

and reintegration issues, which became more urgent in 2019 when the future of approximately 2,000 foreign terrorist fighters in Syria became uncertain due to political and military shifts in power. The Coordinator also spearheaded interagency efforts to increase the pace and number of terrorist designations in 2018, which resulted in more than 50 designation packages.¹¹

Other Bureaus, Agencies Expressed Mixed Views on Bureau Effectiveness

Despite the successes noted above, employees from other Department bureaus and Federal agencies interviewed by OIG expressed differing views on the bureau's effectiveness in promoting its policy goals. Some characterized CT as a highly effective and dynamic partner in advancing the anti-terrorism policy priorities, and described the Coordinator as playing a critical role in doing so. Others told OIG the bureau did not regularly seek consensus necessary to reach agreement with organizations whose policy equities differed from its own. This assertive promotion of its own priorities without full collaboration with other partners weakened the bureau's reputation and effectiveness in policy debates with the bureaus and agencies that held this perspective. OIG advised the Coordinator to be aware of these perceptions and, in its coordination role, to modify its approach accordingly.

Bureau Significantly Improved its Foreign Assistance Strategic Planning Processes, but Challenges Remain

The bureau made significant progress since 2015 in establishing effective strategic planning processes for its foreign assistance programs, but OIG identified several challenges that required attention. The bureau received more than \$609 million since FY 2016 in CTPF funding via significant new infusion of money. The bureau established new offices to guide foreign assistance strategic planning and management. It also instituted some new strategic planning practices¹² and developed program goals focused on priority countries. Nonetheless, it did not fully memorialize the process for new strategic planning and goal development in written guidance. In addition, employees consistently told OIG the bureau needed more frequent, regular communication between policy and program offices to inform decisions. OIG advised the bureau to revive its counterterrorism working groups, which staff said had been helpful in the past in facilitating better communication. OIG also advised the bureau to continue to work on its foreign

¹¹ Guidance in 8 U.S.C. 1189 and in Executive Order 13224 authorizes the Secretary to designate as terrorist organizations and/or individuals under specific conditions, including engaging in terrorist activity, the intent and capability to engage in terrorism, participating in terrorist training, or for being a leader of a designated terrorist entity. A designation package includes all supporting materials documenting the outcome of an interagency process that requires identification of targets, the conduct of interagency equity checks, as well as researching, drafting, and clearing materials to prove that foreign organizations, entities, and individuals meet the statutory criteria for designation.

¹² For example, the bureau established an annual conference with implementing partners and other agencies to discuss ongoing activities and future priorities. In addition, the Principal Deputy Coordinator led an Annual Performance Review process that assessed program performance and guided programming decisions based on the bureau's priorities.

assistance program management includes additional information about the bureau's strategic planning process for foreign assistance programs.¹³

Adherence to Internal Controls

OIG found that although CT submitted its FY 2019 Annual Management Control Statement of Assurance to the Secretary in September 2019, as required by 2 FAM 022.7(5), bureau management did not have in place a robust process to identify and mitigate internal controls risks such as fraud and program underperformance. As described in the Government Accountability Office's *Standards for Internal Control in the Federal Government*,¹⁴ managers are responsible for developing a control environment, assessing risk, developing reliable information sources for control activities, and monitoring activities. Additionally, 2 FAM 031 requires senior leaders to ensure that risk management is incorporated in decision-making in a systematic, appropriate, and transparent manner. Without a formal process to identify and mitigate risks, the bureau was at elevated risk of waste, fraud, and mismanagement.

Recommendation 1: The Bureau of Counterterrorism should implement a system to identify and mitigate internal control risks for its programs. (Action: CT)

POLICY OFFICES

OIG reviewed the bureau's regional and multilateral policy coordination; implementation of information sharing agreements and programs supporting the creation and maintenance of watch lists; efforts to counter violent extremism; statutory reports on terrorism; coordination of sensitive operations; and FEST operational readiness. In interviews with OIG, stakeholders in other agencies and Department bureaus described CT's working-level policy staff as effective and well prepared in advancing its policy agenda. OIG found the bureau's wide range of highly specialized policy and operational activities¹⁵ required intensive coordination within CT and with its external partners. Despite occasional friction among offices—particularly on new policy responsibilities such as terrorist detentions and Defeat ISIS Coalition management—OIG determined the bureau established effective internal policy coordination processes. OIG concluded CT generally met Department requirements for policy and program management. However, in assessing three of CT's core functions—countering violent extremism, regional field coordinators, and Country Reports on Terrorism—OIG found the bureau did not meet its requirements in two of the three functions, as discussed below.

¹³ ISP-I-20-14, report not yet released.

¹⁴ Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014), at 9.

¹⁵ For example, CT leads on policy issues such as soft target security/critical infrastructure security and resilience, racially and ethnically motivated terrorism, battlefield evidence collection, and terrorist designations under authorities delegated to the Department of State, among others.

Countering Violent Extremism

Bureau Framework To Set Goals for Countering Violent Extremism Generally Effective

CT developed a generally effective framework for setting goals and coordinating its policy efforts to counter violent extremism (CVE). As described in 1 FAM 486.1, the bureau's Office of Countering Violent Extremism leads the Department's international engagement and assistance efforts to prevent violent extremists and their supporters from radicalizing, recruiting, or inspiring individuals to acts of violence. Since establishing the office in 2016, the bureau has integrated emerging policy priorities— such as cooperation with technology companies to prevent terrorist use of the internet—into its work. Other priorities included rehabilitation and reintegration of former terrorists¹⁶ and countering racially or ethnically motivated terrorism. CT employees and other Department stakeholders told OIG the bureau effectively articulated and coordinated its CVE policy goals. A 2017 external evaluation¹⁷ of CVE programs, conducted in response to a Government Accountability Office audit,¹⁸ found the bureau had significantly improved its analysis and goal setting. At the time of the inspection, CT was in the process of implementing recommendations from a 2019 OIG audit,¹⁹ which staff said would strengthen the office's ability to develop and enforce guidelines for CVE activities conducted by other Department bureaus and offices.

Regional Field Coordinators

Bureau Did Not Use Regional Field Coordinators Effectively

The bureau did not effectively use six overseas Regional Field Coordinators²⁰ to advance regional counterterrorism priorities. Specifically, OIG found CT did not provide sufficient policy guidance, training, and administrative support to the Regional Field Coordinators, as required in 3 FAM 1214b(3). Field coordinators consistently told OIG they lacked the clear bureau guidance necessary for them to perform their regional responsibilities to coordinate and report on counterterrorism issues and activities. As a result, they focused mainly on bilateral political issues in their countries of assignment and did not regularly engage and report on regional issues. For example, OIG's analysis of cables prepared by field coordinators in FY 2019 found that only 1 of 27 cables addressed regional counterterrorism issues. Deputy Chief of Mission

¹⁶ Specifically, the bureau expanded its engagement to address the return of foreign terrorist fighters and their family members from the conflict in Syria.

¹⁷ Dexis Consulting Group, *Program and Process Evaluation of the CT CVE Program, Final Evaluation Report (Highlights)*, February 7, 2017.

¹⁸ Government Accountability Office, *Combatting Terrorism: State Should Evaluate Its Countering Violent Extremism Program and Set Timeframes for Addressing Evaluation Recommendations* (GAO-15-684, March 2015).

¹⁹ OIG, *Audit of Department of State Implementation of Policies Intended to Counter Violent Extremism* (AUD-MERO-19-27, June 2017).

²⁰ As described in 1 FAM 483(7), CT directs the Regional Strategic Initiative, including the Regional Field Coordinators assigned to it. This initiative enables flexible civilian responses to trans-regional threat and builds partner capacity and coordination necessary to promote regional responses to terrorism. The six field coordinators are Foreign Service officers assigned to embassies in Algeria, Greece, Kenya, India, Malaysia, and Turkey.

respondents to an OIG survey echoed these concerns. In response to a question about the effectiveness of Regional Field Coordinators, 34 of 36 respondents who expressed opinions on, or desire for, interaction with CT on terrorist issues gave negative views in either numerical scores or comments, while 2 gave positive views.

Regional Field Coordinators attributed these problems, in part, to a lack of a dedicated travel budget, training program, or inclusion in senior-level level travel to countries for which they are responsible. In addition, Washington-based employees cited uncertainty within the bureau about how to best use Regional Field Coordinators and a lack of clarity about their role, if any, in managing foreign assistance programs. OIG concluded the bureau needed to review the operating practices of other bureaus with similar positions²¹ in the context of developing a more effective model for their use. Without clear policy guidance, training, and support, the bureau risked not making full use of Regional Field Coordinators to promote regional counterterrorism priorities.

Recommendation 2: The Bureau of Counterterrorism should implement a plan to improve policy guidance, training, and administrative support for Regional Field Coordinators.
(Action: CT)

Country Reports on Terrorism

Country Reports on Terrorism Were Chronically Late

The bureau consistently failed to meet statutory deadlines for preparing the Country Reports on Terrorism.²² These reports are the bureau's flagship public product, and Congress, the media, and the public rely on these materials as an authoritative statement of terrorist incidents worldwide. Notwithstanding the importance of these documents, in the 8 years prior to the inspection, the bureau met the statutory publication deadline only once. The most recent reports, for 2018 activity, were published 6 months late. The bureau cited the lapse of appropriations in FY 2018 and FY 2019, staffing shortfalls, and the selection of a new contractor to produce the reports and statistical annex as causes for the delay in publishing the 2018 reports. However, OIG identified other factors that contributed to delays. These included a lack of senior leadership involvement in the reports' production process, failure to comply with existing standard operating procedures, an ineffective clearance tracking system, and lack of bureau oversight of the new contractor. Delays in publishing the reports diminish their usefulness as a source of information and as a diplomatic tool to influence counterterrorism policy.

²¹ These include the Bureaus of Population, Refugees, and Migration; International Narcotics and Law Enforcement Affairs; and Oceans, Environment, and International Scientific Affairs, among others.

²² As described in 22 U.S.C. Section 2656f, the Department must provide to Congress a full and complete report on terrorism for those countries meeting the criteria in the law by April 30 annually.

Recommendation 3: The Bureau of Counterterrorism should update and enforce standard operating procedures to ensure issuance of the Country Reports on Terrorism by the congressionally mandated deadlines. (Action: CT)

Contracting Officer's Representative Lacked Substantive Program Knowledge

CT assigned an employee without substantive program knowledge to serve as the contracting officer's representative (COR) for the technical support contract to prepare the statistical annex to the Country Reports on Terrorism. The COR is a program analyst in the Office of the Executive Director whose job duties do not directly involve the Country Reports on Terrorism. Bureau employees told OIG methodology changes and the transition to a new contractor complicated production of the statistical annex. Staff said these challenges require the COR to have substantive program knowledge in order to properly manage the contract. According to 14 Foreign Affairs Handbook (FAH)-2 H-143a, a COR must have sufficient technical expertise on the contract's subject matter to perform effective oversight. In addition, 14 FAH-2 H-142 lists the COR's responsibilities, which include monitoring and resolving technical issues, performing inspections, and evaluating the contractor's performance. Inadequate contract oversight can lead to substandard contractor performance and delays in completing contract deliverables.

Recommendation 4: The Bureau of Counterterrorism, in coordination with the Bureau of Administration, should designate an employee with substantive knowledge of contract 19AQMM18F2561 as the contracting officer's representative. (Action: CT, in coordination with A)

Contract Lacked Quality Assurance Surveillance Plan

The bureau did not prepare a quality assurance surveillance plan for the technical support contract under which the statistical annexes to the Country Reports on Terrorism are prepared. The purpose of a surveillance plan is to monitor contractor performance to ensure that goods or services received comply with contract quality requirements. As stated in Federal Acquisition Regulation (FAR) 46.401(a), a quality assurance surveillance plan should be prepared in conjunction with the statement of work. In addition, FAR 46.103(b) states contracting officers are responsible for including in the contract the appropriate quality control requirements. Neither of these actions occurred. The COR stated he was unfamiliar with the surveillance plan requirement. Without a quality assurance surveillance plan, the Government cannot be assured contractor performance is routinely monitored, inspected, and documented.

Recommendation 5: The Bureau of Counterterrorism, in coordination with the Bureau of Administration, should develop a quality assurance surveillance plan for contract 19AQMM18F2561, in accordance with Department standards. (Action: CT, in coordination with A)

ADMINISTRATIVE OPERATIONS

OIG reviewed human resources, general services, financial management, and contracting functions carried out by CT's Office of the Executive Director (EX). OIG determined the bureau complied with Department standards related to administrative functions, with the exceptions described below. The bureau acknowledged these issues and agreed corrective actions were needed. During the inspection, CT leadership approved a new Deputy Executive Director position. OIG advised the bureau that adding this position presented an opportunity for EX to take stock of its operations, identify weaknesses, prioritize areas for improvement, and implement corrective actions.

Bureau Lacked Standards To Measure Services and Communicate With Customers

CT did not have systems in place to measure the results of key administrative activities and efficiently communicate with bureau customers. As a result, employees generally were dissatisfied with EX, which they described as unresponsive to customer needs. Employees consistently raised with OIG difficulties they experienced in receiving timely and accurate information in response to inquiries, challenges in obtaining basic items such as office supplies and Government cell phones, and a lack of responsiveness in addressing perceived workplace safety issues. OIG's 2006 and 2012 CT inspections²³ also identified insufficient administrative support as a key bureau management challenge. In this inspection, of the 96 respondents to OIG's bureau-wide survey, 50 percent rated EX's overall performance as fair or poor. The Government Accountability Office's *Standards for Internal Control in the Federal Government*,²⁴ states organizations should have systems in place to carry out duties efficiently, measure the results of key activities, and effectively communicate throughout the organization. OIG determined customer dissatisfaction resulted, in part, from a failure to evaluate key activities—through such means as performance metrics, tracking systems, and periodic customer service surveys—to uncover needed performance improvements. Without such measurements, EX was unable to adequately support the bureau.

Recommendation 6: The Bureau of Counterterrorism should implement a plan to measure the effectiveness of administrative services, make service improvements based on these metrics, and communicate regularly about administrative issues within the bureau. (Action: CT)

Staffing Shortfalls Hampered Bureau Operations

The bureau's inability to fill vacant Civil Service positions hampered its operations. For example, owing partly to delays caused by the hiring freeze, CT was unable to establish and fill four positions in the Office of Terrorist Detentions for more than 2 years, which resulted in

²³ OIG, *Inspection of the Office of the Coordinator for Counterterrorism*, (ISP-I-06-25A, March 2006); *Inspection of the Bureau of Counterterrorism* (ISP-I-12-32A, June 2012).

²⁴ GAO-14-704G, September 2014, "Objectives of an Entity" at 12-13; "Design of Appropriate Types of Control Activities" at 45-46; "Communication Throughout the Entity" at 60-61.

additional work and inefficiencies in setting up an office with key policy responsibilities. At the time of the inspection, the bureau told OIG 20 of its 92 authorized Civil Service positions were vacant—a rate of nearly 22 percent. OIG identified several factors that contributed to this problem. First, the Bureau of Global Talent Management, Office of Talent Services (formerly the Bureau of Human Resources, Office of Shared Services), did not meet timeliness metrics established in its service-level agreement with CT.²⁵ OIG reviewed four hiring actions from 2019 and found the Office of Talent Services failed to meet timeliness metrics for any of them. The office acknowledged it had a Department-wide backlog of recruitment actions, in part because of a recently concluded hiring freeze.²⁶ Because of a planned OIG audit on this subject, OIG did not make recommendations to the Bureau of Global Talent Management to address this issue.

Second, CT's human resource specialists and hiring managers did not always efficiently carry out the hiring process steps for which they were responsible. To improve communication between EX and hiring managers, EX began distributing a list of vacant positions and their status to bureau Deputy Coordinators in September 2019, at the direction of the Coordinator. However, the list did not include milestones for actions to be taken by CT hiring managers and HR staff. OIG advised the bureau to broaden distribution of the list to hiring managers and to include due dates to improve collaboration among offices, which it agreed to do.

INFORMATION MANAGEMENT AND INFORMATION SECURITY

OIG reviewed the bureau's management of classified and unclassified computer operations; physical protection of IT resources; emergency action preparedness; bureau-developed information systems; and FEST communications. Because the Bureau of Information Resource Management provided consolidated support for network and desktop management, OIG did not review those services. As described below, OIG found the bureau did not implement some aspects of the Department's information security program, resulting in operational deficiencies. Furthermore, bureau information systems failed to meet business needs and Department information security requirements.

Software System Failed To Meet Bureau Needs

OIG found the bureau did not deploy an electronic system intended to automate document clearance processes, in part, because the bureau did not take into account users' requirements and needs as part of the system's development lifecycle process, as required by 12 FAH-10 H-342.2-1. The bureau created the system, known as CT Tasker Tracker, in January 2018 at a cost of approximately \$200,000. However, bureau employees said that the system was difficult to use and did not enable efficient document clearances, leading to a decision to suspend deployment after initial testing. IT employees told OIG they were uncertain whether to deploy

²⁵ As described in the service-level agreement, the Office of Talent Services is responsible for certain aspects of Civil Service position classification and recruitment. The service-level agreement calls for completing recruitment functions within 80 days of the request's initiation.

²⁶ The effects of the hiring freeze on the Office of Talent Services are described in OIG's report, *Review of the Effects of the Department of State Hiring Freeze* (ISP-I-19-23, August 2019).

the system or seek an alternative system that better meets employees' needs. Without a decision about the future of the system, the bureau risked wasting funds.

Recommendation 7: The Bureau of Counterterrorism should assess the viability of the CT Tasker Tracker and make a decision regarding its future use. (Action: CT)

Bureau Lacked an Emergency Action Plan

CT did not have a completed bureau emergency action plan, as required by 6 FAM 416.2. Bureaus are required to develop bureau emergency action plans to identify, prioritize, and perform functions when adverse events affect operations. The bureau did not complete the plan because of competing priorities. Without a bureau emergency action plan, CT was unprepared to respond in the event of a major event that could disrupt its operations.

Recommendation 8: The Bureau of Counterterrorism should comply with Department standards to prepare a bureau emergency action plan. (Action: CT)

Bureau Lacked a Personal Use Policy for Cell Phones

The bureau did not have a policy on personal use of U.S. Government cell phones, as required by 5 FAM 526.1c. OIG determined the bureau did not issue such a policy because of competing priorities. Without such a policy, the bureau lacked assurances that U.S. Government-issued cell phones would be used only for authorized purposes.

Recommendation 9: The Bureau of Counterterrorism should establish a policy on personal use of U.S. Government cell phones in accordance with Department standards. (Action: CT)

Bureau Did Not Have Information Technology Contingency Plans

CT lacked unclassified and classified IT contingency plans for continuance of essential mission and business functions during unplanned system outages or disruptions, as required by 12 FAH-10 H-232.1-1a-b. OIG found the bureau did not complete its IT contingency plans because of competing priorities and a heavy workload. The lack of IT contingency plans placed at risk the bureau's ability to support IT functions after an unplanned disruption.

Recommendation 10: The Bureau of Counterterrorism should complete and implement information technology contingency plans for the unclassified and classified networks in accordance with Department standards. (Action: CT)

Bureau Did Not Establish a Records Management Program

The bureau did not establish a records management program to institute controls over records creation, maintenance, and disposition. In addition, OIG found the bureau had never retired official records. Department standards in 5 FAM 414.8(1) require that all Department employees preserve documentary materials meeting the definition of a record under the Federal Records Act. In addition, 5 FAM 414.4b assigns responsibility to bureau executive

offices to implement and administer records policies, standards, systems, and procedures issued by the Department's Records Officer, which the bureau never did. The lack of an effective records management program could result in the loss of important data for historical insight into policy analysis, decision making, and archival research.

Recommendation 11: The Bureau of Counterterrorism should establish a records management program that complies with Department standards. (Action: CT)

RECOMMENDATIONS

OIG provided a draft of this report to Department stakeholders for their review and comment on the findings and recommendations. OIG issued the following recommendations to the Bureau of Counterterrorism. The bureau's complete response can be found in Appendix B.¹ The bureau also provided technical comments that were incorporated into this report, as appropriate.

Recommendation 1: The Bureau of Counterterrorism should implement a system to identify and mitigate internal control risks for its programs. (Action: CT)

Management Response: In its May 1, 2020, response, the Bureau of Counterterrorism concurred with this recommendation. The bureau noted an expected completion date of July 1, 2020.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Counterterrorism implemented a system to identify and mitigate internal control risks for its programs.

Recommendation 2: The Bureau of Counterterrorism should implement a plan to improve policy guidance, training, and administrative support for Regional Field Coordinators. (Action: CT)

Management Response: In its May 1, 2020, response, the Bureau of Counterterrorism concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Counterterrorism implemented a plan to improve policy guidance, training, and administrative support for Regional Field Coordinators.

Recommendation 3: The Bureau of Counterterrorism should update and enforce standard operating procedures to ensure issuance of the Country Reports on Terrorism by the congressionally mandated deadlines. (Action: CT)

Management Response: In its May 1, 2020, response, the Bureau of Counterterrorism concurred with this recommendation.

¹ OIG faced delays in completing this work because of the COVID-19 pandemic and resulting operational challenges. These challenges included the inability to conduct most in-person meetings, limitations on our presence at the workplace, difficulty accessing certain information, prohibitions on travel, and related difficulties within the agencies we oversee, which also affected their ability to respond to our requests.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Counterterrorism updated and enforced standard operating procedures to ensure issuance of the Country Team Reports on Terrorism by the congressionally mandated deadlines.

Recommendation 4: The Bureau of Counterterrorism, in coordination with the Bureau of Administration, should designate an employee with substantive knowledge of contract 19AQMM18F2561 as the contracting officer's representative. (Action: CT, in coordination with A)

Management Response: In its May 1, 2020, response, the Bureau of Counterterrorism concurred with this recommendation. The bureau noted an expected completion date of July 2020.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that an employee with substantive knowledge of contract 19AQMM18F2561 was designated as the contracting officer's representative.

Recommendation 5: The Bureau of Counterterrorism, in coordination with the Bureau of Administration, should develop a quality assurance surveillance plan for contract 19AQMM18F2561, in accordance with Department standards. (Action: CT, in coordination with A)

Management Response: In its May 1, 2020, response, the Bureau of Counterterrorism concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of a quality assurance surveillance plan for contract 19AQMM18F2561.

Recommendation 6: The Bureau of Counterterrorism should implement a plan to measure the effectiveness of administrative services, make service improvements based on these metrics, and communicate regularly about administrative issues within the bureau. (Action: CT)

Management Response: In its May 1, 2020, response, the Bureau of Counterterrorism concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Counterterrorism implemented a plan to measure the effectiveness of administrative services, make service improvements based on these metrics, and communicate regularly about administrative issues within the bureau.

Recommendation 7: The Bureau of Counterterrorism should assess the viability of the CT Tasker Tracker and make a decision regarding its future use. (Action: CT)

Management Response: In its May 1, 2020, response, the Bureau of Counterterrorism concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the Bureau of Counterterrorism's decision on the viability and future use of the CT Tasker Tracker.

Recommendation 8: The Bureau of Counterterrorism should comply with Department standards to prepare a bureau emergency action plan. (Action: CT)

Management Response: In its May 1, 2020, response, the Bureau of Counterterrorism concurred with this recommendation. The bureau noted an expected completion date of June 2020.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the Bureau of Counterterrorism's emergency action plan.

Recommendation 9: The Bureau of Counterterrorism should establish a policy on personal use of U.S. Government cell phones in accordance with Department standards. (Action: CT)

Management Response: In its May 1, 2020, response, the Bureau of Counterterrorism concurred with this recommendation. The bureau noted an expected completion date of June 2020.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of a policy on the personal use of U.S. Government cell phones.

Recommendation 10: The Bureau of Counterterrorism should complete and implement information technology contingency plans for the unclassified and classified networks in accordance with Department standards. (Action: CT)

Management Response: In its May 1, 2020, response, the Bureau of Counterterrorism concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that information technology contingency plans for the unclassified and classified networks were implemented in accordance with Department standards.

Recommendation 11: The Bureau of Counterterrorism should establish a records management program that complies with Department standards. (Action: CT)

Management Response: In its May 1, 2020, response, the Bureau of Counterterrorism concurred with this recommendation. The bureau noted an estimated completion date of December 2020.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of a Bureau of Counterterrorism records management program that complies with Department standards.

PRINCIPAL OFFICIALS

Position	Name	Start Date
Coordinator	Nathan A. Sales	08/2017
Principal Deputy Coordinator	Alina Romanowski	11/2016
Deputy Coordinator	John Godfrey	07/2018
Deputy Coordinator	Hillary Batjer Johnson	01/2015
Deputy Coordinator	Christopher Harnisch	09/2018
Deputy Coordinator	Christopher Landberg	09/2019
Executive Director	Jennifer Kandler	05/2017

Source: Generated by OIG from data provided by the Bureau of Counterterrorism.

APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

This inspection was conducted from September 3, 2019, to January 29, 2020, 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 Inspections Handbook, as issued by the Office of Inspector General (OIG) for the U.S. Department of State (Department) and the U.S. Agency for Global Media (USAGM).

Objectives and Scope

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

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

The specific objectives for this inspection included determining whether:

- The Coordinator and the Principal Deputy Coordinator's performance adheres to leadership principles and whether the Bureau of Counterterrorism's (CT) Front Office establishes and encourages constructive working relationships and strategic planning processes with other bureaus.
- The bureau complies with requirements on financial management systems, procedures, and internal controls.
- The bureau provides clear policy and program direction and guidance to its overseas coordinators.
- The bureau has established clear, defined goals and objectives for countering violent extremism activities, as well as the means to measure and evaluate progress toward those goals, and has carried out evaluations.
- CT and the Bureau of Global Talent Management, Office of Talent Management (formerly the Bureau of Human Resources, Office of Shared Services) are performing in accordance with the hiring metrics outlined in the service-level agreement.

- The bureau's Office of the Executive Director is delivering effective and efficient operations that meet customer needs.
- Classified and unclassified information system operations are compliant with Department standards.
- CT is performing records management responsibilities as required.
- CT has drafted and approved a bureau emergency action plan.

Methodology

In conducting inspections, OIG uses a risk-based approach to prepare for each inspection; reviews pertinent records; circulates surveys and compiles the results, as appropriate; conducts interviews with Department and on-site personnel; observes daily operations; and reviews the substance of the report and its findings with offices, individuals, and organizations affected by the review. OIG uses professional judgment, along with physical, documentary, testimonial, and analytical evidence collected or generated, to develop findings, conclusions, and actionable recommendations.

APPENDIX B: MANAGEMENT RESPONSE



United States Department of State

Washington, D.C. 20520

May 1, 2020

UNCLASSIFIED

TO: OIG – Sandra Lewis, Assistant Inspector General for Inspections

FROM: CT – Nathan A. Sales, Ambassador-at-Large/Coordinator for Counterterrorism

SUBJECT: Response to Draft OIG Report – Inspection of Bureau of Counterterrorism

(U) CT Bureau welcomes OIG’s draft inspection reports. We are grateful for OIG’s feedback on what we are doing well and its recommendations on what we might improve. We will use these reports to further refine CT’s effectiveness in executing our mission. On February 14, CT stood up a steering group to begin the process of implementing anticipated OIG recommendations. We established this steering group months in advance of receiving the draft reports to ensure that we would be able to implement OIG’s recommendations expeditiously. The steering group was also charged with proposing and implementing more general changes to improve CT’s overall effectiveness. To date, CT has fully implemented five of the eleven recommendations in this draft unclassified report and has made substantial progress toward implementing the other recommendations. CT offers the following responses to the OIG’s recommendations:

OIG Recommendation 1: The Bureau of Counterterrorism should implement a system to identify and mitigate internal control risks for its programs. (Action: CT)

Management Response: The Bureau of Counterterrorism concurs with the recommendation. CT’s Office of Programs (CT/P) has been reviewing options for implementation of a risk management framework since the OIG’s inspection. CT/P has consulted with other Bureaus, management consultants, and OIG personnel to develop an approach that will enable CT to document, mitigate, and manage risk to assistance programs. Considerations for the framework include: 1) ensuring assistance does not provide material support to a terrorist or related organization; 2) management controls on implementing entities, including assessing those partners’ track records of activities and financial reporting; 3) the ability to successfully implement programs in partner countries, including partner countries’ assessed political will and absorptive capacity; 4) the security environment in the partner country; and 5) political and/or perception risks associated with undertaking CT- and security-related lines of effort in countries where human rights, religious freedom, rule of law and other fundamental values are not regularly observed. CT is developing a standard operating procedure for risk management that

will include: 1) a template for assessing newly proposed and ongoing programs; 2) a process for coordinating those assessments with policy offices within CT and with other bureaus and agencies undertaking similar efforts, as well as using existing platforms such as the Counterterrorism Assistance Planning Event (CAPE), to initiate reviews; 3) a formal mechanism, keyed to the template, for quickly informing senior CT Bureau leadership of emerging concerns in countries in which programs are already underway; and 4) a quarterly reporting function that will highlight any programs that are “at risk” to CT Bureau Front Office leadership. CT expects to finalize a Risk Management Framework by July 1, 2020.

OIG Recommendation 2: The Bureau of Counterterrorism should implement a plan to improve policy guidance, training, and administrative support for Regional Field Coordinators. (Action: CT)

Management Response: The Bureau of Counterterrorism concurs with the OIG’s recommendation. CT’s Offices of South and Central Asia and the Near East (SCAN) and Africa, Europe, Asia, and the Americas (AEAA), in coordination with the Regional Field Coordinators, regional bureaus (which control the FTE billets for Regional Field Coordinator positions), and relevant CT offices, are currently conducting a review of the Regional Field Coordinator (RFC) program. As part of this process, we will solicit input on whether to maintain an improved version of the model moving forward. If there is agreement that the RFC program should be continued, CT will coordinate the development and implementation of a plan that improves policy guidance, training, and administrative support for the RFCs. A final decision will be made by July 1, 2020.

OIG Recommendation 3: The Bureau of Counterterrorism should update and enforce standard operating procedures to ensure issuance of the Country Reports on Terrorism by the congressionally mandated deadlines. (Action: CT)

Management Response: The Bureau of Counterterrorism concurs with the recommendation to update and enforce standard operating procedures related to the production and delivery of the Country Reports on Terrorism. CT revised its standard operating procedures for production of the CRT in November 2019. The new SOP identifies efficiencies to support the report’s delivery in accordance with the Congressional deadline.

OIG Recommendation 4: The Bureau of Counterterrorism, in coordination with the Bureau of Administration, should designate an employee with substantive knowledge of contract 19AQMM18F2561 as the contracting officer’s representative. (Action: CT, in coordination with A)

Management Response: The Bureau of Counterterrorism, in coordination with the Bureau of Administration, concurs with the recommendation. The Bureau’s senior Public Affairs Officer, who coordinates the Country Reports on Terrorism, will assume the contracting officer’s representative (COR) duties upon completion of the COR certification requirements. The senior Public Affairs Officer expects to complete the required certification requirements and assume this responsibility by July 2020.

OIG Recommendation 5: The Bureau of Counterterrorism, in coordination with the Bureau of Administration, should develop a quality assurance surveillance plan for contract 19AQMM18F2561, in accordance with Department standards. (Action: CT, in coordination with A)

Management Response: The Bureau of Counterterrorism, in coordination with the Bureau of Administration (A), concurs with the recommendation and have developed a Quality Assurance Surveillance Plan (QASP) for contract 19AQMM18F2561.

OIG Recommendation 6: The Bureau of Counterterrorism should implement a plan to measure the effectiveness of administrative services, make service improvements based on these metrics, and communicate regularly about administrative issues within the bureau. (Action: CT)

Management Response: The Bureau of Counterterrorism concurs with the recommendation. CT/EX has developed a multi-part plan to respond to this recommendation. The plan consists of: 1) including a survey link on all EX requests to provide feedback to individual CT/EX employees with the aim of making timely adjustments to service; 2) an annual CT Bureau survey to assess the overall effectiveness of administrative services; and 3) establishment of a CT/EX General Services Request SharePoint site. This SharePoint site will become the central node for the Bureau to request and track EX-related services. CT/EX is working to bring the survey links online by May 2020. All feedback will be collected by the EX Director, regularly reviewed by the PDAS, and incorporated into the EX staff performance reviews. The Request SharePoint site will be launched by June 2020 and the annual EX survey will be conducted in October. In addition to the above measures, CT/EX is pursuing internal and external options for customer service training, and is soliciting best practices from other EX Offices.

OIG Recommendation 7: The Bureau of Counterterrorism should assess the viability of the CT Tasker Tracker and make a decision regarding its future use. (Action: CT)

Management Response: The Bureau of Counterterrorism concurs with the recommendation and has determined that the CT Tasker Tracker is not a viable tool for tracking taskings and paper. Should the CT Bureau pursue a new, alternative solution to track paper, it will comply with the standards outlined in 5 FAH-5 H-217.1 and 12 FAH-10 H 342.2-1. CT continues to monitor IRM's efforts to develop a Department-wide tasker tracker and clearance system, and its potential utility for the CT Bureau.

OIG Recommendation 8: The Bureau of Counterterrorism should comply with Department standards to prepare a bureau emergency action plan. (Action: CT)

Management Response: The Bureau of Counterterrorism concurs with the recommendation. CT/EX is currently finalizing the draft emergency action plan (EAP) language and will clear it with CT Bureau offices and take steps necessary to achieve prescribed readiness levels. The expected completion date for the EAP is June 2020.

OIG Recommendation 9: The Bureau of Counterterrorism should establish a policy on personal use of U.S. Government cell phones in accordance with Department standards. (Action: CT)

Management Response: The Bureau of Counterterrorism concurs with the recommendation. CT/EX is currently finalizing the policy, which it expects to promulgate in June 2020.

OIG Recommendation 10: The Bureau of Counterterrorism should complete and implement information technology contingency plans for the unclassified and classified networks in accordance with Department standards. (Action: CT)

Management Response: The Bureau of Counterterrorism concurs with the OIG recommendation that there should be information technology contingency plans for the classified and unclassified networks. CT is a consolidated domestic bureau and falls under IRM's contingency plans for its unclassified and classified networks, including addressing disruptions or restoration of service to the classified and unclassified networks. Going forward, CT will adhere to the guidelines within 12 FAH-10 H-232.1-1a-b as they pertain to implementing information technology contingency plans for any bureau-specific application(s).

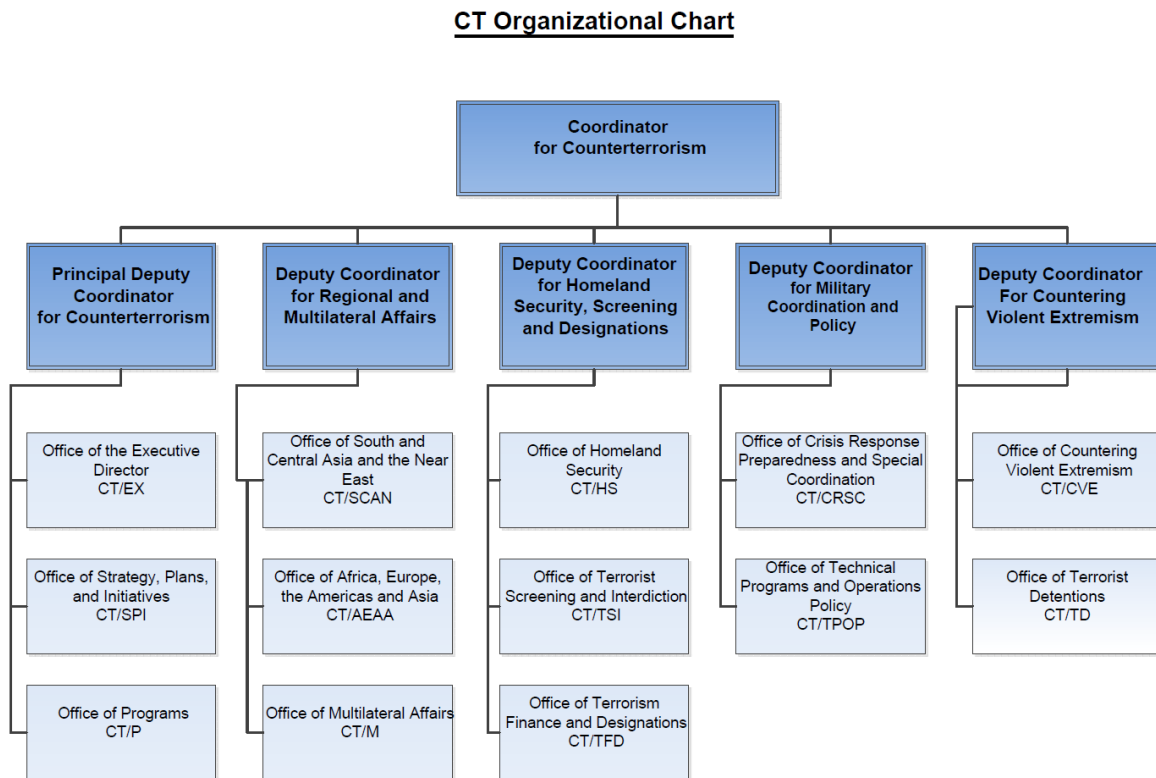
OIG Recommendation 11: The Bureau of Counterterrorism should establish a records management program that complies with Department standards. (Action: CT)

Management Response: The Bureau of Counterterrorism concurs with the recommendation. CT/EX has constituted a working group that will create, oversee, and maintain a records management program for the CT Bureau. The draft records management SOP will be completed by December 2020.

APPENDIX C: BUREAU OF COUNTERTERRORISM ORGANIZATIONAL STRUCTURE AND FUNDING

The Bureau of Counterterrorism (CT) is led by the Coordinator for Counterterrorism who has the rank of Ambassador at Large. The bureau leads the Department's efforts on international strategy, policy, and operations. The bureau has wide-ranging responsibilities, from international information-sharing to foreign assistance programs, as well as new responsibilities involving terrorist detention and repatriation issues and managing aspects of the Global Coalition to Defeat the Islamic State in Iraq and Syria. Below is the CT organizational chart and a breakdown of its foreign assistance funding.

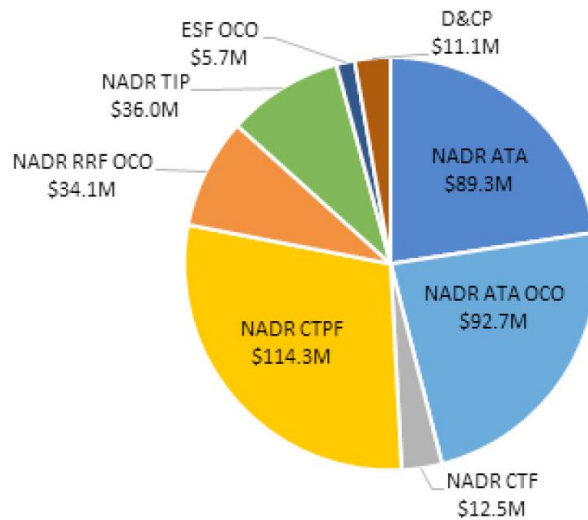
Figure 1: Bureau of Counterterrorism Organizational Chart



Source: Bureau of Counterterrorism.

The bureau managed \$642 million in active foreign assistance program funds, including through annual and multiyear projects involving other Department bureaus and Federal agencies. Foreign assistance and operating account resources totaling \$395.7 million for FY 2018 are shown in Figure 2, below.

Figure 2: FY 2018 Bureau-Managed Resources



Source: Graph created by OIG from information provided by the Bureau of Counterterrorism.

The graph uses the following abbreviations:

NADR: Nonproliferation, Anti-terrorism, Demining and Related programs

CTPF: Counterterrorism Partnerships Fund

ATA: Anti-terrorism Assistance

OCO: Overseas Contingency Operations

TIP: Terrorist Interdiction Program

RRF: Relief and Recovery Fund

CTF: Counterterrorism Financing

D&CP: Diplomatic and Consular Programs

ESF: Economic Support Funds

ABBREVIATIONS

COR	Contracting Officer's Representative
CT	Bureau of Counterterrorism
CTPF	Counterterrorism Partnership Fund
CVE	Counter Violent Extremism
EX	Office of the Executive Director
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
FAR	Federal Acquisition Regulation
FEST	Foreign Emergency Support Team

OIG INSPECTION TEAM MEMBERS

Joseph Macmanus, Team Leader

Arne Baker, Team Manager

J. Spry Baltz

Wes Carrington

John Lightner

Benjamin Moeling

Daniel Pak

Paul Sanders

Iris Rosenfeld

Ami Schaefer

Gregory Winstead

Other Contributors

Ellen Engels

Caroline Mangelsdorf



HELP FIGHT

FRAUD, WASTE, AND ABUSE

1-800-409-9926

www.stateoig.gov/HOTLINE

If you fear reprisal, contact the
OIG Whistleblower Coordinator to learn more about your rights.

WPEAOmbuds@stateoig.gov