



*Office of Inspector General
Export-Import Bank
of the United States*

Management Advisory: Regional Office Concerns Identified

*February 27, 2023
OIG-O-23-01*



Office of Inspector General

To: Liz Ryan
Acting Chief Management Officer

Tamara Maxwell
Acting Senior Vice President of Small Business

From: Michael Ryan 
Assistant Inspector General for Special Reviews

Subject: Management Advisory: Regional Office Concerns Identified

Date: February 27, 2023

Attached is a Management Advisory related to meetings the Office of Inspector General (OIG) conducted with employees in the Export-Import Bank of the United States' (EXIM or agency) regional offices. OIG conducted the meetings from September 2022 through December 2022.

The purpose of the Management Advisory is to inform you and EXIM's management team about concerns identified during OIG's meetings with employees of the regional offices. This Management Advisory does not include any recommendations. However, OIG encourages EXIM to consider the identified issues and take appropriate actions to remedy employee concerns. OIG intends to conduct follow-up on the concerns identified, including through previously announced OIG audits of EXIM's human capital management and travel functions.

We appreciate the courtesies and cooperation extended to us during the meetings. If you have any questions or comments regarding this Management Advisory, please contact me at michael.ryan@exim.gov or 202-565-3963.



CONTEXT AND METHODOLOGY

This Management Advisory presents the results of meetings OIG employees conducted with EXIM employees assigned to 10 of the agency's regional offices to increase their awareness of OIG's role and obtain feedback on the role of the regional offices with respect to EXIM's programs and operations. Specifically, OIG interviewed officials associated with regional offices located in: (1) Atlanta, Georgia; (2) Chicago, Illinois; (3) Houston, Texas; (4) Irvine, California; (5) Los Angeles, California; (6) Miami, Florida; (7) Minneapolis, Minnesota; (8) New York, New York; (9) San Diego, California; and (10) Seattle, Washington. Additionally, OIG met with five EXIM delegated lenders. This Management Advisory conveys concerns identified during the above-referenced meetings. OIG is not making recommendations in this report but, instead, encourages EXIM leadership to consider whether actions are required to address the identified employee concerns. OIG intends to conduct follow-up on the issues identified, including through previously announced OIG audits of EXIM's human capital management and travel functions.

OIG conducted the regional office and delegated lender meetings from September 2022 through December 2022. Conversations with EXIM headquarters staff were not within the scope of the review design because those officials are afforded the opportunity to speak to OIG about management issues on an annual basis in the process of creating OIG's major management challenges report. Given that this review drew expertise from an interdisciplinary team of oversight professionals, it is not considered an audit or an evaluation. Therefore, the review was not performed in accordance with the *Generally Accepted Government Auditing Standards* issued by the U.S. Government Accountability Office or the *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). The review instead followed CIGIE's *Quality Standards for Federal Offices of Inspector General*. OIG believes that the evidence obtained provides a reasonable basis for the concerns outlined below.

RESULTS

During OIG's meetings with the regional offices, EXIM employees identified concerns related to the strategic management of EXIM's regional offices as well as the agency's human capital management and travel functions. As described below, regional office employees told OIG that EXIM lacked strategic outlook or vision regarding its regional offices, including the geographic placement of the offices. Employees also expressed concerns related to EXIM's human capital management and travel that specifically impacted the regional offices. OIG notes that some of these same concerns are mirrored in OIG's *Fiscal Year 2022 Major Management Challenges* report.¹ Additionally, OIG previously announced audits of EXIM's human capital management and travel functions, which will allow OIG to follow-up on some of the issues described below.

¹ *Fiscal Year 2022 Major Management Challenges*, dated September 30, 2022 ([OIG-o-22-01](#)).

Strategic Management Concerns Expressed

The majority of EXIM’s regional office employees described concerns related to the strategic management of the regional offices. Specifically, employees expressed that EXIM lacked a strategic outlook or vision regarding its regional offices. For example, two employees told OIG that EXIM needed to examine where its regional offices are located to ensure business needs are met. Employees also reported that they do not receive timely information from employees located at EXIM’s Headquarters and that they lacked a clear understanding of their relationship with EXIM’s Office of Minority and Women-Owned Business Outreach Division.

Human Capital Management Concerns Expressed

The majority of EXIM’s regional office employees described concerns related to EXIM’s human capital management function. Specifically, employees expressed that previous human capital initiatives commenced by EXIM’s Office of Human Capital went unimplemented and EXIM left numerous regional office positions unfilled.² Additionally, the regional office employees expressed that EXIM’s succession planning, transparency, and professional growth were lacking and the agency’s onboarding process for new regional office employees was ineffective. OIG notes that EXIM’s Strategic Plan for Fiscal Years 2022-2026, includes, among other things, initiatives to update the agency’s onboarding activities, recruitment and hiring activities, and succession planning with at least 80 percent of EXIM’s offices by Fiscal Year 2026.³

Travel Concerns Expressed

The majority of EXIM’s regional office employees described concerns related to EXIM’s travel function. Specifically, the regional office employees expressed that they and the agency’s Headquarters employees often incurred travel expenses to attend conferences and meetings when local regional office employees could attend at little or no expense. The regional office employees also expressed that domestic and international travel by EXIM employees often lacked sufficient justification to support the need for the employees’ travel and that EXIM’s recently adopted trip request form process increased the agency’s overall travel expenses. Moreover, regional office employees indicated that they did not receive timely approvals to perform required travel which resulted in last-minute bookings, which increased travel costs.⁴

² Based on information provided by EXIM’s Office of Human Capital, the regional office staffing for 2017 to 2022 were: 25 in 2017; 22 in 2018; 19 in 2019; 18 in 2020; 21 in 2021; and 22 in 2022.

³ See EXIM’s Strategic Plan at <https://www.exim.gov/leadership-governance/strategic-plans/strategic-plan-fy-2022-2026>.

⁴ One EXIM employee said there was confusion as to who at EXIM should complete the Trip Request Form (i.e., each employee/traveler, EXIM’s front office, or the team if more than one employee was traveling).

CONCLUSION

The concerns cited in this Management Advisory outline the need for EXIM's management team to consider taking appropriate corrective actions to address employee concerns. As previously described, OIG's ongoing audits of EXIM's human capital management and travel functions may address some of the same issues and concerns cited in this Management Advisory. Accordingly, this Management Advisory does not include any recommendations to EXIM. Instead, OIG will include specific recommendations, if necessary, in our forthcoming audit reports.



Appendix: Management Comments



Helping American Businesses Win the Future

DATE: February 22, 2022

TO: The Honorable Parisa Salehi, Inspector General, Office of Inspector General

THROUGH: Mary Jean Buhler, Senior Vice President, and Chief Financial Officer **MARY BUHLER** Digitally signed by MARY BUHLER Date: 2023.02.22 13:17:57 -05'00'

FROM: Liz Ryan, Acting Chief Management Officer **ELIZABETH RYAN TH RYAN** Digitally signed by ELIZABETH RYAN Date: 2023.02.22 13:30:07 -05'00'

SUBJECT: Management Advisory: Regional Office Concerns Identified (February 8, 2023)

Dear Ms. Salehi,

Thank you for providing the Export-Import Bank of the United States (“EXIM” or “EXIM Bank”) management with the Office of Inspector General’s (“OIG”) draft *Management Advisory: Regional Office Concerns Identified*, OIG-O-23-01, dated February 8, 2023 (the “Report”).

EXIM appreciates the OIG informing EXIM’s management team about concerns identified during OIG’s meetings with employees of the regional offices. EXIM’s management team will follow-up on the issues raised and consider appropriate corrective actions to address employee concerns. In addition, EXIM looks forward to working cooperatively with the OIG as follow-up audits are conducted on the issues identified.

CC:

Reta Jo Lewis, Chair and President
Rebecca Webb, Senior Vice President and Chief of Staff
Hazeen Ashby, Senior Vice President, Deputy Chief of Staff and White House Liaison
Christopher Day, Senior Vice President, Office of Congressional and Intergovernmental Affairs
Kenneth Tinsley, Senior Vice President and Chief Risk Officer
James Burrows, Senior Vice President and Acting Chief Banking Officer
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