persons should assign more staff hours to determining what research the U.S. government needs, mining research for best practices, disseminating those best practices with other agencies and posts, and integrating those best practices into anti-trafficking programs. (Action: G/TIP)

Recommendation 5: The Office to Monitor and Combat Trafficking in Persons should establish and follow written procedures for maintaining grants files to include filing order, required documentation, such as financial and audit reports and six month and final evaluations, as well as monitoring reports, such as trip reports. (Action: G/TIP)

INFORMAL RECOMMENDATIONS

Informal recommendations cover operational matters not requiring action by organizations outside the inspected entity 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.

Policy and Program Implementation

G/TIP often does not fully use Department resources at its disposal in part due to its physical isolation from the Department and its unfamiliarity with embassy and Department structures, procedures, and perspectives. G/TIP would benefit more quickly if more people on its staff had embassy or field experience.

Informal Recommendation 1: The Office to Monitor and Combat Trafficking in Persons should seek to designate and fill an additional position on its staff for a Foreign Service officer when an appropriate position is added or an appropriate position becomes available through normal attrition.

G/TIP is a complex office that calls for much coordination and clear communications among divisions working under pressure on a wide variety of issues and programs. It has not yet fully developed written standard operating procedures that would help integrate the work of its program, reports, and other elements, as well as reduce tension.

Informal Recommendation 2: The Office to Monitor and Combat Traffic in Persons should develop more standard operating procedures such as the use of a single travel reports file, greater precision in the assignment of responsibilities, and clearer lines of communications among divisions.

INCLE funding is authorized for use in programs that contain a preponderance of law enforcement content. Grant panel decisions on the use of INCLE funding can be very complex and panel members deserve guidance.

Informal Recommendation 3: The Office to Monitor and Combat Trafficking in Persons should consult with the Office of the Legal Adviser to formulate an appropriate way to render guidance to grant panels on the use of International Narcotics Control and Law Enforcement funding, including a mechanism for answering specific questions on the sufficiency of the extent of a proposal's anti-crime and foreign assistance component.

G/TIP program grants do not require grantees to carry out information public outreach programs in the host country of U.S. government support for its anti-trafficking efforts. If U.S. government involvement is not recognized in the media and understood by the population of the country, the grantees are not providing full return on U.S. investment.

Informal Recommendation 4: The Office to Monitor and Combat Trafficking in Persons should establish standard language for its grants requiring the grantee to develop a strategic media plan with the U.S. embassy in the host country for the project.

Administration policy promoting capacity building among community and faith-based NGOs is clear, however, awarding first-time grants as a training experience to groups without sufficient program management background creates waste and significantly increases management overhead. G/TIP can build the capacity of faith-based and other smaller NGOs while it safeguards U.S. government funds if it enlists more established grantees to train smaller, less experienced groups in grants and program management as subgrantees.

Information Recommendation 5: The Office to Monitor and Combat Trafficking in Persons should stipulate that larger, experienced nongovernmental organizations receiving grants when appropriate provide grants training and more focused, detailed oversight for first-time groups as subgrantees.

Resources Management

G/TIP communicates its work requirements and purchase requests to INL/RM via e-mail correspondence. It does not use standard Department forms for these purposes. It does not number, date, log, or track its e-mail work requirements or purchase requests.

Informal Recommendation 6: The Office to Monitor and Combat Trafficking in Persons should use standardized Department forms for work orders and purchase requests and maintain a tracking system of each.

The administrative assistant spends the bulk of her time preparing travel authorizations and travel vouchers for the G/TIP staff.

Informal Recommendation 7: The Office to Monitor and Combat Trafficking in Persons should require its staff to prepare their own travel authorizations and travel vouchers.

G/TIP lacks a handbook on office administrative policies and procedures and only has a few standard operating procedures in place to guide the G/TIP staff.

Informal Recommendation 8: The Office to Monitor and Combat Trafficking in Persons should develop and distribute administrative policies and procedures for its staff.

G/TIP does not have a comprehensive administrative budget. G/TIP would be better served if it allowed INL/RM/BD to prepare its administrative budget based on input provided by G/TIP. The absence of a comprehensive budget makes budget execution uncertain especially in the fourth quarter.

Informal Recommendation 9: The Office to Monitor and Combat Trafficking in Persons should request that the Bureau of International Narcotics and Law Enforcement Affairs, Office of the Controller/Executive Director, Budget Office prepare its administrative budget.

When it was decided that INL/RM would provide administrative services to G/TIP, the two offices did not outline what was required of G/TIP or establish agreed-upon service standards. Now some in INL/RM believe that G/TIP could be a better service user. G/TIP wants faster service.

Informal Recommendation 10: The Office to Monitor and Combat Trafficking in Persons should establish a framework for their working arrangement, agree on levels of service expectations, and meet regularly.

Human Resources

G/TIP has no structured orientation plan for new employees who have no experience working with the Department or U.S. embassies. A structured orientation plan that includes the Civil Service Orientation course offered at the Foreign Service Institute would assist new employees in understanding the goals of the Department and improve their ability to work with bureaus and embassies.

Informal Recommendation 11: The Office to Monitor and Combat Trafficking in Persons should develop an orientation plan for new employees that includes the Civil Service Orientation course at the Foreign Service Institute for eligible new Civil Service employees.

G/TIP does not have either a training plan or individual development plans for employees. A training plan would enable G/TIP to determine when employees can be spared to take mandatory training courses, like diversity training and leadership training, and skill development courses. Individual development plans would allow both employee and supervisor to focus on skill development useful to the employee and G/TIP.

Informal Recommendation 12: The Office to Monitor and Combat Trafficking in Persons should develop an annual training plan and individual development plans for all employees.

The person designated as Equal Employment Opportunity counselor for G/TIP is in INL/RM. However several employees in G/TIP were not aware of this, and there is no bulletin board in G/TIP with Equal Employment Opportunity information. INL/RM is not collocated with G/TIP.

Informal Recommendation 13: The Office to Monitor and Combat Trafficking in Persons should nominate one of its employees as Equal Employment Opportunity counselor; obtain certification for this person from the Office of Civil Rights; and have the person take the required training at the Equal Employment Opportunity Commission.

Information Management

The G/TIP office does not follow appropriate procedures when requesting technical assistance. Currently customers bypass calling the InfoCenter and go directly to the assigned computer specialist. Management cannot determine if support is appropriate and timely based solely on anecdotal complaints.

Informal Recommendation 14: The Office to Monitor and Combat Trafficking in Persons should enforce the procedure that users must contact the InfoCenter for information technology issues.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Office Director	Ambassador John R. Miller	03/03

ABBREVIATIONS

A/LM/AQM	Office of Acquisitions Management
BPP	Bureau Performance Plan
Department	Department of State
DRL	Bureau of Democracy, Human Rights, and Labor
ESF	Economic Support Funds
G	Office of the Under Secretary for Global Affairs
G/TIP	Office to Monitor and Combat Trafficking in Persons
INCLE	International Narcotics Control and Law Enforcement
INL	Bureau of International Narcotics and Law Enforcement Affairs
INL/RM	Office of Resource Management
INL/RM/BD	Budget Office
NEA	Bureau of Near Eastern and South Asian Affairs
NGO	Nongovernmental organization
NSPD	National Security Presidential Directive
OIG	Office of Inspector General
RM	Bureau of Resource Management
SPOG	Senior Policy Operating Group
TIP report	Trafficking in Persons Report
TVPA	Trafficking Victims Protection Act of 2000
TVPRA	Trafficking Victims Protection Reauthorization Act of 2003

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of Federal programs
and resources hurts everyone.

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