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Office of Inspector General  
United States Department of State

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AUD-SI-23-28

Office of Audits

September 2023

# **Audit of Selected Cooperative Agreements Supporting Department of State Refugee Resettlement Support Centers**

SECURITY AND INTELLIGENCE DIVISION

UNCLASSIFIED



# HIGHLIGHTS

Office of Inspector General  
United States Department of State

AUD-SI-23-28

## What OIG Audited

Individuals outside the United States seeking admission as refugees are typically processed through the United States Refugee Admissions Program, which is managed by the Department of State (Department), Bureau of Population, Refugees, and Migration (PRM). PRM funds organizations to manage overseas refugee Resettlement Support Centers (RSC) that assist in the processing of refugee applications.

The Office of Inspector General (OIG) conducted this audit to determine whether selected recipients of cooperative agreement funds supporting RSCs adhered to applicable federal requirements, Department policies and guidance, and award terms and conditions. To perform the audit, OIG conducted fieldwork at three RSCs with offices in Bangkok, Thailand; Istanbul, Turkey; Kuala Lumpur, Malaysia; and Nairobi, Kenya.

## What OIG Recommends

OIG offered 13 recommendations to address the deficiencies identified in this report and to determine the allowability of costs claimed. On the basis of PRM's response to a draft of this report, OIG considers all 13 recommendations resolved, pending further action. A synopsis of management's responses to the recommendations offered and OIG's reply follow each recommendation in the Audit Results section of this report. Responses received from PRM are included in their entirety in Appendix C.

**September 2023**

**OFFICE OF AUDITS**

SECURITY AND INTELLIGENCE DIVISION

## **Audit of Selected Cooperative Agreements Supporting Department of State Refugee Resettlement Support Centers**

### **What OIG Found**

The selected recipients of cooperative agreement funds supporting RSCs did not always adhere to federal requirements, Department guidance, and award terms and conditions. Specifically, OIG found that, of 60 refugee applications reviewed, 39 (65 percent) had deficiencies primarily related to administrative requirements. In addition, OIG found instances in which the RSCs did not maintain consistent information between the case management system and the physical case file as required. Specifically, 12 of 36 (33 percent) cases reviewed had differences. Furthermore, OIG found that none of the 12 RSC caseworkers observed conducted prescreening interviews in accordance with requirements. These deficiencies occurred, in part, because PRM's quality control processes did not address all applicable requirements. In addition, RSC caseworkers at times misinterpreted PRM guidance. Noncompliance with requirements could result in inconsistent refugee application information, applicants who are not fully informed about the refugee admissions process, and delays to an application process that can take years to complete.

OIG also found the selected award recipients did not always submit accurate performance reports. This occurred primarily because the performance report template provided by PRM did not include sufficient guidance for calculating performance data. As a result, performance reporting did not always represent the recipient's actual performance when underperforming or overperforming.

Finally, OIG found that selected award recipients did not always spend funds in accordance with federal requirements and award terms and conditions. Specifically, OIG tested 144 expenditures, totaling \$1,941,605, and found 24 expenditures (17 percent) were unallowable. Generally, recipients claimed these costs because they believed them to be justified. Nonetheless, OIG is questioning \$759,000 in costs considered unsupported or unallowable.

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## OBJECTIVE

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The Office of Inspector General (OIG) conducted this audit to determine whether selected recipients of cooperative agreement funds supporting refugee Resettlement Support Centers (RSC) adhered to applicable federal requirements, Department of State (Department) policies and guidance, and award terms and conditions.

## BACKGROUND

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According to the United States Code, a refugee is “any person who is outside any country of such person’s nationality or, in the case of a person having no nationality, is outside any country in which such person last habitually resided, and who is unable or unwilling to return to, and is unable or unwilling to avail himself or herself of the protection of, that country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion . . . .”<sup>1</sup> The Department’s Bureau of Population, Refugees, and Migration (PRM), in cooperation with the Department of Homeland Security and the Department of Health and Human Services, processes refugee applicants outside of the United States through the United States Refugee Admissions Program (USRAP).<sup>2</sup>

USRAP uses a priority system to determine which refugees will have access to the program. In FY 2022, there were four priority groups:

- Priority 1: Individual cases referred by designated entities to USRAP by virtue of their circumstances and apparent need for resettlement. Priority 1 cases are identified and referred by (1) the United Nations High Commissioner for Refugees (UNHCR), (2) a U.S. embassy, or (3) a nongovernmental organization (NGO) designated by PRM as eligible to provide referrals directly to PRM.
- Priority 2: Groups of special concern designated by the Department as having access to USRAP by virtue of their circumstances and apparent need for resettlement.
- Priority 3: Individual cases from designated nationalities granted access for the purposes of reunification with family members already in the United States.
- Priority 4: Individual cases sponsored by individuals in the United States.<sup>3</sup>

### Resettlement Support Centers

PRM provides funding for managing overseas RSCs to NGOs, via cooperative agreements, and to the United Nations’ International Organization for Migration (IOM), via voluntary

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<sup>1</sup> 8 United States Code § 1101, “Definitions.”

<sup>2</sup> Department of State, Department of Homeland Security, Department of Health and Human Services, *Proposed Refugee Admissions for Fiscal Year 2022*, page 10.

<sup>3</sup> *Ibid.*, pages 12–13.

contributions. The purpose of RSCs is to assist in processing refugee applications. In FY 2022, PRM funded seven RSCs, as detailed in Table 1.

**Table 1: RSCs Funded by PRM in FY 2022**

Award Recipient	RSC	Offices	Award Total
Church World Service (CWS)	Africa	Nairobi, Kenya	\$51,454,045
		Kampala, Uganda	
		Kasulu, Tanzania	
		Pretoria, South Africa	
		Dar es Salaam, Tanzania	
International Rescue Committee (IRC)	Asia	Kigali, Rwanda	\$10,513,753
		Bangkok, Thailand	
HIAS	Austria	Kuala Lumpur, Malaysia	\$3,299,957
		Vienna, Austria	
International Catholic Migration Commission (ICMC)	Turkey and Middle East	Tel Aviv, Israel	\$15,513,303
		Istanbul, Turkey	
IOM	Eurasia	Beirut, Lebanon	\$3,750,000
		Kyiv, Ukraine	
IOM	Latin America	Chisinau, Moldova	\$6,650,000
		San Salvador, El Salvador	
		Quito, Ecuador	
		Tegucigalpa, Honduras	
IOM	Middle East and North Africa	Guatemala City, Guatemala	\$8,500,000
		Amman, Jordan	
		Cairo, Egypt	
		New Delhi, India	

**Source:** Generated by OIG based on an analysis of RSC funding data provided by PRM and obtained from the State Assistance Management System Domestic database.

RSC caseworkers prescreen refugee applicants. Prescreening involves interviewing applicants to collect biographical information, including

- Aliases.
- Address, contact information, and employment history.
- Memberships in political, professional, or social organizations.
- Criminal history.
- Military service history.
- Language proficiency.
- Travel history, including when they fled their country of origin or their last habitual residence.
- Level of education.
- Family relationships.
- Family biographical information.

RSC caseworkers also collect available documentation from the applicants related to their identity, case composition, and persecution claim.<sup>4</sup>

Refugee applicants undergo background security checks, which are initiated by RSC staff. Security checks include a Consular Lookout and Support System namecheck,<sup>5</sup> an Interagency Check,<sup>6</sup> a Security Advisory Opinion,<sup>7</sup> and a Travel Fingerprints check.<sup>8</sup> The types of security checks that an applicant undergoes depend on their age, nationality, and/or location. Security checks begin after the prescreening interview and occur at different stages throughout the process.<sup>9</sup> Applicants' biographic and biometric information is vetted using various law enforcement, intelligence community, and other databases to help confirm the applicant's identity and check for any criminal or other derogatory information (including watchlist information).<sup>10</sup> Applicants must clear all required security checks before they may travel to the United States.

RSCs present prescreened applicants to the U.S. Citizenship and Immigration Services (USCIS) for an interview. A USCIS officer interviews the applicant, reviewing and confirming case information. The officer asks the applicant about their experiences in their country of origin, including their fears about returning, as well as about their background. The USCIS officer also considers the conditions in the applicant's country of origin and assesses the applicant's credibility and persecution claim. Finally, the USCIS officer adjudicates the application and determines whether the applicant can be admitted to the United States as a refugee.<sup>11</sup>

If an applicant is approved to be admitted to the United States by USCIS, RSC staff guides them through post-adjudication steps, including medical screening examinations and cultural orientation, which covers various topics, such as the need for employment and self-sufficiency, the health and education systems in the United States, and U.S. laws. RSC staff also obtains sponsorship assurance from a domestic refugee resettlement agency, confirming that the agency is willing and prepared to accept the refugee for resettlement and will arrange to

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<sup>4</sup> PRM, START Standard Operating Procedures (SOP) 2: PreScreen, December 6, 2021.

<sup>5</sup> This security check runs applicant biographic information and aliases against a database owned by the Department's Bureau of Consular Affairs. PRM reviews any potential "hits" to determine if they require further security review by U.S. Citizenship and Immigration Services (USCIS) officers.

<sup>6</sup> This is a recurring security check, meaning that U.S. government vetting agencies continuously run an applicant's data against their security holdings.

<sup>7</sup> This security check is facilitated by the Department and requires clearances from multiple U.S. government vetting agencies.

<sup>8</sup> This security check is a review of applicant fingerprints managed by USCIS and compared with various U.S. government records.

<sup>9</sup> PRM, START SOP 3: Security Vetting, December 6, 2021.

<sup>10</sup> Department of State, Department of Homeland Security, Department of Health and Human Services, *Proposed Refugee Admissions for Fiscal Year 2022*, page 20.

<sup>11</sup> *Ibid.*, page 12.

receive them into the United States. RSC staff then refers the refugee to IOM for transportation to the United States.<sup>12</sup> Figure 1 provides a summary of the refugee application process.

**Figure 1: Refugee Application Process**

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**Step 1**  
RSC conducts a prescreening interview with the applicant.
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**Step 2**  
RSC initiates security checks on the applicant.
- 

**Step 3**  
RSC prepares the applicant's physical case file for USCIS.
- 

**Step 4**  
USCIS interviews the applicant.
- 

**Step 5**  
USCIS determines whether the applicant can be admitted to the United States as a refugee.
- 

**Step 6**  
If approved, IOM medically screens the applicant.
- 

**Step 7**  
If approved, RSC provides the applicant with cultural orientation where they learn about life in the United States.
- 

**Step 8**  
If approved, IOM arranges for the applicant to travel to the United States.
- 

**Step 9**  
Upon arrival, resettlement agency receives the applicant and shows them to their new home.

**Source:** Generated by OIG using information obtained from <https://settlein.us.org/about-refugee-resettlement/>.

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<sup>12</sup> Ibid., page 21.

## Requirements of RSC Cooperative Agreements

The cooperative agreements include requirements for how the funding recipient will process refugee applications, report performance and financial information, and spend funds.

Requirements include:

- Assisting persons seeking admission to the United States under USRAP to complete applications for consideration.
- Interviewing applicants to obtain information needed by the U.S. government to determine applicants' eligibility for admission to the United States as refugees.
- Recording information in START, PRM's refugee case management system.
- Conducting cultural orientation for approved applicants.
- Arranging medical screening exams, obtaining sponsorship assurances, preparing travel packets, and coordinating with IOM on travel arrangements.
- Submitting quarterly performance reports that compare accomplishments to the objectives of the award.
- Submitting quarterly financial reports and programmatic line-item expenditure reports reflecting the costs being charged to the cooperative agreement.

## AUDIT RESULTS

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### **Finding A: Selected Award Recipients Did Not Always Adhere to Federal Requirements, Department Guidance, and Award Terms and Conditions**

OIG found that the three selected award recipients<sup>13</sup> of cooperative agreement funds supporting RSCs did not always adhere to federal requirements, Department guidance, and award terms and conditions. Specifically, OIG found that refugee applications in START and the corresponding physical case files did not always meet requirements. More specifically, of the 60 refugee applications reviewed for this audit, 39 (65 percent) had deficiencies, primarily related to administrative requirements. In addition, OIG found instances where the RSCs did not maintain consistent information between START and the physical case file as required. Specifically, 12 of 36 (33 percent) of the cases reviewed for this audit had comparative differences between the START and physical case files. Furthermore, none of the 12 (100 percent) RSC caseworkers observed for this audit conducted prescreening interviews in accordance with requirements. These deficiencies occurred, in part, because PRM quality control processes did not address all applicable requirements. In addition, RSC caseworkers at times misinterpreted PRM guidance. Noncompliance with requirements could result in inconsistent refugee application information, applicants who are not fully informed about the USRAP process, and delays to a lengthy application process that can take years to complete.

OIG also found that the selected award recipients did not always submit accurate performance reports. This occurred primarily because the performance report template provided by PRM did

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<sup>13</sup> Appendix A provides information on the selected recipients.

not include sufficient guidance for calculating performance data, and RSC staff had difficulty interpreting how to calculate performance data. As a result, performance reporting did not always represent the recipient's actual performance when underperforming or overperforming.

Finally, OIG found that the selected award recipients did not always spend funds in accordance with federal requirements and award terms and conditions. OIG tested a total of 144 expenditures, valued at \$1,941,605, and found that 24 expenditures (17 percent) were unallowable. Generally, recipients claimed these costs because they believed them to be justified. Nonetheless, OIG is questioning \$759,000 in costs considered unsupported or unallowable.

***RSCs Did Not Process Refugee Applications, Maintain Case Information, or Conduct Interviews in Accordance With Requirements***

PRM's standard operating procedure (SOP) for prescreening applicants provides guidance for refugee case processing using START. Requirements for RSC caseworkers include collecting applicants' biographical and historical contact information, employment history, education, family relationships, and information on why they fled their country. The SOP also includes administrative requirements,<sup>14</sup> such as adding declarations when required information does not exist or is not available and running quality control checks (i.e., validation checks).<sup>15</sup> RSC caseworkers are also required to photograph applicants, ask applicants to sign forms, and translate documents to English.<sup>16</sup>

OIG reviewed 60 refugee applications (20 from each selected RSC)<sup>17</sup> to determine whether each application complied with 56 selected requirements included in PRM's SOP.<sup>18</sup> OIG found that the selected RSCs did not process 39 applications (65 percent) in accordance with all of the requirements tested. Specifically, OIG found that 26 applications (43 percent) had 1 deficiency and 5 applications (8 percent) had more than 3 deficiencies. Deficiencies were primarily related to administrative requirements. Common deficiencies included:

- Eleven applications did not include a comment in the "Notes to USCIS" section when the applicant's city of birth was not listed in the applicant's documents.
- Nine applications did not include a Family Tree form.<sup>19</sup>
- Eight applications did not include a Notice on Confidentiality of Personal Information form.

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<sup>14</sup> Administrative requirements are those requirements that are not crucial for USCIS's adjudication.

<sup>15</sup> A validation check is a function in START that allows users to verify that case information meets requirements.

<sup>16</sup> PRM, START SOP 2: PreScreen, December 6, 2021.

<sup>17</sup> Appendix A provides information on the sample selection.

<sup>18</sup> PRM, START SOP 2: PreScreen, December 6, 2021. For this analysis, OIG used this version of the SOP because it was the one in effect for the refugee applications reviewed. The 56 requirements tested do not constitute the totality of requirements included in this SOP.

<sup>19</sup> This form captures the applicant's family relationships and family members' biographic information.

- Seven applications contained incomplete or contradictory documentation on applicant aliases.
- Three applications did not undergo a validation check.
- Three applications did not include employment information or contained less information than required.
- Three applications included documents that had not been translated to English.
- Three applications did not include the USRAP Affiliation Declaration form.<sup>20</sup>

OIG also reviewed 36 physical case files (12 from each selected RSC)<sup>21</sup> and their electronic counterparts in START to determine whether the physical case files included required documents and whether the information in the case file was consistent with its START counterpart. RSC caseworkers are required to prepare the physical case file by printing or making copies of specific documents to include in the file.<sup>22</sup> OIG tested whether the physical case files included the following documents:<sup>23</sup>

- Applicant's referral to USRAP.
- Copies of identity documentation (e.g., passports or national identification cards).
- Family Tree form.
- Case History form.<sup>24</sup>
- I-590 Form: Registration for Classification as a Refugee.
- Notice on Confidentiality of Personal Information form.
- USRAP Affiliation Declaration form.

OIG found that 34 of 36 (94 percent) physical case files included these required documents. The two exceptions noted involved one case file that was missing a Family Tree form and one case file that was missing a copy of an identity document.

To ensure data consistency between START and the physical case file, PRM also requires that RSCs upload copies of supporting documents to START and keep hard copies in the physical case file.<sup>25</sup> Specifically, PRM requires RSCs to, "whenever possible, scan and upload documents prior to the USCIS Interview . . . and directly after USCIS Interview."<sup>26</sup> However, OIG found that 12 of 36 (33 percent) files had comparative differences between START and the physical case files. For example, OIG found instances in which required documents were contained in START

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<sup>20</sup> This form informs the applicant that they are required to disclose any family members, friends, or acquaintances who work for the RSC, including interpreters, or any family members in the USRAP pipeline who are not already recorded on the applicant's family tree.

<sup>21</sup> Appendix A provides details of the sample selection.

<sup>22</sup> PRM, START SOP 4: USCIS, December 6, 2021.

<sup>23</sup> PRM, START SOP 4: USCIS, December 6, 2021. This is not the totality of required documents.

<sup>24</sup> This form captures details about the application, such as the persecution claim, flight path, and other relevant information.

<sup>25</sup> PRM, START SOP 10: General Case Processing, December 6, 2021.

<sup>26</sup> PRM, START SOP 4: USCIS, December 6, 2021.

but not in the physical case files. Such documents included a UNHCR Proof of Registration,<sup>27</sup> Case Integrity Reports,<sup>28</sup> Final Records of Decision,<sup>29</sup> and USCIS Notices of Eligibility for Resettlement.<sup>30</sup> Conversely, OIG found one instance in which the physical case file contained documentation that had not been uploaded into START. This documentation included a medical report from the applicant’s country of origin, the applicant’s citizenship certificate, an address card from the applicant’s country of origin, a ration card from the applicant’s country of origin, and custody documents.<sup>31</sup>

OIG also observed 12 prescreening interviews (4 at each RSC) to determine whether they met 36 selected requirements.<sup>32</sup> OIG found that none of the prescreening interviews observed complied with all of the requirements. Table 2 details the 28 of 36 requirements that were not implemented in all 12 prescreening interviews.

**Table 2: Noncompliance With Prescreening Interview Requirements**

Prescreening Interview Requirement	Noncompliance Percentage (Of 12 RSC Interviews)
<b>Did the RSC Caseworker:</b>	
1. Greet the applicant with a standard welcome speech?	92
2. Ask for and use the applicant’s preferred name and pronouns?	100
3. Explain to the applicant that the interpreter does not participate in deciding on the case and cannot answer questions regarding the status of the application or the interview process?	33
4. Ask the applicant if they are comfortable with them as their caseworker or if they want someone else to take over?	92
5. Obtain confirmation from the applicant and interpreter that they can comfortably understand each other?	17
6. Explain to the applicant the reason why there is an observer present and that the observer has no impact on the applicant’s case?	17
7. Ask the applicant whether they consent to the observer being present during their interview?	67
8. Tell the applicant that they may ask questions at any time?	8
9. Explain to the applicant that answers must be truthful, experiences should not be embellished, and never to answer when they are unsure?	67

<sup>27</sup> PRM, START SOP 2: PreScreen, December 6, 2021. This is the referral for Priority 2 cases.

<sup>28</sup> PRM, START SOP 4: USCIS, December 6, 2021. USCIS maintains Global, a separate system for refugee case processing. A Case Integrity Status Report records USCIS actions taken on a case in Global up to the final adjudication decision. Global then transmits the Case Integrity Status Report to START.

<sup>29</sup> PRM, START SOP 4: USCIS, December 6, 2021. USCIS generates the Record of Decision.

<sup>30</sup> PRM, START SOP 4: USCIS, December 6, 2021. USCIS documents the approval of a refugee application with a Notice of Eligibility for Resettlement.

<sup>31</sup> RSC officials stated that they believed this was caused by the transition to START in FY 2022; however, PRM could not locate these records in the system that preceded START.

<sup>32</sup> PRM, START SOP 2: PreScreen, January 27, 2023. OIG reviewed the SOP in effect at the time of the observations. The 36 requirements identified are not the totality of requirements for prescreening interviews.

Prescreening Interview Requirement	Noncompliance Percentage (Of 12 RSC Interviews)
<b>Did the RSC Caseworker:</b>	
10. Explain that any suspicion of fraud, or of someone interfering with their application or forcing them to apply, must be reported and that the reporting has no negative effect on the application?	83
11. Explain to the applicant that all information obtained through the interview is confidential?	8
12. Explain to the applicant that the interpreter has taken an oath to protect the information discussed during the interview?	83
13. Explain to the applicant that USRAP is a multi-step process that can take months, and sometimes longer, to complete?	25
14. Explain to the applicant the possible reasons for denial?	33
15. Explain to the applicant that the case may be put on hold at any time, including very close to the anticipated travel to the United States; thus, the applicant should not sell their belongings and/or move out of their residence until they have been notified by IOM of a travel date?	100
16. Explain to the applicant that the case may be put on hold after receiving notification of a travel date?	100
17. Explain to the applicant that they may never clear security checks?	100
18. Explain to the applicant that they can withdraw from the process at any time?	92
19. Explain to the applicant that if they miss two appointments their case will be closed unless there are extenuating circumstances?	92
20. Provide the applicant with a contact address for reporting if anyone asks them for money, gifts, or favors?	8
21. Counsel the applicant on resettlement preferences?	8
22. Collect relevant applicant documents?	8
23. Explain that they have a safe space policy and staff is not permitted to discriminate based on ethnicity, religion, gender identification, sexual orientation, race, or any other grounds, and that they are free to share if they have ever felt discriminated against?	100
24. Provide contact information in writing to the applicant?	8
25. Explain to the applicant that they can forward any questions through their NGO or UNHCR?	8
26. Explain to the applicant that IOM may call them on a holiday if it falls on a weekday, will not call them outside of working hours, and, if someone calls them from an unknown number outside of working hours and claims that they are from IOM, that they should call IOM on the number provided by the RSC to report it?	100
27. Explain that the applicant should notify the RSC if anything changes regarding their availability, contact information, case composition, or needed interview arrangements/accommodations?	100
28. Provide the applicant with a USRAP Overview Fact Sheet?	8

**Source:** Generated by OIG based on observations of 12 prescreening interviews at 3 RSCs (4 at each RSC) during audit fieldwork.

*Internal Controls and Guidance Need Improvement*

OIG found that the deficiencies identified occurred for a variety of reasons. Specifically related to the refugee applications, OIG found that PRM did not design its quality control processes to be automated or to cover all requirements. Specifically, the START validation check, which verifies whether case information meets requirements, is not automatic—an RSC caseworker must initiate it. Furthermore, PRM runs data monitoring reports to verify that RSCs are following selected guidance and have not deviated from the guidance without formally documented approval; however, the monitoring reports focus on specific “key” elements that do not include the elements in which OIG found deficiencies.

In addition, deficiencies occurred due to issues with PRM’s guidance. First, RSC caseworkers misinterpreted guidance. For example, the SOP states, “If the applicant’s [country of birth] no longer exists, record the country in which the applicant’s birth city (as noted on documentation) is located today. If the applicant’s birth city is not noted on primary or alternate documents, or neither the birth city nor the country exists, select the appropriate values as per the applicant’s testimony and record a Notes to USCIS comment.”<sup>33</sup> Staff at one RSC interpreted that only the first sentence applied for the comment to USCIS. Second, requirements are addressed in multiple SOPs sometimes differently. For example, an RSC official stated that there is guidance in two SOPs about forms that require a signature. According to the official, the “General Case Processing” SOP states that the signed form needs to be in START for closed cases; accordingly, caseworkers were uploading the form for closed cases. However, caseworkers did not know that the “PreScreen” SOP states, “Generated forms that require a signature must be generated in START, printed, signed, and then uploaded back into START.”<sup>34</sup> OIG notes that there are more than 10 SOPs related to processing refugee applications. Lastly, OIG found that requirements for prescreening interviews are spread throughout a 220-page SOP (with additional requirements for specific RSCs). One RSC official stated that they were not aware of certain requirements, such as informing applicants when IOM may call them. Another RSC official stated that some requirements do not fit the local context. For example, the RSC official stated that refugees from some locations may perceive a question about their preferred pronouns to be insulting. The RSC official also identified conflicting guidance. For example, PRM allows applicants to estimate dates when they are unsure but also instructs caseworkers to advise applicants to “not make up answers when they are unsure.”<sup>35</sup>

USCIS officials stated that PRM coordinates with them on the guidance provided to the RSCs, but the guidance could be improved. Specifically, USCIS officials cited requirements that they believe are either not appropriate or unnecessary. For example, PRM guidance states that the latest an applicant can sign the I-590 Form: Registration for Classification as a Refugee is during the USCIS Interview.<sup>36</sup> However, a USCIS official stated that the signature on the I-590 Form is

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<sup>33</sup> PRM, START SOP 2: PreScreen, December 6, 2021.

<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> Ibid.

one of the methods used by USCIS to verify that the interviewee is the same applicant who was prescreened; therefore, USCIS should not collect the signature on the I-590 form during their interview. In addition, requiring caseworkers to add a note about an applicant's birth city (i.e., the most frequent deficiency identified by OIG) is unnecessary because the USCIS officer will confirm the applicant's birth city via testimony if it is not included with their documentation. Finally, a USCIS official stated that guidance in the PRM SOP on "declarations" to be made when information is unavailable is not helpful to USCIS. Specifically, USCIS needs additional information rather than a declaration (e.g., adding "none" if the applicant does not have an employment history). A PRM official stated that PRM coordinates with USCIS on SOP content that is relevant to USCIS (e.g., the SOPs on USCIS processing and security vetting as well as key elements of the prescreening SOP). In addition, PRM officials stated that coordination for some SOPs, such as "USCIS" and "Security Vetting" is done quarterly, while other coordination is done on an ad hoc basis.

#### *Effects on the Refugee Admissions Process*

Noncompliance with case processing requirements could delay an already lengthy refugee application process that can take years to complete. Furthermore, if physical case files and START do not contain the same information, PRM cannot ensure that refugee applicant information is consistent throughout the process. Lastly, as a result of caseworkers not complying with prescreening interview requirements, refugee applicants will not be fully informed about the USRAP process. To address the deficiencies identified, OIG is offering the following recommendations.

**Recommendation 1:** OIG recommends that the Bureau of Population, Refugees, and Migration review its refugee application quality control processes to identify gaps and develop and implement improvements to provide reasonable assurance that program objectives will be achieved.

**Management Response:** PRM concurred with the recommendation, stating that it will regularly review quality control processes to identify additional enhancements and improvements. PRM will also expand the data elements that it monitors as appropriate.

**OIG Reply:** On the basis of PRM's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that PRM has reviewed its refugee application quality control processes to identify gaps and has developed and implemented improvements to provide reasonable assurance that program objectives will be achieved.

**Recommendation 2:** OIG recommends that the Bureau of Population, Refugees, and Migration review its standard operating procedures to consolidate and clarify guidance related to prescreening refugee applicants and ensuring data consistency between START and the physical case file.

**Management Response:** PRM concurred with the recommendation, stating that it will continue reviewing its SOPs on a regular basis and managing a shared collaboration space where RSCs can request guidance clarification and SOP edits. Furthermore, PRM stated that it had recently implemented a process to digitize applicants' official records, removing the requirement for a physical case file.

**OIG Reply:** On the basis of PRM's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that PRM reviewed its standard operating procedures to consolidate and clarify guidance related to prescreening refugee applicants and ensuring data consistency between START and the physical case file.

**Recommendation 3:** OIG recommends that the Bureau of Population, Refugees, and Migration collaborate with U.S. Citizenship and Immigration Services to evaluate steps in the standard operating procedures related to prescreening refugees and update those procedures as appropriate.

**Management Response:** PRM concurred with the recommendation, stating that it will continue to collaborate with USCIS to review SOPs and update them as appropriate.

**OIG Reply:** On the basis of PRM's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that PRM collaborated with USCIS to evaluate steps in the SOPs related to prescreening refugees and updated those procedures as appropriate.

***Selected Award Recipients Did Not Always Submit Accurate Performance Information***

OIG reviewed the selected award recipients' performance and financial reports to determine whether they were submitted within established timeframes, completed in accordance with requirements, and accurate. The cooperative agreements require that recipients submit performance and financial reports approximately 30 days after the end of the quarter. The cooperative agreements also require that the recipients use templates for performance reporting and financial reporting. Finally, the cooperative agreements require that financial reports include accurate calculations and that performance reports communicate progress toward achieving program objectives in a measurable way, referencing specific objectives, indicators, and activities.

OIG reviewed 12 performance reports and 12 financial reports<sup>37</sup> and found that the selected award recipients generally complied with award terms and conditions. Specifically, recipients submitted the reports within established timeframes, used the required templates, and included required information. OIG also found that financial reports were accurate; however,

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<sup>37</sup> Appendix A provides details of the sample selection.

recipients did not always submit accurate performance reports. As part of the cooperative agreements, PRM required that recipients report on four standard objectives and nine associated indicators. OIG compared the performance data reported on the nine indicators in the recipients' Quarter 3 performance reports to supporting documentation, such as surveys, training reports, and contact logs, and recalculated the performance data. OIG found one recipient misreported two (22 percent) of nine indicators, one recipient misreported four (44 percent) of nine indicators, and the third recipient misreported six (67 percent) of nine indicators. Differences in calculations ranged from less than 1 percent to 25 percent. In two instances, OIG could not determine the accuracy of the performance data reported because the documentation provided by the recipient did not support a recalculation. Table 3 provides details on the errors identified for seven of the nine performance indicators reviewed.

**Table 3: Performance Data Errors Identified**

<b>Performance Indicator</b>	<b>Performance Data Reported<sup>a</sup></b>	<b>OIG Determination</b>
1.1: Percent of target number of applicants prescreened	35 percent more than projected	14 percent more than projected
1.2: Percent of circuit rides <sup>b</sup> with an average score of 4 or 5 on the Department of Homeland Security Mission Support Feedback Form	100 percent	85.7 percent
2.2: Percent of staff and applicants aware of fraud reporting channels	100 percent (applicants)	98.69 percent (applicants)
	93.71 (applicants)	94.46 (applicants)
	92 percent (applicants)	94.55 percent (applicants)
3.1: Percent of RSC staff receiving onboarding training, and specialized training as needed, to achieve the USRAP objective	100 percent (Staff completed 2,760 training hours, with 1,229.5 of those hours representing core training and initial on-the-job training for 10 new hires.)	OIG could not recalculate the performance data because supporting documentation showed 2,902 training hours, with 1,265 of those hours representing core training and initial on-the-job training, without indicating the number of staff members who received training.
	100 percent	74.73 percent
3.2: Percent of staff able to demonstrate knowledge required to fulfill their job	100 percent	OIG could not recalculate the performance data because supporting documentation addressed gaps in the staff members' knowledge and not the knowledge required to fulfill their job.
	90.06 percent	92.96 percent

<b>Performance Indicator</b>	<b>Performance Data Reported<sup>a</sup></b>	<b>OIG Determination</b>
4.1: Percent of applicant inquiries responded to within 2 weeks	91.32 percent	69.35 percent
	30.35 percent	16.13 percent
4.2: Percent of refugee applicants reporting satisfaction with quality of interactions with RSC staff	81 percent	83 percent

<sup>a</sup> Each row within a specific performance indicator correlates with a recipient who made errors for that performance indicator.

<sup>b</sup> The term circuit ride refers to the period when a USCIS officer or team remains in a specific location conducting refugee interviews.

**Source:** Generated by OIG based on an analysis of selected recipients' Quarter 3 performance reports and the corresponding supporting documentation.

OIG determined that the inaccurate reporting occurred, in part, because the performance report template provided by PRM did not include sufficient guidance for calculating performance data. For example, for Indicator 1.2, PRM's guidance is "collation of feedback form results." An RSC official who reported inaccurate data on this indicator explained that they did not realize that they were reporting on the indicator incorrectly—they were reporting the average score for all circuit rides combined and not the percent of individual circuit rides with an average score of 4 or 5. For Indicators 2.2 and 3.2, the template lists "posting of literature, applicant and staff surveys" and "RSC quality check results," respectively. An RSC official who reported inaccurate data on these indicators explained that they found it difficult to quantify data for these two indicators.

Although OIG did not find inordinate deviations in performance reporting within the corresponding supporting documentation, the performance reporting reviewed nonetheless did not always represent the recipient's actual performance. To address this deficiency, OIG is offering the following recommendation.

**Recommendation 4:** OIG recommends that the Bureau of Population, Refugees, and Migration review performance reporting guidance for award recipients and include additional instructions as appropriate in the performance report template to assist Resettlement Support Centers in capturing and accurately reporting performance data in accordance with Department requirements.

**Management Response:** PRM concurred with the recommendation, stating that it will review current performance reporting guidance and provide additional instructions as appropriate.

**OIG Reply:** On the basis of PRM's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that PRM

has reviewed performance reporting guidance for award recipients and included additional instructions as appropriate in the performance report template.

### ***Selected Award Recipients Did Not Always Spend Funds in Accordance With Requirements***

OIG found that selected award recipients did not always spend funds in accordance with federal requirements and award terms and conditions. According to the Code of Federal Regulations (C.F.R.), the total cost of a federal award is the sum of allowable direct and allocable indirect costs less applied credits.<sup>38</sup> The costs must be allowable,<sup>39</sup> reasonable,<sup>40</sup> and allocable.<sup>41</sup> The cooperative agreements state that “expenses to be charged against this agreement must be for actual costs incurred for authorized activities that are adequately documented and that can be confirmed through an audit.” As detailed in Table 4, OIG tested 144 expenditures, valued at \$1,941,605, and found 24 expenditures (17 percent) were unsupported or unallowable. OIG identified \$759,000 in questioned costs, of which \$209,878 is unsupported, during its testing. Appendix B provides details of the questioned amounts.

**Table 4: Total Expenditures Tested and Questioned**

<b>Award Recipient</b>	<b>Number of Expenditures Tested</b>	<b>Amount Tested</b>	<b>Number Questioned</b>	<b>Amount Questioned</b>
IRC	76	\$408,927	17	\$554,426*
CWS	43	\$572,716	3	\$42,884
ICMC	25	\$959,962	4	\$161,690
<b>Total</b>	<b>144</b>	<b>\$1,941,605</b>	<b>24</b>	<b>\$759,000</b>

\* The total dollar amount questioned is more than the total amount of expenditures tested because OIG is questioning all costs associated with three contracts.

**Source:** Generated by OIG based on auditor testing of expenditures for the three selected award recipients reviewed for this audit.

<sup>38</sup> 2 C.F.R. § 200.402, “Composition of costs.”

<sup>39</sup> According to 2 C.F.R. § 200.403, “Factors affecting allowability of costs,” to be allowable, the cost must (1) be necessary and reasonable for the performance, (2) conform to any limitations or exclusions in the C.F.R. or the award, (3) be consistent with policies and procedures of the entity for the work performed, (4) be accorded consistent treatment, (5) be determined in accordance with generally accepted accounting principles, (6) not be included as a cost or used to meet cost sharing or matching requirements of any other federally funded program, and (7) be adequately documented.

<sup>40</sup> According to 2 C.F.R. § 200.404, “Reasonable costs,” to be reasonable, the cost must, in its nature and amount, not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. Determining reasonableness of a cost requires the consideration of (1) whether the cost is generally recognized as ordinary and necessary for the operation of the entity or proper and efficient performance of the award; (2) the restraints or requirements imposed by sound business practices; arm’s length bargaining; federal, state, and other laws and regulations; and terms and conditions of the award; (4) market prices for comparable goods or services for the geographic area; (5) whether individuals concerned acted with prudence; and (6) whether there was deviation from the entity’s established practices and policies for incurring such a cost.

<sup>41</sup> According to 2 C.F.R. § 200.405, “Allocable costs,” to be allocable, the cost must be (1) incurred specifically for the federal award, (2) distributed proportionally if it benefits both the federal award and other work, and (3) necessary for the overall operation of the entity and is assignable in part to the federal award.

For IRC, which manages RSC Asia, the largest questioned expenditure is an office renovation contract, totaling \$360,632. The C.F.R. states that one of the factors affecting the allowability of costs is that the costs must conform to any limitations or exclusions set forth in the federal award as to the types or amount of items.<sup>42</sup> IRC charged 80 percent of expenditures associated with an office renovation contract executed in July 2022 to the “Other Direct Costs” budget category. This category, according to PRM’s Notice of Funding Opportunity,<sup>43</sup> includes any other direct cost “not clearly covered herein” and each item under this category must be listed in the organization’s budget separately with its estimated cost. However, IRC’s budget did not list this contract or its estimated cost under “Other Direct Costs” as required. Instead, according to PRM, it was listed under the “Facility Maintenance” subcategory of “Supplies.” OIG found that this subcategory included maintenance costs for three facilities, whereas this is a renovation contract for only one facility.<sup>44</sup> Furthermore, the estimated cost for all three facilities was \$239,688, but the total amount for this contract alone was \$360,632. OIG concludes that this cost did not conform to the award. In addition, the C.F.R. also states that for a cost to be allowable, it must be consistent with the entity’s policies and procedures<sup>45</sup> and be adequately documented.<sup>46</sup> IRC could not provide a delivery report for the equipment purchased under this contract as required by IRC’s “Payment Request” Standard Operating Procedures.

For CWS, which manages RSC Africa, the largest questioned expenditure is all payments made to a security services contractor in the third quarter of FY 2022, totaling \$33,679.<sup>47</sup> The C.F.R. states that for a cost to be allowable, it must be consistent with the entity’s policies and procedures<sup>48</sup> and be adequately documented.<sup>49</sup> CWS’s procurement policy requires a minimum of three quotes for acquisitions with a value of more than \$10,000. The policy also includes procedures for exceptions to competitive procurement. CWS did not provide evidence that it requested a minimum of three quotes or that it followed its procedures for a noncompetitive procurement when it executed a contract for security services.

For ICMC, which manages RSC Turkey and Middle East, the largest questioned expenditure is all payments made to a security services contractor in FY 2022, totaling \$122,596. According to the C.F.R., a cost is reasonable if it does not exceed that which would not be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining the reasonableness of a given cost, consideration must be given to restraints or

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<sup>42</sup> 2 C.F.R. § 200.403(b).

<sup>43</sup> Compliance with the Notice of Funding Opportunity is required by the award.

<sup>44</sup> The Department of State’s Federal Assistance Directive requires that nongovernmental organizations provide a breakdown for any proposed contract for the Grants Officer’s review. See Federal Assistance Directive, Chapter 2, Section N.3.a (October 2021), page 70.

<sup>45</sup> 2 C.F.R. § 200.403(c).

<sup>46</sup> 2 C.F.R. § 200.403(g).

<sup>47</sup> OIG could not calculate all payments made to the contractor during FY 2022 because it only requested third quarter transactions from CWS due to the large number of transactions.

<sup>48</sup> 2 C.F.R. § 200.403(c).

<sup>49</sup> 2 C.F.R. § 200.403(g).

requirements imposed by sound business practices and whether the individuals involved acted with prudence in the circumstances considering their responsibilities to the federal government.<sup>50</sup> In 2009, ICMC executed a contract for security services. In 14 years, ICMC has only conducted market research once (in 2016) and decided to continue with the contractor but did not provide a bid analysis or justification for continuing the contract. The Federal Acquisition Regulations<sup>51</sup> (FAR) requires contracts to specify limits on the overall duration of the term of the contract. Moreover, the FAR states that, unless otherwise approved in accordance with agency procedures, the total of the basic and option periods shall not exceed 5 years in the case of services. Although NGOs are not required to follow FAR requirements, the FAR does provide guidance as to what the federal government considers prudent and sound business practice.<sup>52</sup> This contract has a clause that states “unless one of the parties notifies termination . . . mail at least one month before the end of the contract period, the contract shall be deemed to be renewed for the same period at the end of each period,” which contradicts the guidance provided by the FAR requiring contracts to specify limits on the overall length of a contract (i.e., a sound business practice). By maintaining a contract since 2009, OIG concludes that ICMC has not acted with prudence considering their responsibilities to the federal government.

Generally, recipients claimed these costs because they believed them to be justified. Nonetheless, OIG is questioning a total of \$759,000 in costs and offering the following recommendations to determine allowability and to recover any costs determined to be unallowable.

**Recommendation 5:** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether the \$426,527 in questioned costs related to International Rescue Committee’s cooperative agreement (SPRMCO22CA0007) for an office renovation contract and canvas bags, as detailed in Appendix B, are allowable and (b) recover any costs determined to be unallowable.

**Management Response:** PRM concurred with the recommendation, stating that it will review the questioned costs for allowability and recover any costs determined to be unallowable.

**OIG Reply:** On the basis of PRM’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that PRM has (a) determined whether the \$426,527 in questioned costs related to IRC’s cooperative agreement (SPRMCO22CA0007) for an office renovation contract and canvas bags were allowable and (b) recovered any costs determined to be unallowable.

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<sup>50</sup> 2 C.F.R. § 200.404, “Reasonable costs.”

<sup>51</sup> FAR 17.204, “Contracts.”

<sup>52</sup> OIG is referencing the FAR because the C.F.R. does not define “prudence” or “sound business practices.”

**Recommendation 6:** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether the \$127,899 in unsupported costs related to International Rescue Committee's cooperative agreement (SPRMCO22CA0007) for the purchase of equipment, the renting of meeting rooms, and professional services contracts, as detailed in Appendix B, are supported and (b) recover any costs determined to be unsupported.

**Management Response:** PRM concurred with the recommendation, stating that it will review the unsupported costs for allowability and recover any costs determined to be unsupported.

**OIG Reply:** On the basis of PRM's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that PRM has (a) determined whether the \$127,899 in unsupported costs related to IRC's cooperative agreement (SPRMCO22CA0007) for the purchase of equipment, the renting of meeting rooms, and professional services contracts were supported and (b) recovered any costs determined to be unsupported.

**Recommendation 7:** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether the \$42,884 in unsupported costs related to Church World Service's cooperative agreement (SPRMCO22CA0005) for a security services contract, mechanical engineer consulting services contract, and lodging costs, as detailed in Appendix B, are supported and (b) recover all costs determined to be unsupported.

**Management Response:** PRM concurred with the recommendation, stating that it will review the unsupported costs for allowability and recover any costs determined to be unsupported.

**OIG Reply:** On the basis of PRM's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that PRM has (a) determined whether the \$42,884 in unsupported costs related to CWS's cooperative agreement (SPRMCO22CA0005) for a security services contract, mechanical engineer consulting services contract, and lodging costs were supported and (b) recovered all costs determined to be unsupported.

**Recommendation 8:** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether all other payments made in the first, second, and fourth quarters of FY 2022 related to Church World Service's cooperative agreement (SPRMCO22CA0005) for a security services contract and a mechanical engineer consulting services contract are supported and (b) recover all additional costs determined to be unsupported.

**Management Response:** PRM concurred with the recommendation, stating that it will review payments associated with the identified contracts and recover any costs determined to be unsupported.

**OIG Reply:** On the basis of PRM's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that PRM has (a) determined whether all other payments made in the first, second, and fourth quarters of FY 2022 related to CWS's cooperative agreement (SPRMCO22CA0005) for a security services contract and a mechanical engineer consulting services contract were supported and (b) recovered all additional costs determined to be unsupported.

**Recommendation 9:** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether the \$39,094 in unsupported costs related to International Catholic Migration Commission's cooperative agreement (SPRMCO22CA0002) for consulting services contracts, as detailed in Appendix B, are supported and (b) recover any costs determined to be unsupported.

**Management Response:** PRM concurred with the recommendation, stating that it will review the unsupported costs and recover any costs determined to be unsupported.

**OIG Reply:** On the basis of PRM's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that PRM has (a) determined whether the \$39,094 in unsupported costs related to ICMC's cooperative agreement (SPRMCO22CA0002) for consulting services contracts were supported and (b) recovered any costs determined to be unsupported.

**Recommendation 10:** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether the \$122,596 in questioned costs related to International Catholic Migration Commission's cooperative agreement (SPRMCO22CA0002) for a security contract, as detailed in Appendix B, are reasonable and (b) recover all costs determined to be unreasonable.

**Management Response:** PRM concurred with the recommendation, stating that it will review the questioned costs and recover any costs determined to be unreasonable.

**OIG Reply:** On the basis of PRM's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that PRM has (a) determined whether the \$122,596 in questioned costs related to ICMC's cooperative agreement (SPRMCO22CA0002) for a security contract were reasonable and (b) recovered all costs determined to be unreasonable.

**Recommendation 11:** OIG recommends that the Bureau of Population, Refugees, and Migration (a) review all contracts executed by International Catholic Migration Commission under award SPRMCO22CA0002 not already covered under this audit report to determine whether the costs associated with those contracts comply with Code of Federal Regulations requirements and (b) recover all costs determined to be unallowable.

**Management Response:** PRM concurred with the recommendation, stating that it will conduct enhanced financial monitoring of award SPRMCO22CA0002 and recover any costs determined to be unallowable.

**OIG Reply:** On the basis of PRM's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that PRM has (a) reviewed all contracts executed by ICMC under award SPRMCO22CA0002 not already covered under this audit report to determine whether the costs associated with those contracts complied with C.F.R. requirements and (b) recovered all costs determined to be unallowable.

### ***Department Oversight Efforts***

The selected cooperative agreements require substantial involvement between PRM and the award recipients. Specifically related to the monitoring and oversight of the recipients' programmatic and financial performance, the cooperative agreements state that substantial involvement requires that the Grants Officer (1) review and negotiate the recipient's budget and any subsequent requests for funding, (2) monitor and evaluate the recipient's general performance, and (3) report on whether the performance complies with the terms of the cooperative agreement. The Grants Officer Representative (GOR) will (1) review and comment on the recipient's proposed budget and changes in terms of the cooperative agreement, (2) periodically visit and evaluate the recipient's general performance, (3) maintain contact with the recipient, including via site visits, (4) assist the Grants Officer in reviewing performance and financial reports, and (5) provide PRM with written reports on whether the recipient's performance complies with the terms of the cooperative agreement. Refugee Coordinators will (1) support the monitoring and evaluation of the recipient's general performance, (2) report on whether the recipient's performance complies with the terms of the cooperative agreement, and (3) analyze and report to PRM on any proposed budget adjustments and recommend a course of action.

GORs, in coordination with Refugee Coordinators, initiated a monitoring plan and report (MPR) for each recipient. The MPR is the primary monitoring and evaluation tool used by PRM officials to capture the recipients' financial and programmatic performance. OIG reviewed the recipients' FY 2022 MPRs and found that Grants Officers, GORs, and Refugee Coordinators documented their substantial involvement throughout the year. Each recipient's MPR documents (1) a risk assessment of the recipients; (2) when and by whom the quarterly performance and financial reports were received and reviewed; (3) an evaluation of the recipients' programmatic and financial performance; (4) a narrative on the recipients' overall

performance; (5) any reports of fraud; (6) monitoring notes from the Grants Officers, GORs, and Refugee Coordinators; (7) mid-year recommendations; and (8) year-end lessons learned.

OIG determined that PRM officials generally met the substantial involvement requirements because they implemented detailed MPRs. However, PRM also has specific financial monitoring guidance. Specifically, PRM's "Post-Award Monitoring and Reporting Process" SOP states, ". . . the Department encourages spot checks as a way to ensure 'evidence of expenditures show that purchases are necessary, reasonable, allocable, and allowable.'" It further states, "PRM conducts spot checks of expenditures incurred under cooperative agreements to ensure they are allowable and supported by documentation. . . . Program Officers<sup>53</sup> should . . . request and review six random vouchers from an NGO partner's general ledgers." OIG found that the Program Officers/GORs assigned to the cooperative agreements reviewed for this audit did not review any of the recipients' vouchers associated with the FY 2022 awards. PRM officials stated that voucher reviews were not required and that the SOP passage is not intended as a requirement. However, a review of the recipients' vouchers could have possibly detected and prevented payments for unallowable or unsupported costs. OIG concludes that PRM would benefit from undertaking additional monitoring and oversight actions. Therefore, OIG is offering the following recommendation.

**Recommendation 12:** OIG recommends that the Bureau of Population, Refugees, and Migration revise its standard operating procedures related to post-award monitoring as needed to require spot checks of vouchers.

**Management Response:** PRM concurred with the recommendation, stating that it will review its SOPs for enhanced financial monitoring to incorporate spot checks of vouchers consistent with 2 C.F.R. Part 200<sup>54</sup> and the Foreign Assistance Directive.

**OIG Reply:** On the basis of PRM's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that PRM has revised its SOPs related to post-award monitoring as needed to require spot checks of vouchers.

In addition, although the selected cooperative agreements state the award recipients must comply with applicable sections of 2 C.F.R. Part 200 and 2 C.F.R. Part 600,<sup>55</sup> OIG concludes that

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<sup>53</sup> Program Officers are responsible for overseeing the overseas refugee-processing infrastructure administered by award recipients. They are also designated as GORs.

<sup>54</sup> C.F.R., Title 2, "Grants and Agreements," Subtitle A, "Office of Management and Budget Guidance for Grants and Agreements," Chapter II, "Office of Management and Budget Guidance," Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," establishes the uniform administrative requirements and cost principles for federal grants and cooperative agreements, including the principles for determining whether costs associated with an award are allowable, reasonable, and allocable.

<sup>55</sup> 2 C.F.R. Part 600, "The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" is the Department's adaptation of 2 C.F.R. Part 200.

it is important for PRM to take additional steps to educate recipients about the cost principles outlined in the C.F.R. because the recipients may not have been fully aware of these principles. Therefore, OIG is offering the following recommendation.

**Recommendation 13:** OIG recommends that the Bureau of Population, Refugees, and Migration develop and implement a communications strategy to inform current and future award recipients about the cost principles for award recipients outlined in the Code of Federal Regulations (C.F.R.), 2 C.F.R. Part 200 and 2 C.F.R. Part 600.

**Management Response:** PRM concurred with the recommendation, stating that it will remind current and future award recipients about the cost principles for award recipients outlined in 2 C.F.R. Part 200 and 2 C.F.R. Part 600.

**OIG Reply:** On the basis of PRM's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that PRM has developed and implemented a communications strategy to inform current and future award recipients about the cost principles for award recipients outlined in 2 C.F.R. Part 200 and 2 C.F.R. Part 600.

## RECOMMENDATIONS

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**Recommendation 1:** OIG recommends that the Bureau of Population, Refugees, and Migration review its refugee application quality control processes to identify gaps and develop and implement improvements to provide reasonable assurance that program objectives will be achieved.

**Recommendation 2:** OIG recommends that the Bureau of Population, Refugees, and Migration review its standard operating procedures to consolidate and clarify guidance related to prescreening refugee applicants and ensuring data consistency between START and the physical case file.

**Recommendation 3:** OIG recommends that the Bureau of Population, Refugees, and Migration collaborate with U.S. Citizenship and Immigration Services to evaluate steps in the standard operating procedures related to prescreening refugees and update those procedures as appropriate.

**Recommendation 4:** OIG recommends that the Bureau of Population, Refugees, and Migration review performance reporting guidance for award recipients and include additional instructions as appropriate in the performance report template to assist Resettlement Support Centers in capturing and accurately reporting performance data in accordance with Department requirements.

**Recommendation 5:** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether the \$426,527 in questioned costs related to International Rescue Committee's cooperative agreement (SPRMCO22CA0007) for an office renovation contract and canvas bags, as detailed in Appendix B, are allowable and (b) recover any costs determined to be unallowable.

**Recommendation 6:** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether the \$127,899 in unsupported costs related to International Rescue Committee's cooperative agreement (SPRMCO22CA0007) for the purchase of equipment, the renting of meeting rooms, and professional services contracts, as detailed in Appendix B, are supported and (b) recover any costs determined to be unsupported.

**Recommendation 7:** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether the \$42,884 in unsupported costs related to Church World Service's cooperative agreement (SPRMCO22CA0005) for a security services contract, mechanical engineer consulting services contract, and lodging costs, as detailed in Appendix B, are supported and (b) recover all costs determined to be unsupported.

**Recommendation 8:** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether all other payments made in the first, second, and fourth quarters of FY 2022 related to Church World Service's cooperative agreement (SPRMCO22CA0005) for a

security services contract and a mechanical engineer consulting services contract are supported and (b) recover all additional costs determined to be unsupported.

**Recommendation 9:** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether the \$39,094 in unsupported costs related to International Catholic Migration Commission's cooperative agreement (SPRMCO22CA0002) for consulting services contracts, as detailed in Appendix B, are supported and (b) recover any costs determined to be unsupported.

**Recommendation 10:** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether the \$122,596 in questioned costs related to International Catholic Migration Commission's cooperative agreement (SPRMCO22CA0002) for a security contract, as detailed in Appendix B, are reasonable and (b) recover all costs determined to be unreasonable.

**Recommendation 11:** OIG recommends that the Bureau of Population, Refugees, and Migration (a) review all contracts executed by International Catholic Migration Commission under award SPRMCO22CA0002 not already covered under this audit report to determine whether the costs associated with those contracts comply with Code of Federal Regulations requirements and (b) recover all costs determined to be unallowable.

**Recommendation 12:** OIG recommends that the Bureau of Population, Refugees, and Migration revise its standard operating procedures related to post-award monitoring as needed to require spot checks of vouchers.

**Recommendation 13:** OIG recommends that the Bureau of Population, Refugees, and Migration develop and implement a communications strategy to inform current and future award recipients about the cost principles for award recipients outlined in the Code of Federal Regulations (C.F.R.), 2 C.F.R. Part 200 and 2 C.F.R. Part 600.

## APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

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The Office of Inspector General (OIG) conducted this audit to determine whether selected recipients of cooperative agreement funds supporting refugee Resettlement Support Centers (RSC) adhered to applicable federal requirements, Department of State (Department) policies and guidance, and award terms and conditions.

OIG conducted this audit from November 2022 to June 2023 in the Washington, DC, metropolitan area and at three RSCs with offices in Bangkok, Thailand; Kuala Lumpur, Malaysia; Istanbul, Turkey; and Nairobi, Kenya. The scope of this audit was cooperative agreements awarded in FY 2022 to three nongovernmental organizations (NGO) that manage RSCs. OIG conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objective.

To obtain background information for this audit, OIG reviewed federal laws and regulations related to the United States Refugee Admissions Program (USRAP), including the Refugee Act of 1980, the Immigration and Nationality Act, and Title II of the Code of Federal Regulations (C.F.R.), Part 200 (2 C.F.R. Part 200). OIG also reviewed Department policies related to USRAP, including the Foreign Affairs Manual, and Bureau of Population, Refugees, and Migration (PRM) guidance and standard operating procedures for processing refugee applications and for monitoring and evaluating recipient performance. OIG also interviewed PRM officials and NGO personnel to gain an understanding of the refugee application process, RSC operations, and PRM monitoring efforts. In addition, OIG reviewed the selected recipients' awards, policies, and standard operating procedures to gain an understanding of operations related to their financial and procurement processes associated with costs.

To determine whether selected recipients processed refugee applications in accordance with requirements, OIG tested 60 refugee applications (20 from each selected RSC) with a status of "Ready for departure," "USCIS Refugee Stamped," or "USCIS interview completed."<sup>1</sup> OIG also tested 36 refugee applicants' physical case files (12 from each selected RSC) to verify whether RSC staff maintained the files in accordance with requirements. OIG compared the information contained in the selected physical case files to START, which is PRM's refugee case management system, to verify that the information was consistent. Finally, OIG observed 12 refugee applicant prescreening interviews (4 at each RSC).

To determine whether selected recipients reported performance and financial information in accordance with their award terms, OIG reviewed performance and financial reports submitted for FY 2022. OIG compared the performance and financial report submission dates to the required submission schedule included in the award terms to determine whether the reports

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<sup>1</sup> The Sampling Methodology section of Appendix A provides additional information.

were timely. OIG also compared reported performance statistics data to data maintained in START and supporting documentation to determine whether recipients submitted accurate performance reports. Additionally, to determine whether the financial reports were accurate, OIG compared data included in the financial reports to the recipients' financial and indirect costs data as well as to data from the Global Financial Management System, which is the Department's domestic accounting system. Finally, OIG compared the content of the performance and financial reports to requirements included in the award terms to determine whether the reports met requirements.

To determine whether selected recipients spent funds in accordance with their award and federal requirements, OIG selected expenditures from the recipients' general ledgers and compared the expenditures to the award's terms and conditions, budget, federal requirements, and original supporting documentation to determine whether the expenditures were allowable, reasonable, allocable, and supported.

### **Data Reliability**

OIG used refugee applicants' data from START to determine whether applications were processed in accordance with USRAP requirements. OIG verified whether the data in START was reliable by comparing a report provided by PRM's Refugee Processing Center containing the list of refugee applications for FY 2022 with the information in START. OIG performed checks, such as identifying missing data, confirming that all applications were created in FY 2022, and confirming the application's status. Based on the testing performed, OIG determined that data quality was sufficiently reliable to achieve the objective of the audit.

OIG used computer-processed data from the Global Financial Management System to obtain expenditure amounts for FY 2022 to test the accuracy of the selected recipients' financial report submitted for the reporting period ending September 30, 2022. The Global Financial Management System is used to prepare the Department's annual financial statements, which are audited annually by independent certified public accountants. OIG determined, based on how the data would be used and the assurances provided by the annual financial statement audit, that the data were sufficiently reliable for its needs.

OIG obtained the selected recipients' quarterly financial reports for FY 2022. OIG reviewed and verified the financial data included in the financial report submitted for the reporting period ending September 30, 2022, using the recipients' general ledger data, data from the Global Financial Management System, and the recipients' Negotiated Indirect Cost Rate Agreement. OIG also used the recipients' general ledger data to select a sample of expenditures to determine whether the expenditures were allowable, reasonable, allocable, and supported as well as whether they were made in accordance with the award's terms and conditions, budget, and federal requirements. Each of the award recipients had financial statement audits, with two of the three award recipients receiving clean opinions for their financial statements with no findings or questioned costs. The third award recipient had two issues identified that did not impact OIG's use of the data; specifically, the recipient's payroll system was not configured to automatically compute taxable pension and evidence was missing to support staff appraisals.

OIG determined, based on how the data would be used, that the data were sufficiently reliable for the purposes of this audit.

## Work Related to Internal Control

During the audit, OIG considered a number of factors, including the subject matter of the project, to determine whether internal control was significant to the audit objective. Based on its consideration, OIG determined that internal control was significant for this audit. OIG then considered the components of internal control and the underlying principles included in the *Standards for Internal Control in the Federal Government*<sup>2</sup> to identify internal controls that were significant to the audit objective. Considering internal control in the context of a comprehensive internal control framework can help auditors to determine whether underlying internal control deficiencies exist.

OIG concluded that two of five internal control components from the *Standards for Internal Control in the Federal Government*—Control Activities and Monitoring—were significant to the audit objective. The Control Activities component includes the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity’s information system. The Monitoring component relates to activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other review. OIG also concluded that four principles related to the selected components were significant to the audit objective, as described in Table A.1.

**Table A.1: Internal Control Components and Principles Identified as Significant**

Components	Principles
Control Activities	Management should design control activities to achieve objectives and respond to risks.
Control Activities	Management should implement control activities through policies.
Monitoring	Management should establish and operate activities to monitor the internal control system and evaluate the results.
Monitoring	Management should remediate identified internal control deficiencies on a timely basis.

**Source:** Generated by OIG from an analysis of internal control components and principles from the Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

OIG interviewed Department and NGO officials and reviewed documents to obtain an understanding of the internal controls related to the components and principles identified as significant for this audit. OIG assessed the design and implementation of key internal controls. Specifically, OIG

- Reviewed refugee applicant cases for compliance with USRAP requirements.

<sup>2</sup> Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

- Reviewed NGO performance indicator data and reports for compliance with Department and award requirements.
- Observed prescreening interviews with refugee applicants for compliance with USRAP requirements.
- Reviewed NGO financial expenditures reports for compliance with award and federal requirements.
- Interviewed Grants Officers, Grants Officer Representatives, and Refugee Coordinators to determine the monitoring work each performed and methods for monitoring the status of any recommendations made.
- Reviewed monitoring plans and monitoring reports, including site visit reports.
- Reviewed award modification documentation, including emails, for oversight related to requests for funding and changes to budgets.

Internal control deficiencies identified during the audit that are significant within the context of the audit objective are presented in the Audit Results section of this report.

## Sampling Methodology

OIG's sampling objectives were to select NGOs that received awards to manage RSCs in FY 2022. In addition, for each selected NGO, OIG's sampling objectives were to select refugee applications to review, financial and performance reports submitted by each awardee to review, and expenditures made by each NGO to determine whether they were allowable, reasonable, allocable, and supported.

### *Selection of Audit Locations*

For FY 2022, OIG identified four cooperative agreements that were awarded to NGOs and three voluntary contributions that were awarded to the United Nations International Organization for Migration, totaling \$99,681,058. OIG selected specific offices associated with the RSCs managed by the NGOs to perform audit fieldwork. OIG selected two offices associated with RSC Asia. However, due to OIG budget considerations, OIG only selected the RSCs' primary offices for RSC Turkey and Middle East and RSC Africa. Of the four cooperative agreements, valued at \$80,781,058, OIG used a nonstatistical sampling methodology<sup>3</sup> and selected the three highest-dollar value awards as detailed in Table A.2.

**Table A.2: Locations Selected for Audit Work**

Organization	RSC	Offices	Award Total
International Rescue Committee (IRC)	Asia	Bangkok, Thailand Kuala Lumpur, Malaysia	\$10,513,753
International Catholic Migration Commission (ICMC)	Turkey and Middle East	Istanbul, Turkey	\$15,513,303

<sup>3</sup> A nonstatistical sampling method draws on the auditor's experience and professional judgment in selecting items for testing from the universe.

<b>Organization</b>	<b>RSC</b>	<b>Offices</b>	<b>Award Total</b>
Church World Service (CWS)	Africa	Nairobi, Kenya	\$51,454,045

**Source:** Generated by OIG based on award data provided by PRM and obtained from the State Assistance Management System Domestic database.

### ***Selection of Refugee Applications***

To determine whether selected recipients processed refugee applications in accordance with requirements, OIG used a nonstatistical simple random sampling methodology to select 60 FY 2022 refugee applications maintained in START (20 from each selected RSC) from a project universe of 22,439 applications initiated in FY 2022 by the selected recipients. OIG also selected 36 physical case files (12 from each selected RSC) and compared them to START. Of the 36 cases, OIG randomly selected 30. The remaining 6 cases were part of the 60 refugee applications tested.<sup>4</sup>

### ***Selection of Performance and Financial Reports***

To determine whether the selected recipients reported performance and financial information in accordance with their award terms, OIG selected all FY 2022 performance and financial reports submitted by the recipients for testing—4 performance reports and 4 financial reports from each recipient, totaling 24 reports. OIG reviewed all 24 reports to determine whether they were submitted within established timeframes and completed in accordance with requirements. To determine whether the reports were accurate, from the universe of 24, OIG reviewed the recipients' Quarter 3 performance reports, which were judgmentally selected, as well as the recipients' latest financial report, which covered all of FY 2022.<sup>5</sup>

### ***Selection of Expenditures***

To determine whether recipients expended funds in accordance with requirements, OIG obtained all award expenditures associated with Thailand and Malaysia reported in IRC's FY 2022 general ledger, all award expenditures associated with Turkey in ICMC's FY 2022 general ledger, and all award expenditures associated with all RSC Africa offices reported for the third quarter in CWS's FY 2022 general ledger.<sup>6</sup> OIG selected expenditures for testing from each of the following budget categories: personnel, travel, equipment, supplies, contractual, construction, and other direct costs. OIG judgmentally selected a dollar value cutoff for each budget category and removed all expenditures below that dollar value, which resulted in the

<sup>4</sup> Due to time constraints, OIG could not review 60 physical case files during audit fieldwork. Furthermore, for the 60 cases reviewed in START, the corresponding physical case file was not always available for review (primarily because the applicant had already departed for the United States, taking the file with them, which is standard practice).

<sup>5</sup> For two recipients, OIG selected their final financial report, and for the third recipient, OIG selected the Quarter 4 financial report because PRM extended that award to September 30, 2023, which changed the due date for the final financial report to January 2024.

<sup>6</sup> Due to the large volume of expenditures CWS incurs each quarter, OIG concluded that the quantity and dollar values from the third quarter were sufficient for sampling purposes.

target universe for each budget category for the recipient. See Table A.3 for the project universe and target universe of expenditures by recipient. See Tables A.4, A.5, A.6, and A.7 for the dollar values selected for each recipient by budget category.

**Table A.3: Total Expenditures in Project Universe and Target Universe by Recipient**

<b>Award Recipient</b>	<b>Number in Project Universe</b>	<b>Amount in Universe</b>	<b>Number in Target Universe</b>	<b>Amount in Target Universe (%)</b>
IRC	10,726 (Thailand)	\$3,744,274	214	\$671,165 (18)
	9,491 (Malaysia)	\$3,322,885	146	\$746,178 (22)
ICMC	13,527	\$8,315,940	508	\$2,577,336 (31)
CWS	8,127	\$10,749,579	134	\$4,019,075 (37)
<b>Total</b>	<b>41,871</b>	<b>\$26,132,678</b>	<b>1,002</b>	<b>\$8,013,754 (31)</b>

**Source:** Generated by OIG based on expenditure data provided by the selected award recipients.

#### *International Rescue Committee*

For the IRC Thailand office, OIG selected and tested 39 expenditures valued at \$213,938 from a universe of 10,726 expenditures valued at \$3,744,274. Table A.4 details the types of cost (by budget category), the criteria used for selection, and the numbers and amounts of expenditures selected and tested.

**Table A.4: Total Expenditures Selected and Tested for IRC (Thailand)**

<b>Cost Type</b>	<b>Selection Criteria</b>	<b>Number Selected</b>	<b>Amount Selected</b>	<b>Number Tested</b>	<b>Amount Tested</b>
Personnel	Highest and lowest dollar value	2	\$7,797	2	\$7,797
Travel	> \$3,000	5	\$35,078	5	\$35,078
Equipment	> \$1,000	5	\$16,872	5	\$16,872
Supplies	> \$1,000	5	\$13,033	5	\$13,033
Contractual	> \$3,000	5	\$17,047	5	\$17,047
Other Direct Costs	> \$4,000	5	\$43,940	5	\$43,940
High Risk Selection	Multiple factors*	12	\$80,171	12	\$80,171
<b>Total</b>		<b>39</b>	<b>\$213,938</b>	<b>39</b>	<b>\$213,938</b>

\* Factors included high dollar values; multiple purchases for the same item; and expenditures that have a questionable description, purpose, or both based on the approved budget narrative.

**Source:** Generated by OIG based on financial data provided by IRC.

For the IRC Malaysia office, OIG selected and tested 37 expenditures valued at \$194,989 from a universe of 9,491 expenditures valued at \$3,322,885. Table A.5 details the types of cost (by budget category), the criteria used for selection, and the numbers and amounts of expenditures selected and tested.

**Table A.5: Total Expenditures Selected and Tested for IRC (Malaysia)**

Cost Type	Selection Criteria	Number Selected	Amount Selected	Number Tested	Amount Tested
Personnel	Highest and lowest dollar value	2	\$9,432	2	\$9,432
Travel	> \$600	4	\$3,487	4	\$3,487
Equipment	> \$3,000	5	\$37,898	5	\$37,898
Supplies	> \$1,000	5	\$6,620	5	\$6,620
Contractual	> \$300	5	\$2,404	5	\$2,404
Other Direct Costs	> \$5,000	5	\$59,443	5	\$59,443
High Risk Selection	Multiple factors*	11	\$75,705	11	\$75,705
<b>Total</b>		<b>37</b>	<b>\$194,989</b>	<b>37</b>	<b>\$194,989</b>

\* Factors included large dollar amounts and questionable description, purpose, or both based on the approved budget narrative.

**Source:** Generated by OIG based on financial data provided by IRC.

#### *International Catholic Migration Commission*

For ICMC, OIG selected 41 expenditures valued at \$1,104,654 for testing from a universe of 13,527 expenditures valued at \$8,315,940. This universe only included expenditures from the Istanbul, Turkey, office because that office did not have supporting documentation for the expenditures of the Beirut, Lebanon, office. Due to time constraints during audit fieldwork, OIG tested 25 of the 41 expenditures. The 25 expenditures tested had a total value of \$959,962. OIG judgmentally selected the 25 expenditures based on their dollar value, mostly selecting the highest value expenditures. Table A.6 details the types of cost (by budget category), the criteria used for selection, and the numbers and amounts of expenditures selected and tested.

**Table A.6: Total Expenditures Selected and Tested for ICMC**

Cost Type	Selection Criteria	Number Selected	Amount Selected	Number Tested	Amount Tested
Personnel	Highest and lowest dollar value	2	\$9,531	0	\$0
Travel	> \$1,000	5	\$8,819	1	\$2,853
Equipment	> \$5,000	5	\$128,657	4	\$120,441
Supplies	> \$5,000	5	\$85,159	5	\$85,159
Contractual	> \$5,000	5	\$53,449	4	\$46,369
Construction	All	1	\$300,000	1	\$300,000
Other Direct Costs	> \$20,000	5	\$179,692	4	\$157,946
High Risk Selection	Multiple factors*	13	\$339,347	6	\$247,194
<b>Total</b>		<b>41</b>	<b>\$1,104,654</b>	<b>25</b>	<b>\$959,962</b>

\* Factors included high dollar values; multiple purchases of the same items or duplicate payments for an item; and questionable description, purpose, or both.

**Source:** Generated by OIG based on financial data provided by ICMC.

### Church World Service

For CWS, OIG selected 44 expenditures valued at \$582,010 for testing from a universe of 8,127 expenditures valued at \$10,749,579. Due to time constraints during audit fieldwork, OIG tested 43 of the 44 expenditures. The 43 expenditures tested had a total value of \$572,716. Table A.7 details the types of cost (by budget category), the criteria used for selection, and the numbers and amounts of expenditures selected and tested.

**Table A.7: Total Expenditures Selected and Tested for CWS**

Cost Type	Selection Criteria	Number Selected	Amount Selected	Number Tested	Amount Tested
Personnel	Highest and lowest dollar value	2	\$6,082	2	\$6,082
Travel	> \$8,000	5	\$142,165	5	\$142,165
Equipment	> \$2,000	5	\$26,302	4	\$26,302
Supplies	> \$5,000	5	\$67,730	5	\$67,730
Contractual	> \$2,000	5	\$29,175	5	\$29,175
Other Direct Costs	> \$5,000	5	\$73,777	4	\$64,483
High Risk Selection	Multiple factors*	17	\$236,779	17	\$236,779
<b>Total</b>		<b>44</b>	<b>\$582,010</b>	<b>43</b>	<b>\$572,716</b>

\* Factors include high dollar values; multiple purchases for the same items or duplicate payments for an item; and questionable description, purpose, or both.

Source: Generated by OIG based on financial data provided by CWS.

### Prior Office of Inspector General Reports

In March 2023, OIG issued a report that examined the challenges faced by domestic resettlement agencies in implementing the Department's Afghan Placement and Assistance Program. The program's domestic resettlement framework was largely influenced by the Reception and Placement Program, a component of USRAP. OIG reported that resettlement agencies reported significant challenges in implementing the Afghan Placement and Assistance Program, including the fast pace and large number of Afghan arrivals, lack of available housing, difficulty obtaining necessary documentation for participants, and minimal pre-arrival cultural orientation. Furthermore, following the decrease in refugee admissions under the prior administration, many of the resettlement agencies did not have adequate staffing for the number of arrivals and had to hire staff quickly to implement the program. OIG did not make any recommendations in the report but identified lessons learned for future resettlement efforts.<sup>7</sup>

<sup>7</sup> OIG, *Review of Challenges in the Afghan Placement and Assistance Program* (ESP-23-01, March 2023).

## APPENDIX B: DETAILED RESULTS OF OIG EXPENDITURE TESTING

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The Office of Inspector General (OIG) tested 144 expenditures, totaling \$1,941,605, incurred in FY 2022 by the selected recipients and is questioning 24 expenditures (17 percent), totaling \$759,000. The details of the questioned costs resulting from OIG's testing are detailed below.

### ***International Rescue Committee Questioned Costs***

For cooperative agreement SPRMCO22CA0007, International Rescue Committee (IRC), OIG tested 76 expenditures, totaling \$408,928, and is questioning 17 expenditures, totaling \$554,426,<sup>1</sup> of which \$127,899 is unsupported.

- The Code of Federal Regulations (C.F.R.) states that one of the factors affecting the allowability of costs is that the costs must conform to any limitations or exclusions set forth in the federal award as to the types or amount of items.<sup>2</sup> IRC charged 80 percent of expenditures associated with an office renovation contract executed in July 2022 to the "Other Direct Costs" budget category. This category, according to The Bureau of Population, Refugees, and Migration's (PRM) Notice of Funding Opportunity,<sup>3</sup> includes any other direct cost "not clearly covered herein" and each item under this category must be listed in the organization's budget separately with its estimated cost. However, IRC's budget did not list this contract or its estimated cost under "Other Direct Costs" as required. Instead, according to PRM, it was listed under the "Facility Maintenance" subcategory of "Supplies." OIG found that this subcategory included maintenance costs for three facilities, whereas this is a renovation contract for only one facility.<sup>4</sup> The estimated cost for all three facilities was \$239,688, but the total amount for this contract alone was \$360,632. OIG concludes that this cost did not conform to the award. Furthermore, the C.F.R. also states that for a cost to be allowable, it must be consistent with the entity's policies and procedures<sup>5</sup> and be adequately documented.<sup>6</sup> IRC could not provide a delivery report for the equipment purchased under this contract as required by IRC's "Payment Request" Standard Operating Procedures.<sup>7</sup> As a result, OIG is questioning the entire contract amount of \$360,632.

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<sup>1</sup> The total dollar amount questioned is more than the total amount of expenditures selected for testing because OIG is questioning all costs associated with three contracts.

<sup>2</sup> 2 C.F.R. § 200.403(b).

<sup>3</sup> Compliance with the Notice of Funding Opportunity is required by the award.

<sup>4</sup> The Department of State's Federal Assistance Directive requires that nongovernmental organizations provide a breakdown for any proposed contract for the Grants Officer's review. See Federal Assistance Directive, Chapter 2, Section N.3.a (October 2021), page 70.

<sup>5</sup> 2 C.F.R. § 200.403(c).

<sup>6</sup> 2 C.F.R. § 200.403(g).

<sup>7</sup> An IRC representative stated that the equipment was included as part of the contractor's certificate of completion. OIG reviewed the certificate and found that it did not include the equipment.

- The C.F.R. states that to be allowable a cost must be incurred during the approved budget period.<sup>8</sup> Furthermore, the cooperative agreement states, “Expenses to be charged against this agreement must be for actual costs incurred for authorized activities.” IRC executed an office renovation contract in June 2021 prior to receiving its FY 2022 award. An IRC memorandum dated April 23, 2021, approved by the prior Resettlement Support Center (RSC) Asia Deputy Director, states that although funding was available under the FY 2021 award, the renovations were not included in the FY 2021 budget. Rather than request an award modification, IRC paid for the renovations using FY 2022 award funds. The C.F.R. further states that another factor affecting the allowability of costs is that the costs must conform to any limitations or exclusions set forth in the federal award.<sup>9</sup> IRC charged 97 percent of expenditures associated with this contract to the “Other Direct Costs” budget category. This category, according to PRM’s Notice of Funding Opportunity, includes any other direct cost “not clearly covered herein” and each item under this category must be listed separately with its estimated cost. IRC’s FY 2022 budget did not list this contract or its estimated cost under “Other Direct Costs” as required. OIG concludes that this cost did not conform to the award, was not incurred during the approved budget period, and was not authorized. As a result, OIG is questioning the entire contract in the amount of \$64,559.
  
- The C.F.R. states that for a cost to be allowable, it must be consistent with the entity’s policies and procedures.<sup>10</sup> IRC’s internal procurement procedures require a request for quotes and a bid analysis for procurements higher than \$2,500. Alternatively, a single source with an adequate justification may serve as the basis for requesting a procurement process waiver when a required product or service can be established as one-of-a-kind or the specified supplier is proven to be the only one in the market that can supply the goods or services. This can be demonstrated using the results from a request for quotes or proposals, publicly documented sole supplier situations, or documented results of thorough market research.
  - IRC justified a single source procurement for a contractor stating, “There are few providers with these required skill sets and clearances. Previous open tenders conducted received only one bid. Due to the specialized nature of this service, doing another open tender may not have different results.” Thus, in its justification for a waiver, IRC established that there were “few” providers, not that there was only one, and that, while open competition had not yielded results in the past, IRC was not certain that would be the case again. As a result, OIG is questioning the entire contract amount of \$87,000.
  
  - IRC incurred a cost for a classroom rental without first acquiring a procurement process waiver. The RSC Asia Deputy Director stated that the facility had been

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<sup>8</sup> 2 C.F.R. § 200.403(h).

<sup>9</sup> 2 C.F.R. § 200.403(b).

<sup>10</sup> 2 C.F.R. § 200.403(c).

used in the past and had several amenities that were needed for cultural orientation. As a result, OIG is questioning a total amount of \$5,375.

- IRC incurred costs in FY 2022 for legal services without first acquiring a procurement process waiver. RSC Asia was only able to provide a waiver for the contract executed in FY 2023. As a result, OIG is questioning a total amount of \$616.
- The C.F.R. states that for a cost to be allowable, it must be consistent with the entity's policies and procedures<sup>11</sup> and be adequately documented.<sup>12</sup>
  - IRC's internal procurement procedures require a correctly written purchase requisition to ensure that IRC procures the right goods and services. IRC incurred three costs for renting meeting rooms in Indonesia without authorized purchase requisitions. According to the RSC Asia Director, IRC's organizational structure in Indonesia caused delays in getting approvals, and the need was urgent. As a result, OIG is questioning expenditures for meeting rooms in Indonesia in the amounts of \$4,796, \$11,986, and \$14,046.
  - IRC's internal procurement procedures require a bid analysis that summarizes offers/proposals using agreed quantitative and qualitative criteria and scores potential suppliers based on the criteria described. IRC incurred a cost for the purchase of kitchen equipment without the required bid analysis. According to the RSC Asia Administration Coordinator, an IRC official failed to transfer the information to a Bid Analysis form. As a result, OIG is questioning the total amount of \$4,081.
- The cooperative agreement states that any materials or signage developed by an RSC will be branded in accordance with cooperative agreement protocols and presented to the Refugee Coordinator and/or PRM for review prior to production and distribution. IRC incurred a cost for 1,000 laminated canvas bags without production approval from the Refugee Coordinator or PRM. The RSC Asia Senior Financial Manager stated that PRM approved the RSC Asia logo; however, IRC was not aware of a requirement for PRM to approve the production of all items bearing the logo. As a result, OIG is questioning the total amount of \$1,335.

### ***Church World Service Questioned Costs***

For cooperative agreement SPRMCO22CA0005, Church World Service (CWS), OIG tested 43 expenditures, totaling \$572,716, and is questioning 3 expenditures, totaling \$42,884 (7 percent), of which \$42,884 is unsupported.

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<sup>11</sup> 2 C.F.R. § 200.403(c).

<sup>12</sup> 2 C.F.R. § 200.403(g).

- The C.F.R. states that for a cost to be allowable, it must be consistent with the entity's policies and procedures<sup>13</sup> and be adequately documented.<sup>14</sup> CWS's procurement policy requires a minimum of three quotes for acquisitions with a value of more than \$10,000. The policy also includes procedures for exceptions to competitive procurement.
  - CWS did not provide evidence that it requested a minimum of three quotes or that it followed its procedures for a noncompetitive procurement when it executed a contract for security services. A CWS official stated that the vendor was selected based on a recommendation from U.S. Embassy Nairobi, Kenya's, Regional Security Office; however, CWS could not provide evidence of the recommendation. As a result, OIG is questioning all payments made to the contractor in the third quarter of FY 2022, totaling \$33,679.<sup>15</sup>
  - CWS did not provide evidence that it requested a minimum of three quotes or that it followed its procedures for a noncompetitive procurement when it executed a contract for mechanical engineering services. A CWS official stated that the vendor was selected based on prior experience with the RSC and because of an urgent need. CWS provided an email showing that the Deputy Director for Administration approved going above the budgeted cost for this "direct procurement." However, CWS's policy states that the Regional Director, RSC Director, or RSC Deputy Director (not the Deputy Director for Administration) may waive the requirement for a competitive procurement. As a result, OIG is questioning all payments made to the contractor in the third quarter of FY 2022, totaling \$7,691.
- The C.F.R. states that to be allowable costs must be adequately documented.<sup>16</sup> CWS did not provide adequate documentation that an individual was authorized to receive lodging during a circuit ride. The individual was included on a list of staff authorized to travel dated January 12, 2022. However, the individual was removed from the list in an email dated January 14, 2022. As a result, OIG is questioning \$1,514 paid for the individual's lodging.

### ***International Catholic Migration Commission Questioned Costs***

For cooperative agreement SPRMCO22CA0002, International Catholic Migration Commission (ICMC), OIG tested 25 expenditures,<sup>17</sup> totaling \$959,962, and is questioning 4 expenditures (16 percent), totaling \$161,690 (17 percent), of which \$39,094 is unsupported.

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<sup>13</sup> 2 C.F.R. § 200.403(c).

<sup>14</sup> 2 C.F.R. § 200.403(g).

<sup>15</sup> OIG could not calculate all payments made to the contractor during FY 2022 because it only requested third quarter transactions from CWS due to the large number of transactions.

<sup>16</sup> 2 C.F.R. § 200.403(g).

<sup>17</sup> OIG only tested 25 of 41 sampled expenditures because of time constraints.

- According to the C.F.R., a cost is reasonable if it does not exceed that which would not be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining the reasonableness of a given cost, consideration must be given to restraints or requirements imposed by sound business practices and whether the individuals involved acted with prudence in the circumstances considering their responsibilities to the federal government.<sup>18</sup> In 2009, ICMC executed a contract for security services. In 14 years, ICMC has only conducted market research once (in 2016) and decided to continue with the contractor but did not provide a bid analysis or justification for continuing the contract. The Federal Acquisition Regulations<sup>19</sup> (FAR) requires contracts to specify limits on the overall duration of the term of the contract, including any extension. Furthermore, the FAR states that unless otherwise approved in accordance with agency procedures, the total of the basic and option periods shall not exceed 5 years in the case of services. Although nongovernmental organizations are not required to follow FAR requirements, the FAR does provide guidance as to what the federal government considers prudent and sound business practice. This contract has a clause that states “unless one of the parties notifies termination by registered mail at least one month before the end of the contract period, the contract shall be deemed to be renewed for the same period at the end of each period.” This contradicts the guidance provided by the FAR requiring contracts to specify limits on the overall length of a contract (i.e., a sound business practice). By maintaining a contract since 2009, OIG concludes that ICMC has not acted with prudence considering their responsibilities to the federal government. As a result, OIG is questioning all payments made in FY 2022, totaling \$122,596.
- The C.F.R. states that for a cost to be allowable, it must be consistent with the entity’s policies and procedures<sup>20</sup> and be adequately documented.<sup>21</sup> ICMC’s procurement policy requires three bids for procurements over \$5,000 and under \$200,000. ICMC’s policy does not include procedures for noncompetitive procurements; thus, ICMC must comply with the C.F.R., which lists five specific circumstances in which noncompetitive procurement can be used.<sup>22</sup>

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<sup>18</sup> 2 C.F.R. 200.404, “Reasonable costs.”

<sup>19</sup> FAR 17.204, “Contracts.”

<sup>20</sup> 2 C.F.R. § 200.403(c).

<sup>21</sup> 2 C.F.R. § 200.403(g).

<sup>22</sup> According to 2 C.F.R. § 200.320(c), “Noncompetitive procurement,” a noncompetitive procurement can only be used if one or more of the following circumstances apply: (1) the acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold; (2) the item is available only from a single source; (3) the public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation; (4) the federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-federal entity; or (5) after solicitation of a number of sources, competition is determined inadequate.

- ICMC executed a contract for consulting services. An ICMC official stated that no formal selection process was followed because the consultant had special skill sets. Specifically, the consultant was a lawyer with significant experience in the sector who had been providing training to ICMC offices. OIG concludes that ICMC did not follow its bidding process nor document a justification for a noncompetitive procurement prior to executing the award. As a result, OIG is questioning the entire amount of \$30,094 expended under the contract.
  
- ICMC incurred expenses for consulting services in preparation for an audit. An ICMC official stated that ICMC did not follow the bidding process because they could not find any organization in Turkey with the required understanding of the subject matter of the audit. ICMC selected the vendor based on a recommendation from another RSC. OIG concludes that ICMC did not follow its bidding process nor document a justification for a noncompetitive procurement prior to executing the award. As a result, OIG is questioning the entire contract amount of \$9,000.

## APPENDIX C: BUREAU OF POPULATION, REFUGEES, AND MIGRATION RESPONSE

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**United States Department of State**

*Assistant Secretary  
Bureau of Population, Refugees, and Migration*

*Washington, D.C. 20520*

**September 11, 2023**

**UNCLASSIFIED  
MEMORANDUM**

**TO:** OIG/AUD

**FROM:** PRM – Assistant Secretary Julieta Valls Noyes

**SUBJECT:** Draft Report on Audit of Selected Cooperative Agreements Supporting  
Department of State Refugee Resettlement Support Centers

Thank you for the opportunity to provide comments on and respond to the recommendations of the subject draft audit report. PRM appreciates these independent reviews of our procedures as a way of continually improving our processes. During the exit conference, we were pleased the OIG confirmed that PRM has robust operating procedures and that many recommendations can be satisfied with minor adjustments to existing documentation or improved communication with partners.

We have addressed the 13 audit recommendations directed to PRM and included comments tied to specific sections of the report in the attachments to this letter. In addition to helping PRM improve our processes, the report is a helpful tool to reinforce with partners the importance of reviewing policies and procedures for compliance with 2 CFR 200 as well as the need follow these policies in the day-to-day operation of Resettlement Support Centers (RSCs).

PRM acknowledges that the OIG identified some instances where the RSC did not meet all administrative requirements for a case at the specific point in time. However, based on PRM's review and follow-on discussions with RSCs, we believe several findings may not reflect the fuller picture, given that processing steps that occur both prior to the prescreening interview and after the USCIS interview. Nevertheless, we will continue to update our operating procedures to make clear which procedures are a requirement versus a best or recommended practice.

In considering OIG's finding that RSCs did not always maintain consistent information between PRM's case management system, START, and the physical case file, PRM notes the discrepancies may have arisen due to where they were in final processing. More importantly, we are pleased to inform OIG that PRM and USCIS have fully digitized physical case files as of September 8, 2023, so RSCs will no longer need to maintain synchronized digital and physical records for each refugee applicant. This modernization removes significant administrative requirements for the RSCs while maintaining the integrity and efficiency of the overall process.

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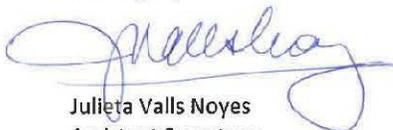
We remain committed to improving information management and identifying further efficiencies in the USRAP without compromising the integrity of the program.

PRM remains committed to effective management, monitoring, and evaluation of its assistance programs. When making initial award determinations, PRM verifies partners' past performance and eligibility qualification and reviews independent audits of organizations in accordance with 2 CFR. During program implementation, PRM analyzes quarterly financial and program reporting; reviews periodic payment requests; and conducts regular meetings to monitor the actual awards' performance indicators and financial transactions. These measures create an effective internal controls framework ensuring proper use of Federal funding and achievement of U.S. foreign policy objectives.

When addressing questioned costs for International Catholic Migration Commission, the audit references the Federal Acquisition Regulations (FAR) and notes that "nongovernmental organizations are not required to follow FAR requirements." While we understand OIG's goal is to establish a framework for prudent and sound business practice, the FAR does not apply to this or any of the awards covered in this report. We recommend the OIG instead reference requirements established in 2 CFR 200, subpart E, which is the applicable regulation for cooperative agreements. Nevertheless, PRM is conducting enhanced financial monitoring including with the goal of improving ICMC's procurement policies. PRM takes seriously OIG's identification of potentially unsupported costs and will take immediate steps to review and recover funds for any costs that are determined to be not allowable.

We will continue to improve PRM's assistance programs in all areas including by implementing the recommendations of this audit to further strengthen our management and oversight performance.

Thank you,



Julieta Valls Noyes  
Assistant Secretary

Attachment:

1. Recommendations and Responses
2. Comments on draft Audit Report

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**Response to the draft Report, *Audit of Selected Cooperative Agreements Supporting  
Department of State Refugee Resettlement Support Centers***

**Recommendations and Responses**

**Recommendation 1.** OIG recommends that the Bureau of Population, Refugees, and Migration review its refugee application quality control processes to identify gaps and develop and implement improvements to provide reasonable assurance that program objectives will be achieved.

**PRM Response:** Concur. PRM has been implementing this recommendation prior to the OIG review and we will use the review findings to enhance those efforts. We will continue to regularly review quality control processes to identify additional technical enhancements and process improvements. We also have in place Washington, D.C.-based checks to review data quality on critical data points using reports built in START and will continue to expand the data elements monitored as appropriate.

**Recommendation 2.** OIG recommends that the Bureau of Population, Refugees, and Migration review its standard operating procedures to consolidate and clarify guidance related to prescreening refugee applicants and ensure data consistency between START and the physical case file.

**PRM Response:** Concur. We will continue to review the prescreening standard operating procedures (SOPs) on a regular basis to address questions identified by RSCs and remove steps no longer required, particularly as the program continues to implement joint PRM-USCIS system and policy efficiencies. In addition, we will continue to manage a shared collaboration space where RSCs post requests for guidance clarification and suggest SOP edits, both of which PRM will include in regular SOP updates, if appropriate. Finally, we recently implemented digitization of applicants' official records, which removes the requirement for a physical case file. This change allows us to maintain robust processes while removing some of the administrative requirements for RSCs.

**Recommendation 3.** OIG recommends that the Bureau of Population, Refugees, and Migration collaborate with U.S. Citizenship and Immigration Services to evaluate steps in the standard operating procedures related to prescreening refugees and update those procedures as appropriate.

**PRM Response:** Concur. PRM will continue to regularly collaborate with USCIS to review operating procedures and will update procedures as appropriate. PRM notes that collaboration with USCIS on policies and procedures takes place at USCIS Headquarters level. We will work with USCIS to ensure clear and regular communication of policy reviews and updates to field officers.

**Recommendation 4.** OIG recommends that the Bureau of Population, Refugees, and Migration review performance reporting guidance for award recipients and include additional instructions

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as appropriate in the performance report template to assist Resettlement Support Centers in capturing and accurately reporting performance data in accordance with Department requirements.

**PRM Response:** Concur. PRM will review the current performance guidance and provide additional instructions if deemed appropriate to ensure RSCs are accurately reporting performance data.

**Recommendation 5.** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether the \$426,527 in questioned costs related to International Rescue Committee's cooperative agreement (SPRMCO22CA0007) for an office renovation contract and canvas bags, as detailed in Appendix B, are allowable and (b) recover any costs determined to be unallowable.

**PRM Response:** Concur. PRM will review the questioned costs for allowability and recover any costs determined to be unallowable.

**Recommendation 6.** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether the \$127,899 in unsupported costs related to International Rescue Committee's cooperative agreement (SPRMCO22CA0007) for the purchase of equipment, the renting of meeting rooms, and professional services contracts, as detailed in Appendix B, are supported and (b) recover any costs determined to be unsupported.

**PRM Response:** Concur. PRM will review the unsupported costs for allowability and recover any costs determined to be unsupported.

**Recommendation 7.** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether the \$42,884 in unsupported costs related to Church World Service's cooperative agreement (SPRMCO22CA0005) for a security services contract, mechanical engineer consulting services contract, and lodging costs, as detailed in Appendix B, are supported and (b) recover all costs determined to be unsupported.

**PRM Response:** Concur. PRM will review the unsupported costs for allowability and recover any costs determined to be unsupported.

**Recommendation 8.** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether all other payments made in the first, second, and fourth quarters of FY 2022 related to Church World Service's cooperative agreement (SPRMCO22CA0005) for a security services contract and a mechanical engineer consulting services contract are supported and (b) recover all additional costs determined to be unsupported.

**PRM Response:** Concur. PRM will review payments associated with the OIG identified contracts to verify allowability under award SPRMCO22CA0005 and recover any costs determined to be unsupported.

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**Recommendation 9.** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether the \$39,094 in unsupported costs related to International Catholic Migration Commission's cooperative agreement (SPRMCO22CA0002) for consulting services contracts, as detailed in Appendix B, are supported and (b) recover any costs determined to be unsupported.

**PRM Response:** Concur. PRM will review the unsupported costs for allowability and recover any costs determined to be unsupported.

**Recommendation 10.** OIG recommends that the Bureau of Population, Refugees, and Migration (a) determine whether the \$122,596 in questioned costs related to International Catholic Migration Commission's cooperative agreement (SPRMCO22CA0002) for a security contract, as detailed in Appendix B, are reasonable and (b) recover all costs determined to be unreasonable.

**PRM Response:** Concur. PRM will review the questioned costs and recover any costs determined to be unreasonable.

**Recommendation 11.** OIG recommends that the Bureau of Population, Refugees, and Migration (a) review all contracts executed by International Catholic Migration Commission under award SPRMCO22CA0002 not already covered under this audit report to determine whether the costs associated with those contracts comply with Code of Federal Regulations requirements and (b) recover all costs determined to be unallowable.

**PRM Response:** Concur. PRM will conduct enhanced financial monitoring of award SPRMCO22CA0002 and recover any costs determined to be unallowable.

**Recommendation 12.** OIG recommends that the Bureau of Population, Refugees, and Migration revise its standard operating procedures related to post-award monitoring as needed to require spot checks of vouchers.

**PRM Response:** Concur. PRM will review SOPs for enhanced financial monitoring to incorporate spot checks of vouchers consistent with 2 CFR 200.328 and Chapter 4 of the Foreign Assistance Directive.

**Recommendation 13.** OIG recommends that the Bureau of Population, Refugees, and Migration develop and implement a communications strategy to inform current and future award recipients about the cost principles for award recipients outlined in the Code of Federal Regulations (CFR), 2 CFR Part 200 and 2 CFR Part 600.

**PRM Response:** Concur. PRM will remind current and future award recipients about the cost principles outlined in the Code of Federal Regulations (CFR), 2 CFR Part 200 and 2 CFR Part 600.

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**PRM Comments on draft Report, *Audit of Selected Cooperative Agreements Supporting Department of State Refugee Resettlement Support Centers***

The following are comments concerning the specified sections of the report:

- Page 2. The report includes Dakar, Senegal, as one of the locations in which Resettlement Support Center (RSC) in Africa operates. RSC Africa considered opening a sub-office in Dakar, Senegal, but after further discussions with PRM ultimately did not pursue establishing the sub-office. While positions for this sub-office were approved in the FY 2022 award, the RSC did not move forward with hiring. Accordingly, we recommend that reference to Dakar, Senegal, be removed.
- Page 6 and 7. The report identifies eight findings from its review of 60 refugee applications. In PRM's discussion of these findings and cases with RSCs, PRM believes several of these findings may not reflect the fuller picture given other considerations around processing. However, PRM would need additional context on the discussions OIG had with each RSC in response to the findings to form a definitive conclusion. For example, 1) for forms that OIG found to be missing from the electronic file after DHS interview, those would be scanned/uploaded if missing during final quality control checks before the applicant travels; 2) in-system validation checks were not always available for certain cases, such as following-to-join refugees (FTJ-Rs), given the transition of data from PRM's old system WRAPS to START; and 3) there were findings related to "Notes to USCIS" that resulted from different RSC and OIG interpretation of guidance but were not in fact processing mistakes by the RSC; as such, PRM has clarified the language in the SOP to address this.
- Page 7. OIG tested whether the physical case files included certain documents in 36 cases. PRM would like to reiterate that at the point in time when OIG reviewed the case(s), the electronic and paper files may have been out of sync. However, additional quality control checks would be performed to find any such discrepancies prior to travel. If the mismatch were to exist at the point of travel, the findings would be more significant. PRM is confident that the introduction of new fully digitized case files will address this issue going forward.
- Page 8 to 9 – Table 2. The report lists the percentage of twelve RSC interviews that were compliant with prescreening interview requirements. In PRM's discussion of these findings and cases with RSCs, PRM believes several findings are accurate. However, several findings may not reflect the full picture given other considerations around processing. PRM would need additional context on the discussions with each RSC to form a definitive conclusion, as it is unclear which of the 28 findings/elements apply to which RSC. However, PRM encourages RSCs to manage their communications with applicants in a manner that reflects their knowledge of the population. For example, RSCs report covering some of the topics in Table 2 through a "Welcome Hand Out" or "Group Announcement," finding more culturally

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appropriate ways to inquire about gender, or possibly reviewing some topics with the applicant prior to the prescreening interview (e.g., on a scheduling phone call).

- Page 12 – Table 3. OIG tested Performance Indicator 1.2 of RSC performance reporting and found some RSCs were reporting incorrectly. PRM and RSC no longer receive the DHS Mission Support Feedback Form, and this indicator has been removed for the FY 2024 reporting period.
- Page 17. The report references the Federal Acquisition Regulations (FAR) and notes that “nongovernmental organizations are not required to follow FAR requirements.” While we understand the goal is to establish a framework for prudent and sound business practice, the FAR does not apply to this award. We recommend the OIG remove references to the FAR and instead reference the 2 CFR 200, subpart E, which is the applicable regulation for these awards.

Page 35. Same comment as noted for page 17.

## ABBREVIATIONS

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C.F.R.	Code of Federal Regulations
CWS	Church World Service
FAR	Federal Acquisition Regulations
GOR	Grants Officer Representative
ICMC	International Catholic Migration Commission
IOM	International Organization for Migration
IRC	International Rescue Committee
MPR	monitoring plan and report
NGO	nongovernmental organization
OIG	Office of Inspector General
PRM	Bureau of Population, Refugees, and Migration
RSC	Resettlement Support Center
SOP	standard operating procedure
UNHCR	United Nations High Commissioner for Refugees
USCIS	U.S. Citizenship and Immigration Services
USRAP	United States Refugee Admissions Program

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