

February 2015

DOMESTIC OPERATIONS AND SPECIAL REPORTS

Compliance Follow-up Review of the Bureau of Conflict and Stabilization Operations

What OIG Found

- The Department of State has complied with 36 of the 43 recommendations in the March 2014 inspection report on the Bureau of Conflict and Stabilization Operations, but essential recommendations involving the bureau's mission and organization remain open.
- The bureau corrected shortcomings in information technology, security, grants management, and equal employment opportunity.
- The bureau is working with the Under Secretary of State for Civilian Security, Democracy and Human Rights to define and implement a clearer mission. The Under Secretary circulated a road map in September 2014 that outlined new priorities and is working with the bureau to identify the organizational and staff changes necessary to achieve them.
- The most significant new priority would increase the bureau's planning and analytic capacity and limit overseas programs to avoid overlap with other bureaus and agencies.
- The Bureau of Human Resources is conducting a workforce and workload analysis that will be important to the success of rebalancing the bureau to focus on these new priorities. The analysis will include a review of overlap with other bureaus and agencies.
- The Department of State should reduce the number of deputy assistant secretary positions in the bureau to three from the current four. The bureau's size does not warrant the fourth position.
- The compliance follow-up review team identified one hiring practice that required attention. The bureau has authority to use personal services contracts to fill overseas positions only; the team found three instances where it was using these contractors for work in Washington. The bureau has resolved the three cases and is adopting appropriate standard operating procedures on the use of contractors.
- Teams from the Office of Civil Rights, the Office of the Procurement Executive, and the Office of Civil Service Human Resource Management contributed to improving the bureau's procedures and operations following the March 2014 inspection report.



OIG HIGHLIGHTS

For more information, view the full report: [ISP-C-15-13](#).

What OIG Inspected

OIG conducted a compliance follow-up review of the Bureau of Conflict and Stabilization Operations from September 8 to October 10, 2014.

What OIG Recommends

This compliance follow-up review contains nine recommendations stemming from OIG's March 2014 inspection report on the bureau.

The most important recommendation calls on the Under Secretary of State for Civilian Security, Democracy, and Human Rights to ensure that the new mission and priorities outlined for the Bureau of Conflict and Stabilization Operations are implemented in a timely manner. A related recommendation calls on the Bureau of Human Resources to complete a work force analysis of the bureau, including a review of areas of overlap with other bureaus and agencies. Both steps are necessary if the bureau is to function more effectively.

OIG also recommended that the bureau reduce front office staff and cease assigning personal services contractors to extended domestic assignments without proper authority.

OIG recommended the Department of State locate adequate working space for the bureau, which now has multiple employees assigned to inadequate workspaces. OIG reiterated a recommendation that the Bureau of Administration review the bureau's grants files.



OIG

Office of Inspector General

U S Department of State Broadcasting Board of Governors

ISP-C-15-13

Office of Inspections

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KEY FINDINGS

- The Department of State has complied with 36 of the 43 recommendations in the March 2014 inspection report on the Bureau of Conflict and Stabilization Operations, but essential recommendations involving the bureau's mission and organization remain open.
- The bureau corrected shortcomings in information technology, security, grants management, and Equal Employment Opportunity.
- The bureau is working with the Under Secretary of State for Civilian Security, Democracy and Human Rights to define and implement a clearer mission. The Under Secretary circulated a road map in September 2014 that outlined new priorities and is working with the bureau to identify the organizational and staff changes necessary to achieve them.
- The most significant new priority would increase the bureau's planning and analytic capacity and limit overseas programs to avoid overlap with other bureaus and agencies.
- The Bureau of Human Resources is conducting a workforce and workload analysis that will be important to the success of rebalancing the bureau to focus on these new priorities. The analysis will include a review of overlap with other bureaus and agencies.
- The Department of State should reduce the number of deputy assistant secretary positions in the bureau to three from the current four. The bureau's size does not warrant the fourth position.
- The compliance follow-up review team identified one hiring practice that required attention. The bureau has authority to use personal services contracts to fill overseas positions only; the team found three instances where it was using these contractors for work in Washington. The bureau has resolved the three cases and is adopting appropriate standard operating procedures on the use of contractors.
- Teams from the Office of Civil Rights, the Office of the Procurement Executive, and the Office of Civil Service Human Resource Management contributed to improving the bureau's procedures and operations following the March 2014 inspection report.

CONTEXT

The Office of Inspector General (OIG) inspected the Bureau of Conflict and Stabilization Operations (CSO) from October 18 to December 16, 2013, and published its report in March 2014. The inspection report issued 43 formal recommendations, including several that addressed fundamental issues involving the bureau's mission, size, and front office management practices. Given the significance of these recommendations, OIG determined that a compliance follow-up review (CFR) was warranted to assess compliance by the bureau and other action offices.

The CFR found that senior Department of State (Department) leadership has made progress but not resolved fundamental issues involving the bureau's mission, the extent of its overlap with other bureaus and interagency partners, and staff size and organization. All these issues have been the subject of recent congressional interest.

The Under Secretary for Civilian Security, Democracy, and Human Rights supervises the bureau. After several months of consultations following publication of the March 2014 inspection report, the Under Secretary drafted and circulated a road map outlining new priorities for the bureau. It was issued in September 2014. The road map provides sufficient direction for the Department to address the most significant recommendations remaining from the inspection report.

In reviewing compliance with recommendations involving hiring practices, the CFR team found that the bureau was violating regulations involving the use of personal services contracts (PSC). The bureau is authorized to use these contracts only to fill overseas positions. At the time of the compliance review, the bureau had eight employees on PSCs. One had been working for 7 months in domestic positions, a practice forbidden by Federal and Department regulations. Two others were working in Washington on overseas projects that were only in the discussion phase. The bureau has taken corrective action on these three cases and is developing procedures designed to prevent a repeat of this practice.

The bureau successfully addressed most administrative recommendations in the 2014 inspection report. For example, it complied with all 14 recommendations for improving information technology operations and all 5 recommendations for strengthening security practices and procedures.

EVALUATION OF COMPLIANCE

Of the 43 formal recommendations in the 2014 report, 26 were closed before the CFR and 17 were open. The CFR issued nine recommendations and confirmed that the remaining recommendations are closed.

Information Technology Management

The inspection report issued 14 recommendations on information technology, the most on any issue. Shortcomings ranged from the lack of a strategic plan and standard operating procedures to a weak SharePoint site. The CFR team interviewed staff in CSO and the Bureau of Information Resource Management, reviewed extensive documentation, and conducted a physical inspection of the offices. The team concluded that the bureau has complied with all 14 information technology recommendations.

Security

The inspection report issued five recommendations regarding procedural and physical security. The recommendations ranged from securing hallway doors to completing security vetting for new hires and those deployed overseas to formalizing agreements with the Bureau of Diplomatic Security. The bureau complied with all five recommendations. This assessment is based on interviews with security officers inside and outside the bureau, an examination of memoranda of agreement signed pursuant to inspection recommendations, and a physical inspection of CSO offices. The CFR team noted one area that warrants prompt attention: Not all unit security officers are familiar with their duties, as evidenced in inspector interviews with them. At the CFR team's suggestion, the bureau will provide additional on-the-job and formal training regarding closeout procedures and other security practices.

Deployment Procedures

The inspection report made four recommendations to improve the procedures CSO uses to select and staff overseas deployments. Three of the four have been implemented. First, the Office of the Under Secretary now requires the bureau to submit significant program activities to the office for approval. The new priorities outlined in the road map make it even more important that the bureau keep that office promptly and fully informed of all proposals under consideration. Second, the bureau now seeks wider input from other bureaus and agencies before undertaking overseas deployments; the compliance team confirmed this by reviewing current project proposals and noting the extent of consultations with other bureaus and agencies. Examples include Ukraine, El Salvador, and Bangladesh. Third, current project proposals include exit strategies, as recommended in the inspection report. Examples include Honduras and Syria.

The bureau has not fully implemented a fourth recommendation regarding developing standard operating procedures for funding and staffing overseas projects to address deployment costs.

Equal Employment Opportunity

The inspection report issued two recommendations involving training for leaders and managers and all employees, a statement by the Assistant Secretary supporting Equal Employment

Opportunity (EEO), and tracking EEO training for all CSO employees. The CFR team reviewed the Assistant Secretary's statement and confirmed that it had been circulated. CSO and the Office of Civil Rights confirmed that all CSO employees received training. The CFR team concluded that the Department had complied with both EEO recommendations.

Contractors and Contracts

In response to inadequate monitoring in the administration of contracts, the inspection report recommended that CSO identify government technical monitors to assist in monitoring contracts, that it review its contractor work force to eliminate potentially inherently governmental functions, and that it maintain complete contracting officer's representative files. The CFR team verified through interviews and document reviews that CSO has now identified 11 technical monitors, has established a system to review contracts for inherently governmental functions, and is maintaining complete contract files. The bureau has complied with all three recommendations on contracts and contractors.

Grants

The inspection report recommended that CSO include grants officer representative responsibilities in the work commitments and work requirements of employees serving in that capacity. After reviewing work requirements and interviewing relevant employees, the CFR team concluded that the bureau has complied with the recommendation. A separate recommendation called on CSO to use full and open competition in awarding grants and cooperative agreements. CSO was routinely awarding grants noncompetitively at the time of the inspection. It has since created a pool of 37 organizations through an open competition and is using it. This procedure is permitted under the Department's Grants Policy Directive No. 27 as a type of full and open competition. The CFR team concluded that the bureau has complied with the recommendation.

Hiring Practices

The inspection report called for the Bureau of Human Resources (DGHR) to conduct a review of CSO's hiring practices, which include the Bureau of Administration as a service provider. With specialists from its Office of Civil Service Human Resource Management, DGHR completed its review in July 2014. It found some practices were sound but criticized the bureau's "inappropriate" use of selective placement factors that tend to unnecessarily restrict competition. The report contained five required actions for the Bureau of Administration and three recommendations for CSO. CSO and the Bureau of Administration have disputed some of the report's conclusions and are in discussions with DGHR about them. The CFR team verified that DGHR complied with the inspection report's recommendation.

Travel

Following the 2014 OIG inspection, bureau expenditures on travel to conferences and meetings dropped from \$320,000 in FY 2013 to \$200,000 in FY 2014, a decrease of 38 percent. The bureau complied with recommendations calling for it to require frequent travelers to obtain government travel cards and to require travelers to submit vouchers on time. CSO substantially complied with a third recommendation to require that all travel have adequate and proper justification. This assessment is based on interviews with travel staff, and an examination of policies, procedures, and notices issued by CSO and travel management reports from the Department's E2 Solutions travel application.

The CFR team noted that one deputy assistant secretary and an aide had traveled extensively, at an estimated cost of \$42,000 or 21 percent of CSO's total travel expenditure for conferences and meetings in FY 2014. Their travel was in support of an initiative that may be worthwhile but is not identified as a priority in the bureau's functional strategy. CSO leadership described the initiative as a priority and acknowledged it should have been reflected in the bureau's strategy statement.

CSO has improved its management of travel. It is important that bureau leadership maintain strong support of the travel unit and require all staff to adhere to Department travel regulations.

Administrative Measures

The inspection report issued three recommendations on general administrative matters. The first called for CSO to implement a proper records management process. The second recommended that CSO train and require staff to follow Department procedures in drafting and clearing official documents. The third called on CSO to conduct an annual review of U.S. Government purchase cards and ensure periodic reviews are conducted. CSO complied with these three recommendations. This assessment is based on interviews with staff in CSO and other bureaus, and an examination of policies, procedures, and notices issued by CSO.

CLARIFYING THE BUREAU'S MISSION

The Under Secretary for Civilian Security, Democracy and Human Rights; the Director General for Human Resources; and CSO leadership are reviewing the bureau's mission, as recommended in the 2014 inspection report. The review is not complete, and four inspection recommendations related to that review remain to be completed. They are revised and reissued as part of this CFR.

The CFR team heard from officials inside and outside CSO that the bureau's mission remains unclear and that its relationships inside and outside the Department need to be strengthened and formalized. The Under Secretary for Civilian Security, Democracy and Human Rights and the Director General for Human Resources are examining how to eliminate overlap between CSO and other bureaus and agencies. Several congressional committees have expressed concern about this issue. The Under Secretary's office is also addressing how CSO can best coordinate a "whole of government" approach to civilian stabilization efforts.

The first concrete step toward clarifying the bureau's mission and its operating criteria came in September 2014, when the Under Secretary issued a "road map" that would significantly alter the bureau's mission. The road map represents another attempt at clarifying the bureau's mission, as was done most recently in 2011 when CSO was transformed from an office to a full bureau.

The road map calls for CSO to increase its analysis of how to prevent conflict, strengthen its planning and monitoring of potential conflict, and focus its overseas work on unique and distinct programs such as preelection violence. The road map also calls on the Department to decide the future of the bureau's civilian response network, a network of on-call experts. Based on the road map and related interviews, the CFR team believes the bureau is likely to do significantly less overseas programming in the future than it has in recent years. At the time of the CFR, the bureau had staff deployed in Bangladesh, Uganda, Nigeria, Kenya, the Democratic Republic of the Congo, Turkey, and at U.S. Africa Command headquarters in Germany.

The road map also calls on the bureau to support the interagency Atrocities Prevention Board, an activity not mentioned in previous CSO mission statements. At the time of the CFR, the bureau had already shifted staff to support the board.

Like other bureaus and offices that report to the Under Secretary for Civilian Security, Democracy and Human Rights, CSO is preparing an implementation plan based on the road map. Completion of this implementation plan will help the bureau allocate staff resources and financial resources, including its travel budget, to support priority goals.

The inspection report's recommendation is revised and reissued.

Recommendation CFR 1: The Office of the Under Secretary of State for Civilian Security, Democracy and Human Rights, in coordination with the Bureau of Conflict and Stabilization Operations, should complete steps necessary to implement the road map and circulate the results within the Department of State and the interagency. (Action: J, in coordination with CSO)

BUREAU ORGANIZATION AND STAFFING

DGHR created a task force in July 2014 to address the inspection report's recommendation that it assess CSO's organization and workforce and identify where its functions overlap with those performed by other bureaus. The recommendation drew congressional interest. In its report on the FY 2015 Department of State, Foreign Operations, and Related Programs Appropriation bill, the House Appropriations Committee said it expected the Department to report on possible overlaps.

DGHR suspended the task force's work pending completion of the road map. It resumed work after the road map was issued in September.

The new directions outlined in the road map increase the importance of DGHR conducting a thorough and independent staffing review. For example, the road map suggests that CSO place greater emphasis on conflict prevention analysis and less on large-scale overseas programs. If implemented, this shift could change the skill sets the bureau needs.

Under senior-level direction, CSO is in the midst of transferring to the Bureau of Near Eastern Affairs its Syria projects. These programs, at \$31.6 million, are the biggest the bureau has undertaken in recent years, accounting for 94 percent of all CSO grants between FYs 2012 and 2014. As of October 1, 2014, nearly 15 percent of the bureau was working full time on Syria, with other staff contributing part time. The task force will need to assess CSO staff size and composition in light of its transferring the Syria projects.

The inspection report's recommendation is revised and reissued.

Recommendation CFR 2: The Bureau of Human Resources, in coordination with the Office of the Under Secretary for Civilian Security, Democracy and Human Rights and the Bureau of Conflict and Stabilization Operations, should complete a workforce and workload analysis of the bureau, identify similar functions performed by other bureaus and the U.S. Agency for International Development, and implement appropriate recommendations. (Action: DGHR, in coordination with J and CSO)

The inspection report also recommended that the Department reduce the number of deputy assistant secretaries assigned to CSO to three from the current four. The CFR team concurs that the CSO front office is overstaffed, given the bureau has only 157 employees. One of the deputy assistant secretaries in CSO is responsible for a single office of only 24 people, for example. The *Foreign Affairs Manual* (FAM) section that describes the position—1 FAM 472.2—has three offices reporting to it.

CSO was authorized four deputy assistant secretary positions when it was created in 2011, with the understanding that the Department would review the number in 2013. That review has not been completed or acted upon.

CSO leadership told inspectors the bureau concurs with the CFR team that the number of deputy assistant secretary positions should be reduced to three, including one Foreign Service officer. The bureau has prepared a new front office organizational chart with only three such positions but has not circulated it formally to DGHR. The unneeded position costs the Department approximately \$197,000 annually based on 2014 cost models.

The recommendation is revised and reissued.

Recommendation CFR 3: The Bureau of Human Resources, in coordination with the Bureau of Conflict and Stabilization Operations, should reduce the number of deputy assistant secretaries in the bureau from four to three. (Action: DGHR, in coordination with CSO)

FUNDING AND STAFFING OVERSEAS PROGRAMS

The bureau has not fully complied with the inspection report's recommendation that it establish a procedure for calculating the human and financial resources necessary to support each of its overseas programs and to compare these costs with those incurred by other bureaus and agencies.

CSO has taken three steps toward complying with the recommendation. First, it has drafted a five-page guide to staffing overseas programs, with examples from small and large programs. Second, it has drafted a template that requires offices to specify how many people will be needed to staff the project. Third, it has designed and is using a new software tool to estimate the total cost of an overseas program, including travel.

What CSO has not done is to incorporate these steps into a single set of standard operating procedures that can help control costs. More important, the documents cited above were drafted within CSO and cleared within CSO without reference to other bureaus. They do not include standards used by other bureaus and agencies, as recommended in the 2014 inspection report.

The Under Secretary has called for greater cooperation among the five bureaus reporting to that office. Two bureaus—the Bureau of Population, Refugees and Migration and the Bureau of International Narcotics and Law Enforcement Affairs—staff and fund extensive overseas programs, employ experienced resource management staff, and have procedures for reviewing the costs and scope of these programs. In preparing standard operating procedures for developing and funding overseas programs, CSO should draw from their expertise and incorporate their best practices.

The recommendation is revised and reissued.

Recommendation CFR 4: The Bureau of Conflict and Stabilization Operations should implement standard operating procedures for funding and staffing overseas programs that incorporate standards developed by other bureaus reporting to the Office of the Under Secretary for Civilian Security, Democracy and Human Rights. (Action: CSO)

USE OF PERSONAL SERVICES CONTRACTS

CSO has authority to hire persons under PSCs only for overseas positions. It has no authority to use them as domestic, Washington-based staff. At the time of the CFR, the bureau had eight PSCs. It had assigned two to work in Washington on overseas projects that had yet to be approved. A third had worked in Washington for 7 months straight.

The bureau's practices in these three instances violate guidance from the Office of the Legal Adviser that PSCs are limited to performing "ancillary" duties in Washington, such as training for an overseas deployment or briefing on their return. An attorney in the Office of the Legal Adviser stated this explicitly to CSO leadership in a 2012 email: "Any personal services contract under 22 USC 2669(c) authority must be entered into principally for the purpose of obtaining services outside the United States. This doesn't preclude compensation for some related services in the United States, such as pre-deployment training or consultations or post-deployment report writing. But such periods of domestic performance need to be related to and ancillary to services and can't constitute a substantial portion of the total services." In "doubtful cases," Federal Acquisition Regulations 37.103(a) (2) requires those hiring PSCs to obtain the review of legal counsel. No record exists of CSO having done so since 2012. CSO's practices violate the exception provided for the Department to use PSCs overseas and represent a misuse of funds.

The CSO front office has converted the three PSCs in question to third-party contractors. The bureau is preparing standard operating procedures designed to prevent a recurrence of these practices. The Bureau of Administration's Office of the Executive Director is the contracting officer for CSO, and its cooperation is needed to address this problem.

The following three recommendations are new.

Recommendation CFR 5: The Office of the Legal Adviser, in coordination with the Bureau of Administration, should review the status of all personal services contracts in the Bureau of Conflict and Stabilization Operations and determine whether they conform to Federal regulations and Department guidelines. (Action: L, in coordination with A)

Recommendation CFR 6: The Bureau of Conflict and Stabilization Operations should prepare and enforce standard procedures on the use of personal services contracts. The procedures should be cleared by the Office of the Legal Adviser. (Action: CSO)

CSO's use of PSCs may be violations of the Anti-Deficiency Act, a statute that prohibits the use of funds in excess of those authorized or appropriated. Opinions of the General Accountability Office have held that uses of funds for purposes beyond those permitted by law are violations of the Anti-Deficiency Act, even if those expenditures did not result in spending in excess of the available appropriations. Violations of the Anti-Deficiency Act must be reported in accordance with the procedures in the Act and those established by the Office of Management and Budget. The Office of Oversight and Management Analysis in the Bureau of the Comptroller and Global Financial Services monitors and reports on potential issues under the Anti-Deficiency Act, according to 1 FAM 614.3(12).

Recommendation CFR 7: The Bureau of the Comptroller and Global Financial Services, in coordination with the Bureau of Conflict and Stabilization Operations and the Office of the Legal Adviser, should determine whether that bureau's use of personal services contracts for work that

was performed substantially in the United States was a reportable violation of the Anti-Deficiency Act. (Action: CGFS, in coordination with CSO and L)

GRANTS MANAGEMENT REVIEW

In its 2014 inspection report, OIG summarized its findings that new program officer and grants officer representatives expressed confusion about their roles and that responsibilities had not been clearly delineated. Administering grants was and remains a new responsibility for CSO officers, and the process of training staff and institutionalizing the expertise to administer them is still ongoing. OIG also found duplication of effort, inefficiency, and a risk of inadequate oversight. The Bureau of Administration's Office of the Procurement Executive prescribes policies, procedures, and standards for managing assistance agreements, as provided by 1 FAM 212.3, and has issued Grants Policy Directive Number 34 that provides the procedure for that office to conduct a grants management review. In keeping with a recommendation in the 2014 report, the Office of the Procurement Executive began its review during this CFR. The review could clarify the extent of CSO's progress and provide a means for improvement.

The recommendation is reissued.

Recommendation CFR 8: The Bureau of Administration should complete its grants management review of the Bureau of Conflict and Stabilization Operations. (Action: A)

OFFICE SPACE

In its 2014 inspection report, OIG concluded that CSO did not have sufficient space in its current location to permit its employees to conduct work normally, including drafting, holding in-house meetings, or conducting counseling sessions. OIG recommended that the Bureau of Administration, in coordination with CSO, provide additional office space until CSO moved into permanent facilities. The Bureau of Administration provided space for the CSO front office in the Harry S Truman Building with the understanding that CSO would vacate the space by February 2015. This additional space alleviated the overcrowding cited in the inspection report. During the course of the CFR, the Bureau of Administration advised CSO that its permanent offices on Navy Hill would not be ready until winter 2015–16 at the earliest. CSO's current offices are too small and cramped to house the bureau's front office.

The recommendation is revised and reissued.

Recommendation CFR 9: The Bureau of Administration, in coordination with the Bureau of Conflict and Stabilization Operations, should identify replacement space for the front office before the bureau vacates its offices in the Harry S Truman Building. (Action: A, in coordination with CSO)

CFR RECOMMENDATIONS

Recommendation CFR 1: The Office of the Under Secretary of State for Civilian Security, Democracy and Human Rights, in coordination with the Bureau of Conflict and Stabilization Operations, should complete steps necessary to implement the road map and circulate the results within the Department of State and the interagency. (Action: J, in coordination with CSO)

Recommendation CFR 2: The Bureau of Human Resources, in coordination with the Office of the Under Secretary for Civilian Security, Democracy and Human Rights and the Bureau of Conflict and Stabilization Operations, should complete a workforce and workload analysis of the bureau, identify similar functions performed by other bureaus and the U.S. Agency for International Development, and implement appropriate recommendations. (Action: DGHR, in coordination with J and CSO)

Recommendation CFR 3: The Bureau of Human Resources, in coordination with the Bureau of Conflict and Stabilization Operations, should reduce the number of deputy assistant secretaries in the bureau from four to three. (Action: DGHR, in coordination with CSO)

Recommendation CFR 4: The Bureau of Conflict and Stabilization Operations should implement standard operating procedures for funding and staffing overseas programs that incorporate standards developed by other bureaus reporting to the Office of the Under Secretary for Civilian Security, Democracy and Human Rights. (Action: CSO)

Recommendation CFR 5: The Office of the Legal Adviser, in coordination with the Bureau of Administration, should review the status of all personal services contracts in the Bureau of Conflict and Stabilization Operations and determine whether they conform to Federal regulations and Department guidelines. (Action: L, in coordination with A)

Recommendation CFR 6: The Bureau of Conflict and Stabilization Operations should prepare and enforce standard procedures on the use of personal services contracts. The procedures should be cleared by the Office of the Legal Adviser. (Action: CSO)

Recommendation CFR 7: The Bureau of the Comptroller and Global Financial Services, in coordination with the Bureau of Conflict and Stabilization Operations and the Office of the Legal Adviser, should determine whether that bureau's use of personal services contracts for work that was performed substantially in the United States was a reportable violation of the Anti-Deficiency Act. (Action: CGFS, in coordination with CSO and L)

Recommendation CFR 8: The Bureau of Administration should complete its grants management review of the Bureau of Conflict and Stabilization Operations. (Action: A)

Recommendation CFR 9: The Bureau of Administration, in coordination with the Bureau of Conflict and Stabilization Operations, should identify replacement space for the front office before the bureau vacates its offices in the Harry S Truman Building. (Action: A, in coordination with CSO)

PRINCIPAL OFFICIALS

Title	Name	Arrival Date
Acting Assistant Secretary	Erin Barclay	11/4/13
Acting Principal Deputy Assistant and Deputy Assistant Secretary, Management Support and Civilian Response Network	Dolores Brown	1/3/12
Deputy Assistant Secretary – Overseas Operations	Karin von Hippel	2/26/12
Deputy Assistant Secretary – Policy, Partnership, and Training	Jerry White	3/12/12

Note: Rick Barton served as Assistant Secretary for the period covered by this compliance review; he retired effective September 30, 2014.

Source: Bureau of Conflict and Stabilization Operations

APPENDIX A: SCOPE AND METHODOLOGY

This CFR was conducted in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2012 by the Council of the Inspectors General on Integrity and Efficiency, and the Inspector's Handbook, as issued by OIG for the Department and the Broadcasting Board of Governors (BBG).

Purpose and Scope

The Office of Inspections provides the Secretary of State, the Chairman of BBG, and Congress with systematic and independent evaluations of the operations of the Department and BBG. CFRs assess the inspected entities' compliance with recommendations made in previous inspections and verify whether agreed-upon corrective actions for recommendations issued in previous reports were fully and properly implemented.

Methodology

During the course of this CFR, the inspectors: 1) reviewed recommendations issued in the original inspection report and reported corrective actions; 2) collected and reviewed documentation and conducted those interviews necessary to substantiate reported corrective actions; and 3) reviewed the substance of the report and its findings and recommendations with offices, individuals, and activities affected by this review.

For this CFR, the team conducted more than 60 confidential interviews, verified compliance documents submitted by the bureau and other offices, and requested and reviewed additional documents as necessary.

APPENDIX B: STATUS OF 2014 INSPECTION RECOMMENDATIONS

Recommendation 1: The Office of the Under Secretary for Civilian Security, Democracy and Human Rights, in coordination with the Bureau of Conflict and Stabilization Operations and the Office of the Legal Adviser, should define the meaning of “whole-of-government” approach to conflict prevention and resolution. (Action: J, in coordination with CSO and L)

Pre-CFR Status: Open

CFR Findings: Revised and Reissued as Recommendation CFR 1.

Recommendation 2: The Bureau of Conflict and Stabilization Operations, in coordination with the Office of the Under Secretary for Civilian Security, Democracy, and Human Rights, should update its mandate, mission, and goals and develop a strategic communication plan to update bureaus, embassies, and agencies in advance of the 2014 Quadrennial Diplomacy and Development Review. (Action: CSO, in coordination with J)

Pre-CFR Status: Open

CFR Findings: Revised and Reissued as Recommendation CFR 1.

Recommendation 3: The Bureau of Human Resources should direct the Office of Resource Management and Organizational analysis to perform an organization assessment of the Bureau of Conflict and Stabilization Operations, including a workforce and workload analysis and a review of similar functions performed by other bureaus in the Department. (Action: DGHR)

Pre-CFR Status: Open

CFR Findings: Reissued as Recommendation CFR 2.

Recommendation 4: The Bureau of Human Resources, in coordination with the Bureau of Conflict and Stabilization Operations, should reduce the bureau’s front office staff to no more than two deputy assistant secretary positions and the principal deputy, including one Senior Foreign Service officer. (Action: DGHR, in coordination with CSO)

Pre-CFR Status: Open

CFR Findings: Revised and Reissued as Recommendation CFR 3.

Recommendation 5: The Office of Civil Rights, in coordination with the Bureau of Conflict and Stabilization Operations, the Bureau of Human Resources, and the Foreign Service Institute, should develop a tailored leadership management seminar for mandatory attendance by the front office team. (Action: S/OCR, in coordination with CSO, DGHR, and FSI)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 6: The Bureau of Conflict and Stabilization Operations, in coordination with the Office of Civil Rights, should issue a statement from the Assistant Secretary stressing commitment to EEO principles; conduct onsite training on EEO principles and procedures for all

employees; and implement a mechanism to track EEO training. (Action: CSO, in coordination with S/OCR)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 7: The Bureau of Conflict and Stabilization Operations should develop and implement a structured process for seeking input from Department of State and interagency stakeholders at the beginning of its engagement selection process. (Action: CSO)

Pre-CFR Status: Open

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 8: The Bureau of Conflict and Stabilization Operations should include an exit strategy in the design of its engagements. (Action: CSO)

Pre-CFR Status: Open

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 9: The Bureau of Conflict and Stabilization Operations should implement a procedure to balance the human and travel resources it employs to support its overseas programs against the resources employed by other U.S. Government entities engaged in comparable activities. (Action: CSO)

Pre-CFR Status: Open

CFR Findings: Revised and Reissued as Recommendation CFR 4.

Recommendation 10: The Under Secretary for Civilian Security, Democracy, and Human Rights should require a fully cleared action memo from the Bureau of Conflict and Stabilization Operations before approving a program activity. (Action: J, in coordination with CSO.)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 11: The Bureau of Conflict and Stabilization Operations, in coordination with the Bureau of Diplomatic Security, should establish a memorandum of agreement regarding security support to deployed teams. (Action: CSO, in coordination with DS)

Pre-CFR Status: Open

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 12: The Bureau of Conflict and Stabilization Operations should include grants officer representative responsibilities in employee work commitments or work requirements for performance appraisals or evaluation reports. (Action: CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 13: The Bureau of Administration should conduct a grants management review of the Bureau of Conflict Stabilization Operations. (Action: A)

Pre-CFR Status: Open

CFR Findings: Reissued as Recommendation CFR 8.

Recommendation 14: The Bureau of Conflict and Stabilization Operations, in coordination with the Bureau of Administration, should use full and open competition for awarding grants and cooperative agreements. (Action: CSO, in coordination with A)

Pre-CFR Status: Open

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 15: The Bureau of Conflict and Stabilization Operations should require employees expecting to travel more than twice per year to use a government travel charge card for official travel expenses. (Action: CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 16: The Bureau of Conflict and Stabilization Operations should require travelers to file vouchers within 5 business days after completing travel. (Action: CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 17: The Bureau of Conflict and Stabilization Operations should require justifications linked to bureau goals for conference and meeting travel requests and approve only those trips representing priority use of employee time. (Action: CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 18: The Bureau of Conflict and Stabilization Operations should implement a records management process that articulates procedures for records identification, storage, organization, and retention. (Action: CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 19: The Bureau of Conflict and Stabilization Operations should train all staff and require them to follow Department of State practices and procedures in drafting and clearing official documents. (Action: CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 20: The Bureau of Human Resources should review the hiring practices used by the Bureau of Conflict and Stabilization Operations and the Bureau of Administration, as its service provider, for posting and filling positions to confirm that they comply with Department of State regulations and legal requirements. (Action: DGHR)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 21: The Bureau of Administration, in coordination with the Bureau of Conflict and Stabilization Operations, should identify office space in State Annex-3 for employee counseling and drafting until the bureau moves to permanent facilities. (Action: A, in coordination with CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The Bureau of Administration advised CSO that its permanent office on Navy Hill will not be ready until winter 2015–16 at the earliest, but has to vacate the provided alternate space in the Harry S. Truman Building by February 2015. CSO's current offices are too small and cramped to house the bureau's front office: Revised and reissued as Recommendation CFR 9.

Recommendation 22: The Bureau of Conflict and Stabilization Operations should complete a purchase card program annual review for FY 2013. (Action: CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 23: The Bureau of Conflict and Stabilization Operations, in coordination with the Bureau of Administration, should identify government technical monitors to assist in monitoring contractors. (Action: CSO, in coordination with A)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 24: The Bureau of Conflict and Stabilization Operations, in coordination with the Bureau of Diplomatic Security, should ensure that third-party contractors are properly vetted prior to hiring. (Action: CSO, in coordination with DS)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 25: The Bureau of Conflict and Stabilization Operations, in coordination with the Bureau of Administration, should review the bureau's contract work to eliminate potentially inherently governmental functions. (Action: CSO, in coordination with A)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 26: The Bureau of Conflict and Stabilization Operations should maintain complete contracting officer representative files. (Action: CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 27: The Bureau of Conflict and Stabilization Operations should establish an information technology strategic plan outlining the mission, objectives, and short-term and long-term goals for its information technology operations that aligns with the bureau's strategic plan. (Action: CSO)

Pre-CFR Status: Open

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 28: The Bureau of Conflict and Stabilization Operations should disseminate to bureau staff and appropriate Department of State bureaus a notice detailing the management reporting structure for the information technology group and a single point of contact for all information technology related matters. (Action: CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 29: The Bureau of Conflict and Stabilization Operations should fill the information technology lead position with an individual who has knowledge, skills, and experience managing information technology operations. (Action: CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 30: The Bureau of Conflict and Stabilization Operations should update the position descriptions of all full-time information technology staff, and the statement of work for information technology contract staff, to reflect current responsibilities. (Action: CSO)

Pre-CFR Status: Open

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 31: The Bureau of Conflict and Stabilization Operations should establish a training curriculum and individual development plans for its information technology staff. (Action: CSO)

Pre-CFR Status: Open

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 32: The Bureau of Conflict and Stabilization Operations should develop and implement required information management and security documentation to include standard operating procedures and key emergency preparedness documentation. (Action: CSO)

Pre-CFR Status: Open

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 33: The Bureau of Conflict and Stabilization Operations, in coordination with the Bureau of Information Resource Management, should update its 2007 service level agreement to reflect current roles and responsibilities for desktop support, inventory of information technology equipment, and associated costs. (Action: CSO, in coordination with IRM)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 34: The Bureau of Conflict and Stabilization Operations should disseminate and enforce a policy requiring use of the information technology help desk system. (Action: CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 35: The Bureau of Conflict and Stabilization Operations should ban the use of personal devices for Department of State work during deployments. (Action: CSO)

Pre-CFR Status: Open

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 36: The Bureau of Conflict and Stabilization Operations should disseminate a formal policy on the use of information technology equipment during deployments to include guidance on allowable use, security requirements, and check-in/check-out procedures. (Action: CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 37: The Bureau of Conflict and Stabilization Operations should designate a primary and alternate information systems security officer. (Action: CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 38: The Bureau of Conflict and Stabilization Operations should implement a content management process that defines procedures for updating content and explains the responsibilities of the information technology group and other bureau offices. (Action: CSO)

Pre-CFR Status: Open

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 39: The Bureau of Conflict and Stabilization Operations should develop a design framework to improve its SharePoint sites and Web sites. (Action: CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 40: The Bureau of Conflict and Stabilization Operations, in coordination with the Bureau of Information Resource Management and the Bureau of Administration, should conduct a certification and accreditation of the Civilian Response Network database to include risk assessments and privacy impact assessments. (Action: CSO, in coordination with IRM and A)

Pre-CFR Status: Open

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 41: The Bureau of Conflict and Stabilization Operations should implement a domestic security program that meets Department of State physical and procedural security standards. (Action: CSO)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 42: The Bureau of Conflict and Stabilization Operations, in coordination with the Bureau of Diplomatic Security, should complete a memorandum of agreement on bureau security officer support. (Action: CSO, in coordination with DS)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

Recommendation 43: The Bureau of Conflict and Stabilization Operations, in coordination with the Bureau of Diplomatic Security, should require the bureau security officer to maintain a regular, part-time physical presence in the Bureau of Conflict and Stabilization Operations. (CSO, in coordination with DS)

Pre-CFR Status: Closed- acceptable compliance

CFR Findings: The CFR team confirmed implementation: recommendation closed.

ABBREVIATIONS

BBG	Broadcasting Board of Governors
CFR	Compliance follow-up review
CSO	Bureau of Conflict and Stabilization Operations
Department	U.S. Department of State
DGHR	Bureau of Human Resources
EEO	Equal Employment Opportunity
FAM	<i>Foreign Affairs Manual</i>
OIG	Office of Inspector General
PSC	Personal services contract

INSPECTION TERMS AND DEFINITIONS

Compliance Response: A written response from the action office to which a recommendation has been assigned for action, informing OIG of agreement or disagreement with the recommendation. Comments indicating agreement shall include planned corrective actions and, where appropriate, the actual or proposed target dates for achieving these actions. The reasons for any disagreement with a recommendation must be explained fully. Where disagreement is based on interpretation of law, regulation, or the authority of officials to take or not take action, the response must include the legal basis.

Final Action: The completion of all actions that the management of an action office, in its management decision, has concluded is necessary to address the findings and recommendations in OIG reports.

Finding: A conclusion drawn from facts and information about the propriety, efficiency, effectiveness, or economy of operation of a post, unit, or activity.

Management Decision: When the management of an action office for an OIG recommendation informs OIG of its intended course of action in response to a recommendation. If OIG accepts the management decision, the recommendation is considered resolved. If OIG does not accept the management decision and the issue cannot be resolved after a reasonable effort to achieve agreement, the Inspector General may choose to take it to impasse.

Open Recommendation: An open recommendation is either resolved or unresolved (see definitions of recommendation status below).

Recommendation: A statement in an OIG report requiring action by the addressee organizations or officials to correct a deficiency or need for change or improvement identified in the report.

Recommendation Status:

Resolved: Resolution of a recommendation occurs when:

- The action office concurs with the recommendation (a management decision has been accepted by OIG), but the action office has not presented satisfactory evidence that it has implemented the recommendation or some alternative course of action acceptable to OIG;
- The action office informs OIG that it disagrees with all or part of the recommendation, and OIG agrees to accept partial compliance or noncompliance; or
- Impasse procedures have led to a positive or negative final management decision.

Unresolved: An unresolved recommendation occurs when the action office:

- Has not responded to OIG;
- Has failed to address the recommendation in a manner satisfactory to OIG;
- Disagrees with the recommendation and did not suggest an alternative acceptable to OIG; or
- Requests OIG refer the matter to impasse, and the impasse official has not yet issued a decision.

Closed: A recommendation is closed when one of the following situations applies:

- OIG formally notifies the action office that satisfactory evidence of final action (i.e., information provided by the action office that confirms or attests to implementation) on an OIG recommendation has been accepted. The closing of a recommendation from an OIG report does not relieve the responsible manager of the obligation to report to OIG any changed circumstances substantially affecting the problem areas addressed in the recommendation or report and the effectiveness of agreed actions to correct these problems;
- OIG acknowledges to the action office that an alternative course of action to the action proposed in the recommendation will satisfy the intent of the recommendation and satisfactory evidence showing that the alternative action has been completed is provided to OIG;
- OIG agrees partial implementation is acceptable and has been completed; or
- OIG agrees that noncompliance is acceptable.

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