

## **2 FAM 030**

# **OFFICE OF INSPECTOR GENERAL ACTIVITIES**

*(CT:GEN-336; 02-26-2007)*  
*(Office of Origin: A/ISS/DIR)*

## **2 FAM 031 AUDITS, INSPECTIONS, SECURITY OVERSIGHT, SPECIAL OPERATIONS REVIEW, AND INVESTIGATIONS**

### **2 FAM 031.1 Responsibilities**

#### **2 FAM 031.1-1 Inspector General**

*(TL:GEN-280; 11-02-1992)*

- a. Provides policy direction for conducting, supervising, and coordinating objective, independent audits, investigations, inspections, and security oversight reviews relating to the programs and operations of the Department, including Foreign Service posts, regional and functional bureaus and other operating units of the Department of State, to determine if policy goals and objectives are being effectively achieved and the interests of the United States are being accurately and effectively represented.
- b. Reviews activities and operations performed under the direction, coordination, and supervision of chiefs of mission (COMs) for the purpose of ascertaining their consonance with the foreign policy of the United States and their consistency with the responsibilities of the Secretary of State and the chief of mission.
- c. Reviews existing and proposed legislation and regulations relating to programs and operations of the Department and the Foreign Service with a view toward making recommendations regarding their effect on economy and efficiency or on the detection and prevention of fraud and abuse.
- d. Recommends policies for conducting, supervising and coordinating Department activities aimed at promoting economy and efficiency and

preventing or detecting fraud and abuse in its programs and operations.

- e. Recommends policies for conducting, supervising, and coordinating relationships between the Department and other Federal agencies, the General Accounting Office, State and local government agencies, and non-government entities with respect to the promotion of economy and efficiency and the prevention or detection of fraud and abuse in Department programs and operations.
- f. Receives and investigates complaints or information from members of the Foreign Service, employees of the Department, and others concerning the possible existence of any activity constituting:
  - (1) A violation of laws or regulations;
  - (2) Mismanagement, gross waste of funds, or abuse of authority; or
  - (3) A substantial and specific danger to public health or safety.
- g. Identifies and recommends the prosecution of participants in fraud and abuse, including expeditiously reporting to the Attorney General whenever investigation reveals reasonable grounds to believe that there has been a violation of Federal criminal law.
- h. Keeps the Secretary and the Congress fully and currently informed concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of Department and Foreign Service programs and operations, recommending corrective action, and reporting on progress made in implementing these recommendations.
- i. Reports immediately to the Secretary particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of activities and operations of Foreign Service posts or bureaus or other operating units of the Department.
- j. Inspects and audits the administration of activities and operations of each Foreign Service post and each bureau and other operating unit of the Department at least once every five years.
- k. Pursuant to the Arms Control and Disarmament Amendments Act of 1987, also holds the position of Inspector General of the Arms Control and Disarmament Agency (ACDA). The Inspector General of ACDA has the same duties, responsibilities, and authorities as those specified in the Inspector General Act of 1978, as amended; however, he or she is restricted to using personnel from the Department of State Office of Inspector General (OIG) in performing these duties. Under a Memorandum of Understanding between the Office of Inspector General

of the Department of State and ACDA, OIG will provide audit, investigation, and inspection services to ACDA on a reimbursable basis.

## **2 FAM 031.1-2 Secretary of State**

*(TL:GEN-280; 11-02-1992)*

- a. The Secretary shall authorize the Inspector General direct and prompt access for any purpose pertaining to the performance of functions and responsibilities under the Inspector General Act of 1978, as amended.
- b. The Secretary shall provide the Office of Inspector General with appropriate and adequate office space at central and field office locations, together with such equipment, office supplies, communications facilities and services, and maintenance as may be necessary for the operation of such offices and equipment.
- c. The Secretary shall transmit any report made by the Inspector General pursuant to section 2 FAM 031.1-1, to the appropriate committees or subcommittees of Congress within seven calendar days, together with any comments the Secretary deems appropriate.

## **2 FAM 031.1-3 Under Secretary for Management**

*(TL:GEN-280; 11-02-1992)*

- a. As the Department's designated audit followup official and as the Secretary's designee for impasse resolution when audited or inspected units or posts do not agree with the Inspector General over the corrective action to be implemented to resolve an audit or inspection recommendation, the Under Secretary for Management has personal responsibility for ensuring that:
  - (1) Systems of audit and inspection follow-up, resolution, and corrective action are documented and in place;
  - (2) Timely responses are made to all audit and inspection reports;
  - (3) Disagreements are resolved;
  - (4) Corrective actions are actually taken; and
  - (5) The Secretary's Semiannual Report to Congress is provided to the Secretary containing appropriate comments on the semiannual reports of the Inspector General (see 2 FAM 038.2)—statistical tables showing the dollar value and disposition of disallowed costs

and funds put to better use in audit reports pending final action for more than one year, including the name, title, dollar values of disallowed costs and funds put to better use, and the reason final action has not been taken for each report. See Section 5(b) of the Inspector General Act Amendments of 1988 (Pub. L. 100-504 of Oct. 18, 1988, 102 Stat. 2515, 5 U.S.C. Appendix 3) for detailed requirements concerning these reports.

## **2 FAM 031.1-4 Department and Foreign Service Managers**

*(TL:GEN-280; 11-02-1992)*

Chiefs of mission and principal officers at Foreign Service posts and heads of bureaus, other operating units, and programs in the Department are responsible for ensuring compliance with laws and regulations and for undertaking periodic internal assessments of the activities and operations under their direction. Such assessments should provide managers with a means of assessing the effectiveness and efficiency of these activities and operations and of measuring progress toward achieving the goals and objectives of their post, bureau, unit, or program. They also should test the adequacy of internal or management controls for preventing or detecting waste, mismanagement, fraud, or abuse of authority.

## **2 FAM 031.1-5 Department Employees and Foreign Service Members**

*(TL:GEN-284; 02-27-1993)*

- a. Each individual Department employee and member of the Foreign Service, including Foreign Service national (FSN) employees, has a responsibility to help promote the honesty, integrity, effectiveness, and efficiency with which the nation's business is conducted. Employees should report suspicions of violations of law or regulation directly to the Inspector General or any other official of the OIG by the most expeditious and secure means available to the employee. Employees should report questions of waste, abuse, or mismanagement normally to that level of bureau, office, unit, or post management best able to effect prompt corrective action. However, where this has been done without satisfactory results or where, in the judgment of the employee, circumstances appear to so warrant, the employee should report the problem directly to the Inspector General or any other OIG official.
- b. Employees may report suspected violations of laws or regulations or of suspected waste, abuse, or mismanagement:

- (1) In person to the Inspector General or any other OIG official (i.e., investigator, auditor, inspector, counsel, or other representative).
- (2) By the Diplomatic Telecommunications System from Foreign Service posts. When sending telegrams from post, use the caption "OIG Channel—State." This provides for private communications in a special channel, with access restricted to members of the Foreign Service and Department employees sending messages to, or receiving messages from, the OIG. Unauthorized distribution, copying, or retention of OIG channel telegrams, in the Department or the field, is grounds for administrative sanction (see section 5 FAM 212.3 paragraph d).
- (3) By official correspondence or by personal letter. The OIG has an exclusive hotline address for this purpose: Post Office Box 19392
- (4) By telephone; (202) 647-3320 is a confidential hotline, where collect calls will be accepted during business hours.

## **2 FAM 031.1-6 Audited, Inspected, and Investigated Posts, Units, or Activities**

*(TL:GEN-280; 11-02-1992)*

The officer in charge of the post, bureau, unit, or program being inspected, audited, or investigated is required to:

- (1) Provide briefing materials, completed questionnaires, or other information as requested by the Inspector General or by the OIG audit, inspection, or investigation team leader;
- (2) Provide prompt access for auditors, inspectors, investigators, and other officers authorized by the OIG to any files, records, reports, or other information that may be requested either orally or in writing;
- (3) Provide access by auditors, inspectors, investigators, and other officers authorized by the OIG to all government property or equipment for which the post or unit is responsible;
- (4) Assist in arranging private interviews by auditors, inspectors, investigators, and other officers authorized by the OIG with staff members and other appropriate persons, including those in other units or other Federal agencies;
- (5) At Foreign Service posts, ensure that auditors, inspectors,

investigators, and other officers authorized by the OIG have access to all activities and operations performed under the direction, coordination, and supervision of the chief of mission, and assist as necessary in arranging interviews with local officials or other individuals; and

- (6) Provide working space and facilities, secretarial assistance, and other support as required by the OIG audit, inspection, and investigation team.

## **2 FAM 031.2 Audit, Inspection, Security Oversight, and Investigation Subjects**

### **2 FAM 031.2-1 Posts, Bureaus, and Units**

*(TL:GEN-280; 11-02-1992)*

The Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980 require that the Inspector General periodically (at least every five years) inspect and audit the administration of activities and operations of each Foreign Service post and each bureau or other operating unit of the Department. Investigations will be conducted as considered necessary by the Inspector General. All such OIG reviews may include, but are not limited to, a systematic review and evaluation of:

- (1) Whether policy goals and objectives are being effectively achieved and whether the interests of the United States are being accurately and effectively represented;
- (2) Whether resources are being used and managed with the maximum degree of efficiency, effectiveness, and economy;
- (3) Whether financial transactions and accounts are properly conducted, maintained, and reported;
- (4) Whether the administration of activities and operations meets the requirements of applicable laws and regulations and is consistent with the requirements of Section 105 of the Foreign Service Act of 1980, as amended; and
- (5) Whether there exist instances of fraud or other serious problems, abuses, deficiencies or mismanagement and whether adequate steps for detection, correction, and prevention have been taken.

## **2 FAM 031.2-2 Other Activities Under Direction, Coordination, and Supervision of Chief of Mission**

*(TL:GEN-280; 11-02-1992)*

Audits and inspections at Foreign Service posts may also include, in accordance with Section 209(g) of the Foreign Service Act of 1980, as amended, reviews of activities and operations of employee associations and of elements of other Federal agencies present at the post that come under the direction, coordination, and supervision of the chief of mission. Reviews will primarily concern:

- (1) Ascertaining the consonance of these activities and operations with U.S. foreign policy; and
- (2) Identifying their consistency with the responsibilities of the Secretary of State and the chief of mission.

## **2 FAM 031.3 Obtaining Information for OIG Audits, Inspections, and Investigations**

### **2 FAM 031.3-1 From Department**

*(TL:GEN-280; 11-02-1992)*

- a. All Foreign Service members and Department of State employees, in their official capacities as individual employees and on behalf of the operating unit for which they have jurisdiction, are responsible for providing requested assistance and information to the Inspector General and OIG staff members in connection with the carrying out of the Inspector General's responsibilities. Such cooperation includes, but is not limited to, providing access to (if necessary, the originals of) all records, reports, audits, reviews, documents, papers, recommendations, electronic media, or other materials available to the post, bureau, unit, or other entity that relate to programs, operations, contractors, and assignees with respect to which the Inspector General has responsibilities.
- b. Members of the Foreign Service and Department employees at all levels will:
  - (1) Cooperate fully by disclosing complete and accurate information pertaining to matters under OIG review;
  - (2) In response to a specific OIG inquiry, inform OIG personnel of any other areas or activities they believe require special attention; and

- (3) Not conceal information or obstruct audits, inspections, investigations, or other official inquiries being conducted by the OIG.
- c. The knowing and willful furnishing of false or misleading information to OIG officials may result in criminal prosecution and disciplinary action, up to and including removal, against the member of the Foreign Service or the Department employee responsible.
  - d. Whenever necessary to the performance of their duties, OIG officials may administer to or take from any person an oath, affirmation or affidavit, which "shall have the same force and effect as if administered or taken by or before an officer having a seal" (section 107 of the Inspector General Act Amendments of 1988 (Pub. L. 100-504 of Oct. 18, 1988)).
  - e. The unwarranted refusal to provide information and answer questions posed by OIG officials may result in disciplinary action against the member or employee. If a member or employee is the subject or target of a criminal investigation, the member or employee may invoke the protection of the Fifth Amendment to the Constitution of the United States with respect to self-incrimination and is entitled to choose and have present a personal representative for assistance. If questioned on a matter that may lead only to a disciplinary administration action (as distinct from a criminal prosecution) the employee may, upon request, have a personal representative present, but the employee is required to furnish pertinent information and answer relevant questions. Continued refusal to provide such information is in itself grounds for disciplinary action and removal.
  - f. After receipt of a complaint or information from a member of the Foreign Service or a Department employee, the Inspector General will not disclose, without consent, the identity of the member or employee, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation. The Inspector General will warn informants if such an unavoidable disclosure becomes necessary.
  - g. No member of the Foreign Service or Department employee may take or threaten to take any personnel action against any other member or employee as a reprisal for making a complaint or disclosing information to an OIG official, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.
  - h. It is a prohibited personnel practice, (see 5 U.S.C. 2302(b)(8)), punishable by suspension, reprimand, reduction in grade, debarment from Federal employment, or civil fine (see 5 U.S.C. 1207(b)), for an

individual to take or fail to take a personnel action with respect to a member of the Foreign Service or a Department employee as a reprisal for a disclosure to the Inspector General that the employee reasonably believes evidences:

- (1) A violation of any law, rule, or regulation; or
- (2) Mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

## **2 FAM 031.3-2 From Other Government Agencies**

*(TL:GEN-280; 11-02-1992)*

The Inspector General may request from Federal, State, and local government agencies or units thereof such information and assistance as may be necessary for carrying out the OIG's duties and responsibilities.

## **2 FAM 031.3-3 From Individuals, Business Entities, and Nonbusiness Associations**

*(TL:GEN-280; 11-02-1992)*

Investigators and auditors may procure a subpoena from the Inspector General to obtain information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the Inspector General's functions from:

- (1) Individuals (including Foreign Service members and Department of State employees in their personal capacities);
- (2) Financial institutions, including banks, savings banks, card issuers (as defined in 15 U.S.C. 1602(n)), industrial loan companies, trust companies, savings and loan, building and loan, or homestead associations (including cooperative banks), credit unions, and consumer finance institutions;
- (3) Business entities, including sole proprietorships, partnerships, and corporations; and
- (4) Nonbusiness associations, including all organizations that have the capacity to sue or be sued under the Federal Rules of Civil Procedure.

## **2 FAM 031.4 Release of OIG Reports, Documents,**

## and Information

*(TL:GEN-280; 11-02-1992)*

- a. The Inspector General places strict control on access to draft OIG audit and inspection reports as well as on any information compiled for purposes of criminal and administrative investigations and special reviews. Individuals who have been provided with OIG documents or reports for purposes of official comment or for any other reason are not authorized to make further distribution without the express prior written authorization of the Inspector General. Premature or unauthorized release of these materials may jeopardize law enforcement proceedings or otherwise compromise the privacy of individuals or other rights protected by the Freedom of Information Act (5 U.S.C. 552) or Privacy Act (5 U.S.C. 552a).
- b. Once an audit or inspection report is published in final form, it is the Inspector General's policy to disclose information contained therein to the extent permitted by Federal law and regulations. Documents, records and reports compiled for purposes of criminal and administrative investigations or for other special reviews conducted by the OIG, will be reviewed and released on a case-by-case basis in accordance with applicable federal law and regulations. OIG reports containing classified national security information will be released outside the Department only on a need-to-know basis as the Inspector General determines. Congress and those executive branch agencies that are directly involved in the formulation and management of foreign policy may be provided access to OIG documents and reports as the Inspector General determines in accordance with applicable laws and regulations.
- c. The Inspector General Act of 1978 as amended (Pub. L. 101-504), requires that the IG be independent of the operations of the Department in the conduct of audits, inspections and investigations. The Inspector General Act also requires the IG to protect the confidentiality of employees who come forward with information concerning waste, fraud, mismanagement, as well as any violation of law, or regulation. The OIG maintains a system of records, separate and distinct from the Department's in accordance with the Privacy Act notice published in the Federal Register (56 FR 7071, (February 21, 1991)). Accordingly, absent extraordinary circumstances, OIG operations and records are not subject to the jurisdiction of the Department nor to the grievance procedures for mandatory records disclosure. While the OIG makes every effort to be cooperative in responding to information requests from within the Department, and to ensure compliance with the provisions of the Freedom of Information and Privacy Act, this cooperation on a case-by-case basis does not waive the independent status of the OIG or of its

system of records. It is the policy of the OIG to cooperate with the Grievance Board and staff to facilitate the resolution of cases. However, the IG does not recognize any jurisdiction or control by the Board over OIG documents, reports, or activities. These materials are provided on a purely voluntary basis without waiver of OIG right or authority to deny such requests as the OIG deems appropriate.

- d. OIG reports may not be reproduced outside of the OIG, and no distribution made outside the Department of State, in whole or in part, without prior written OIG approval.
- e. Employees or officers who have been provided with an OIG report may not make further distribution of the report or its contents without prior written OIG approval. Any officer or employee making an unauthorized disclosure of an OIG report, document, or any other OIG information may be subject to disciplinary action and to sanctions in accordance with applicable federal law and regulations.
- f. Any Department office or bureau receiving requests for OIG documents, reports or information shall refer such requests to the Inspector General for response. Directly forward any request for information or reports to:

Office of Inspector General  
Room 6817  
U.S. Department of State  
Washington, D.C. 20520-6817

## **2 FAM 031.4-1 Access to Inspection Reports**

*(TL:GEN-280; 11-02-1992)*

Inspection reports are an integral part of the internal management process of the Department of State. Their purpose is to provide objective, independent analyses and recommendations essential to the Department's decision-making process. The distribution of each draft report, or portion or summary of a draft report, will be on a need-to-know basis as the Inspector General determines. Distribution usually will be limited to:

- (1) Department principals;
- (2) Officers having a direct interest in managing, supporting, or monitoring the post, unit, program, or function inspected or audited;
- (3) Officers tasked with some aspect of compliance with recommendations contained in the report; and

- (4) Other affected parties, as appropriate.

## **2 FAM 031.4-2 Access to Security Oversight Inspection Reports**

*(TL:GEN-280; 11-02-1992)*

- a. Security oversight inspection and compliance followup review reports are an integral part of the internal management process whereby the Secretary and the Department discharge their statutory (22 U.S.C. 4802) security oversight functions. The purpose of the reports is to identify significant deficiencies in security programs and operations and to provide objective, independent analyses and recommendations essential to the Department's decision-making process in the security field.
- b. The distribution of the reports will be on a need-to-know basis as the Inspector General determines. They may not be reproduced outside of OIG, and no distribution may be made outside of the Department, in whole or in part, except to the Congress and to those executive branch agencies that are directly involved in the formulation and management of foreign policy. Individuals who have been provided with OIG documents or reports for purposes of official comment or for any other reason are not authorized to make further distribution of these documents without the express prior written authorization of the Inspector General. The Inspector General must provide clearance prior to any release of the reports pursuant to Freedom of Information Act requests. All requests for security oversight inspection information or reports should be forwarded directly to the Office of Inspector General. (See 2 FAM 031.4 .)

## **2 FAM 031.4-3 Release of Investigative Information**

*(TL:GEN-280; 11-02-1992)*

The Inspector General, in appropriate circumstances, may release records and information contained in the Office of Investigation's system of records, subject to provisions of the Freedom of Information (5 U.S.C. 552) or Privacy Act (5 U.S.C. 552a). However, the vast majority of these records and related information may be exempt from disclosure under provisions of these acts, which permit agencies to deny access to records and information that are compiled for law enforcement purposes or are maintained by an agency or component thereof which performs as its principal function any activity pertaining to the enforcement of criminal laws. Individuals who have been provided with OIG investigative records are not authorized to make further distribution of these documents without the express prior written authorization of the Inspector General. All requests for such documents

should be forwarded directly to the Office of Inspector General. (See 2 FAM 031.4 .)

## **2 FAM 031.5 Organizational Activities**

### **2 FAM 031.5-1 Selection, Appointment, Employment, and Contracting Authorities**

*(TL:GEN-280; 11-02-1992)*

In accordance with applicable provisions of the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended, the Inspector General may:

- (1) Subject to the legislation governing appointments in the competitive Civil Service, select, employ, and appoint, including members of and positions in the Senior Executive Service, such officers and employees as may be necessary for carrying out the functions, powers, and duties of the OIG.
- (2) As necessary to provide particular background or expertise, arrange for the temporary detail or formal assignment of members of the Foreign Service and employees of the Department who, during their tenure as OIG employees, will be solely responsible to the Inspector General. The Inspector General or his or her designee is responsible for preparing the performance evaluation reports for members and employees for the duration of their OIG assignments.
- (3) Arrange for audits and investigations to be carried out by employees of other executive branch agencies on a reimbursable basis or by private firms or persons under contract.
- (4) Arrange for the employees of other Federal departments or agencies to participate on OIG teams, or arrange for joint audits, inspections, and investigations with the Inspectors General or inspection and audit staffs of other Federal agencies or departments.
- (5) Exercise contract authority for such purposes as obtaining consultants from outside the U.S. Government to participate on OIG teams or to conduct special studies or prepare reports in connection with the work of the OIG.
- (6) From time to time, as appropriate, assign persons of distinguished background and achievement from outside the government to serve on teams as public members, to function as full members of such

teams, and be given appropriate security clearances.

## **2 FAM 031.6 Definitions**

*(TL:GEN-280; 11-02-1992)*

a. Audit. (See 2 FAM 032.) The term "audit" describes work done by accountants and auditors conducting:

- (1) Financial audits; and
- (2) Performance audits, which include work done to assess compliance with applicable laws and regulations, economy and efficiency of operations, and effectiveness of programs.

Audit work includes actions taken to:

- (1) Gather information about a program or operation in order to acquire an understanding of its organization, policies, methods of operation, and effect on mission or objectives;
  - (2) Develop sufficient information about a suspected problem area for audit managers to make a decision as to whether or not resources should be committed to further study;
  - (3) Examine and analyze a program or operation using a series of limited tests to isolate critical problem areas and to provide information necessary for planning a detailed review; and
  - (4) Develop all pertinent information necessary to properly present findings, conclusions, and recommendations.
- b. Closed. A formal notification by OIG to the post, bureau, or unit that satisfactory evidence (i.e., information provided by the tasked entity that confirms or attests to implementation) of final action on an audit, inspection, or investigative recommendation has been presented and accepted. The closing of a recommendation or of an audit or inspection report does not relieve the responsible managers of the obligation to report to the Inspector General any changed circumstances substantially affecting the problem areas addressed in the recommendation (or report) and the efficacy of agreed actions to correct these problems.
- c. Compliance Follow-up Review (CFR). Work done to provide senior Department managers with evaluations and progress reports on the status of implementation of recommendations made as a result of earlier inspections or audits or to provide verification of failure to implement such recommendations.

- d. Compliance Response. A written response from the post, bureau, or unit to which a recommendation has been assigned action informing OIG of agreement or disagreement with the recommendation. Comments indicating agreement shall include planned corrective actions and, where appropriate, the actual or proposed target dates for achieving these actions. The reasons for any disagreement with a recommendation must be explained fully. Where disagreement is based on interpretation of law, regulation, or the authority of officials to take or not take action, the response must include the legal basis.
- e. Finding. A conclusion drawn from facts and information about the propriety, efficiency, effectiveness, or economy of operation of a post, unit, or activity and reported in an audit, inspection, or investigative report.
- f. Final Action. The completion of all actions that the management of an establishment has concluded, in its management decision, are necessary with respect to the findings and recommendations included in an audit, inspection, or investigative report. In the event that the management of an establishment concludes no action is necessary, this in itself is a management decision and must be promptly reported to the OIG.
- g. Impasse. The designated action office rejects an OIG recommendation or makes no response to it, and OIG, after a reasonable effort to achieve agreement with the action office, seeks resolution of the issue at higher management levels. The Under Secretary for Management is the Department's designated official for impasse resolution. The Inspector General may appeal a negative impasse decision by the Under Secretary to the Deputy Secretary or the Secretary. The Director of ACDA is that agency's designated impasse official.
- h. Inspections. (See 2 FAM 033.) The term "inspection" describes work done by inspectors in the Office of Inspector General.
  - (1) This includes work done to assess management of policy implementation and resource administration.
  - (2) Inspectors judge the quality of management of a program, function, Foreign Service post, or other organizational entity by examining:
    - (a) Management's contributions to the policy-making process;
    - (b) Formulation of measurable objectives and implementation of strategies for achieving policy goals;
    - (c) The degree to which management, in fact, achieves its goals and objectives;

- (d) Coordination of activities and interests of different agencies or offices;
  - (e) The extent to which members of the organization understand and respond to management guidance;
  - (f) The adequacy or redundancy of resources and internal management controls; and
  - (g) The degree to which management plans and controls the use of available resources and monitors results.
- i. Investigation. (See 2 FAM 035.) The term "inspection" de-scribes work done by special agents in the Office of Inspector General's Office of Investigations (OIG/INV). This includes receiving and investigating complaints and information concerning the possible existence of any activity constituting:
- (1) A violation of law or regulation;
  - (2) Mismanagement, gross waste of funds, or abuse of authority; or
  - (3) A substantial and specific danger to public health or safety.
- j. Management Decision. When the management of an establishment (i.e., post, bureau, or unit tasked with action responsibility for an audit or inspection recommendation) informs OIG of its intended course of action in response to a recommendation, and the OIG determines that the proposed course of action is acceptable. If OIG accepts the management decision, the recommendation is considered "resolved. The Inspector General may appeal a management decision with which he or she disagrees to the Under Secretary for Management, the Deputy Secretary, or the Secretary, in which case, the management decision is that made by the highest level of appeal.
- k. Recommendation. A statement in an audit, inspection, or investigative report requiring action by the addressee organizations or officials to correct a deficiency or need for change or improvement identified in an audit or inspection. See 2 FAM 033.4-2 paragraph c items (2), (3), and (4) for definitions of specific types of recommendations.

Resolved. A recommendation is resolved when:

- (1) The designated action office concurs in the recommendation (a management decision has been accepted by OIG), but the action office has not presented satisfactory evidence that it has implemented the recommendation or some alternative course of

action acceptable to OIG;

- (2) The action office informs OIG that it disagrees with all or part of the recommendation, and OIG agrees to accept partial compliance or noncompliance; or
- (3) Impasse procedures have led to a final management decision, either positive or negative.

m. Security Oversight Audit. (See 2 FAM 034.) The term "security oversight audit" describes work done by auditors in the Office of the Inspector General conducting both financial audits and performance audits. This includes work done to assess compliance with applicable laws and regulations relating to security and intelligence in the Department and at posts abroad, to evaluate economy and efficiency of security and intelligence operations, and to appraise effectiveness of security and intelligence programs. This work includes action to:

- (1) Gather information about a security program or operation in order to acquire an understanding of its organization, policies, methods of operation, and impact;
- (2) Develop sufficient information about a suspected problem area to make a decision as to whether or not resources should be committed to further study;
- (3) Examine and analyze a program or operation using a series of limited tests to isolate critical problem areas and to provide information necessary for planning a detailed review; and
- (4) Develop all pertinent information necessary to properly present findings, conclusions, and recommendations.

n. Security Oversight Inspection. (See 2 FAM 034.) The term "security oversight inspection" describes work done by security oversight inspectors in the Office of Inspector General. This includes work done to review security activities and operations performed under the direction, coordination, and supervision of chiefs of mission in order to ascertain their consistency with the responsibilities of the Secretary of State and the chief of mission. They are reviews of the implementation of security standards at each post, and assessments of the ability of each post to respond to threats from terrorism, technical penetration, human intelligence, and crime. Inspection teams give particular attention to the understanding by post managers of the standards they are expected to implement, as well as to their degree of compliance and the effectiveness of the countermeasures in addressing the threats.

- o. Special Agent. The term "special agent" is the official duty title of all criminal investigators and supervisory criminal investigators in the Office of Investigations (OIG/INV) who are authorized to conduct criminal investigations involving programs and operations of the Department of State.
- p. Summary Finding. The summarization in an audit, inspection, or investigative report of any complete finding that has led to a recommendation that will be made subject to the compliance system. Such summary findings should briefly state each element, i.e., the condition, criteria, effect, and cause of the full finding.
- q. Special Operations Review Team (SORT). (See 2 FAM 036.) The term "Special Operations Review Team" describes work done by an OIG unit to rapidly react on a worldwide basis to management and operational issues which need quick assessment and resolution.
- r. Unresolved. A recommendation is unresolved when:
  - (1) The designated action office has not responded to the recommendations (no management decision has been made) or has failed to obtain clearance of its response by the offices identified by OIG as participants in the compliance responsibility;
  - (2) The action office has failed to address the recommendation in a manner satisfactory to OIG; or
  - (3) The action office has indicated its disagreement with the recommendation in whole or in part, OIG has pressed the issue to impasse, and an impasse decision has not yet been issued.

## **2 FAM 031.7 Authorities**

*(TL:GEN-280; 11-02-1992)*

- a. The Inspector General Act of 1978, as amended, and the Foreign Service Act of 1980, as amended, provide the basic authorities for the Inspector General. They also set forth specific procedures for inspecting Department units and Foreign Service posts.
- b. The Arms Control and Disarmament Amendments Act of 1987 provides that the Inspector General of the Department of State holds the position of Inspector General of the Arms Control and Disarmament Agency. The Inspector General of ACDA has almost all of the same duties, responsibilities, and authorities as those specified in the Inspector General Act of 1978, as amended.

- c. Section 106(b) of the Inspector General Act Amendments of 1988 (Pub. L. 100-504 of Oct. 18, 1988, 102 Stat. 2515, 5 U.S.C. 5(b)) gives detailed reporting requirements.
- d. The Inspector General also provides audit coverage in accordance with other applicable statutes, regulations, standards, directives, and Executive orders, such as the President's Council on Integrity and Efficiency, Office of Management and Budget (OMB), and General Accounting Office (GAO).

## **2 FAM 032 AUDITS**

### **2 FAM 032.1 Policy**

*(TL:GEN-280; 11-02-1992)*

The Inspector General will provide audit coverage of Department and Foreign Service programs and operations. The Inspector General will direct and coordinate the Department's audit program. The OIG will coordinate with Department offices, the GAO, and other concerned parties in order to prevent duplication of audit efforts and to ensure an effective and efficient audit program.

### **2 FAM 032.2 Audit Standards and Scope**

#### **2 FAM 032.2-1 Audit Standards**

*(TL:GEN-280; 11-02-1992)*

- a. Basic authorities and directives from OMB require compliance with the Comptroller General's Standards for Audits of Governmental Organizations, Programs, Activities, and Functions. These standards incorporate the generally accepted auditing standards issued by the American Institute of Certified Public Accountants (AICPA) and provide additional standards consistent with the objectives of government auditing.
- b. The Comptroller General's standards pertain to audits of federal organizations, programs, activities, and functions and to federal funds received by contractors, not-for-profit organizations, and other external entities. The standards apply to independent public accountants with whom OIG may contract to perform audit services as well as to Federal auditors.

- c. The general standards for the conduct of audits of U.S. Government programs, activities, and functions are:
  - (1) Auditors must collectively possess the necessary proficiency to perform the required tasks;
  - (2) They must be free from personal or external impairments to independence; and
  - (3) They must exercise due professional care in conducting audits and preparing reports.
- d. Should external factors restrict their ability to form objective opinions and draw independent conclusions, auditors should attempt to remove the limitation or, failing that, report it.
- e. Audit organizations should have an appropriate internal quality control system in place and participate in an external quality control review program.

## **2 FAM 032.2-2 Scope**

*(TL:GEN-284; 02-27-1993)*

- a. The Comptroller General's standards govern the scope and quality of audit efforts. The standards provide for a scope of audit work beyond the traditional examination of documentation supporting expenditures. To help ensure full accountability and to assist government officials and employees in discharging their responsibilities, the audit scope may encompass any or all of the following elements:
  - (1) Financial statement audits, which determine:
    - (a) Whether the financial statements of an audited entity fairly present the financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles; and
    - (b) Whether the entity has complied with laws and regulations for these transactions and events that may have material effect on the financial statements.
  - (2) Financial-related audits, which include determining:
    - (a) Whether financial reports and related items, such as elements, accounts, or funds are fairly presented;

- (b) Whether financial information is presented in accordance with established or stated criteria; and
  - (c) Whether the entity has adhered to specific financial compliance requirements;
- (3) Economy and efficiency audits, which include determining:
  - (a) Whether the entity is acquiring, protecting, and using its resources, such as personnel, property, and space, economically and efficiently;
  - (b) The causes of inefficiencies and uneconomical practices; and
  - (c) Whether the entity has complied with laws and regulations concerning matters of economy and efficiency; and
- (4) Program audits, which include determining:
  - (a) The extent to which the desired results or benefits established by the legislature or other authorizing body are being achieved;
  - (b) The effectiveness of organizations, programs, activities, or functions; and
  - (c) Whether the entity is complying with requirements of laws and regulations applicable to the program.
- b. In addition to financial, economy and efficiency, and program audits, OIG may perform audits of the Department's contracts and grants. These audits will include evaluations of how well contractors and grantees are meeting their responsibilities to the Department and reviews of cost proposals or charges made for goods and services to determine if sound contract and grant administration practices exist and to assist officials who negotiate these instruments.
- c. OIG may also contract with external audit organizations to have any of these audits performed.
- d. OIG will tailor each audit to the specific program or operation according to the circumstances, the needs of management, and the availability of audit resources.
- e. From time to time, OIG may conduct audit follow-up reviews to provide senior managers of the Department and the Foreign Service with evaluations and progress reports on the status of implementation of recommendations made as a result of earlier audits, or to provide

verification of failure to implement such recommendations. In any case where the audit follow-up team suspects that a particular employee, or even post or unit management, has reported compliance with a recommendation and that the claimed corrective action has not been taken and may not be intended, the team will thoroughly investigate and document the case and will submit it to the Inspector General for review. If, after reviewing the case, the Inspector General concludes that such action is warranted, the OIG will refer the information to the Director General of the Foreign Service and Director of Personnel with a recommendation for disciplinary action on grounds of lack of integrity on the part of the employee(s) responsible.

## **2 FAM 032.3 Audit Planning, Field Work, and Reporting**

### **2 FAM 032.3-1 Planning**

*(TL:GEN-280; 11-02-1992)*

In accordance with current directives by the OMB and GAO standards, OIG prepares an annual audit plan to provide adequate coverage of all Department and Foreign Service programs and operations and to ensure efficient and effective use of audit resources. The plan is a summary of all anticipated audit activity to be undertaken during the fiscal year based on information from past or current OIG work, consultation with the Secretary, input from Department and Foreign Service managers, and coordination within the executive branch and with the Congress. It is sufficiently flexible to permit adaptation to changing priorities and requirements.

### **2 FAM 032.3-2 Field Work**

*(TL:GEN-280; 11-02-1992)*

- a. Audit field work is the data-gathering phase of audit work, during which information is examined and evaluated, findings are identified, and recommendations are developed. Auditors will:
  - (1) Conduct interviews;
  - (2) Perform on-site reviews;
  - (3) Collect, verify, and analyze information; and
  - (4) Perform other audit procedures as appropriate.

- b. Prior to the start of field work, an entrance conference will be held between members of the audit team and officials of the organization, program, or function being audited. The primary purpose of the conference is to provide those being audited with a description of the audit scope and objectives. It is also an occasion to introduce the audit team and to discuss the team's needs, such as access to pertinent records and information, space accommodations, access to office supplies and equipment, and clerical and secretarial support, if required. The audit team will seek the assistance of those being audited in identifying potential areas that may warrant special review.
- c. Upon completion of field work at each operating level, the audit team holds an exit conference with that level's senior program officials. The purpose of the exit conference is to provide preliminary audit results to these officials prior to the issuance of the audit report.
- d. Whenever tentative findings and recommendations developed during the field work are of sufficient significance to warrant their presentation to program heads or higher officials, the audit team may hold a briefing session. The team will give advance notice to the officials as to topics to be covered.

## **2 FAM 032.3-3 Reporting**

*(TL:GEN-280; 11-02-1992)*

- a. A formal audit report is generally the vehicle used to report the auditors' findings and recommendations together with the comments of the audited organization, program, or function to those officials who should be informed of the subject matter or who must act upon the recommendations. In cases where a formal audit report is deemed unnecessary, the audit team may issue a memorandum report.
- b. In order to ensure complete and objective audit reports, the reports generally are provided in draft form to the appropriate officials of the organization, program, or function that has been audited, and they are given a specific period of time (normally 30 days) in which to provide written comments. If needed, the Assistant Inspector General for Audits may approve an extension for an additional specified period. The Inspector General must approve any further extensions.
- c. Written responses of those audited should indicate agreement or disagreement with each of the recommendations in the draft report. These responses will be incorporated into the final report. OIG will note in the text significant changes in the contents of the final report made as a result of such comments. OIG will then include the written comments in

their entirety in an appendix to the report. When comments on draft audit reports have been requested but are not received by the due date, OIG will issue the report with an annotation to this effect.

- d. Final audit reports represent the official OIG position on issues addressed by the audit. The Inspector General approves these reports and has final authority on their substance and recommendations. OIG distributes the reports to those officials who are responsible for taking action on audit findings and recommendations, and to others authorized by the Inspector General to receive them. Those responsible for complying with audit recommendations must provide an initial response within 45 days, giving a status report and furnishing a corrective action plan with target dates for specific compliance actions. (See 2 FAM 037 for detailed compliance procedures.)

## **2 FAM 033 INSPECTIONS**

### **2 FAM 033.1 Purposes**

*(TL:GEN-280; 11-02-1992)*

The inspection process enables the Inspector General to provide the Secretary of State and other senior Department managers with an independent, objective, internal mechanism for evaluating, monitoring and improving the management of foreign relations. Its principal purposes are to promote effective implementation of U.S. policy and representation of U.S. interests and to encourage effective and efficient management of available resources for carrying out Department programs.

### **2 FAM 033.2 Types**

#### **2 FAM 033.2-1 Foreign Service Post Inspections**

*(TL:GEN-280; 11-02-1992)*

Foreign Service post inspections are reviews of all activities and operations performed under the direction, coordination, and supervision of chiefs of mission in order to ascertain their consonance with the foreign policy of the United States and their consistency with the responsibilities of the Secretary of State and the chief of mission. They are intended to determine whether U.S. policies and programs are being effectively implemented and managed, whether policy goals and objectives are being achieved, and whether the interests of the United States are being accurately and effectively

represented by all elements at a mission or post, including other agencies under the authority of the chief of mission (see 2 FAM 033.4-2 ).

## **2 FAM 033.2-2 Domestic Inspections**

*(TL:GEN-280; 11-02-1992)*

- a. Domestic inspections focus on major programs or functions of the Department of State and are intended to provide the Department's senior management with analyses and recommendations for systemic improvements in operations. The emphasis is on policy implementation, program direction, and resource management, including whether or not the desired results and objectives are being achieved.
- b. While domestic inspections can center on particular bureaus or other operating units of the Department, their emphasis is on policy implementation and program management by the Department as a whole. Thus, they cut across organizational lines, evaluating interagency and interbureau relations as they affect the policy process. However, they also include economy and efficiency evaluations of the organizations, if any, that are being inspected for policy and program results (see 2 FAM 033.4-3 ).

## **2 FAM 033.2-3 Special Inspections**

*(TL:GEN-280; 11-02-1992)*

Special inspections are carried out at the direction of the Inspector General to address special requirements. They may involve reviews of functions that affect one or more organizations. They may involve cooperative efforts with evaluation or inspection personnel of other agencies to evaluate operational and management effectiveness in areas of joint interest. They may also be used to review particular management policies, operations, or programs, focusing upon the adequacy of management guidance and direction. They may address particular parts or phases of larger operations or programs, or they may be used to meet any other requirements of Department managers or the Inspector General.

## **2 FAM 033.2-4 Inspection Compliance Follow-up Reviews**

*(TL:GEN-280; 11-02-1992)*

OIG inspection compliance follow-up reviews (CFRs) are intended to provide senior Department managers with evaluations and progress reports on the status of implementation of recommendations made as a result of earlier

inspections to provide verification of failure to implement such recommendations. They also provide the Inspector General with an evaluation of the quality of the inspection and help to identify any particular or systemic weaknesses in the inspection system (see 2 FAM 033.4-4 ).

## **2 FAM 033.3 Organization of Inspection Activities**

### **2 FAM 033.3-1 Team Makeup**

*(TL:GEN-280; 11-02-1992)*

The OIG and his or her designee determines team makeup. Teams conducting Foreign Service post inspections and domestic inspections usually will be under the direction of a senior inspector as team leader and will include varying numbers of other inspectors depending upon the size and complexity of the post, unit, program, or function being evaluated. Special inspections may be headed by an inspector other than a senior inspector.

## **2 FAM 033.4 Inspection Preparation and Procedures**

### **2 FAM 033.4-1 Preparations for Inspections**

*(TL:GEN-280; 11-02-1992)*

- a. Although unannounced inspections may be undertaken when the Inspector General deems appropriate, OIG will normally notify the managers of posts, units, programs, or functions to be inspected well in advance of the initiation of the survey phase of the inspection. Notifications will include the approximate dates and duration of the inspection or group of inspections, instructions on how to prepare for it, and questionnaires covering the activities and operations of the posts or units involved. Post or unit managers must complete questionnaires prior to the inspection. The Inspector General will also inform other Federal departments and agencies having an interest in the posts, units, programs, or functions being inspected and will request pertinent information, records, or briefing materials.
- b. The OIG inspection team leader will provide affected managers more details on team composition and schedules and will request any additional information or assistance required by the team.
- c. The post or bureau is responsible for providing logistic support for the inspectors. This includes, at a minimum, space (including a private office

for interviews), word processing equipment, supplies, and secretarial support.

## **2 FAM 033.4-2 Procedures for Foreign Service Post Inspections**

*(TL:GEN-280; 11-02-1992)*

- a. Each inspection of a Foreign Service post or posts begins with a survey phase, initiated in the OIG and subsequently completed at post. For each post surveyed, the team:
  - (1) Reviews documents provided by the post(s), Department offices, and other Federal agencies concerning the goals, objectives, functions, and problems of all activities and operations performed under the direction, coordination, and supervision of the chief of mission;
  - (2) Evaluates the record of compliance with recommendations resulting from the previous post inspection and any subsequent OIG review;
  - (3) Conducts interviews at all levels of the responsible bureau and in other bureaus and offices of the Department or other Federal agencies that have an interest in or dealings with the post(s) being inspected;
  - (4) Analyzes the information derived from interviews and documentation, estimating how effectively the post is discharging its policy and program responsibilities and how well it is managing its resources, identifies key issues or apparent problem areas, such as shortcomings in achieving policy or program goals and inefficient or uneconomical use of resources;
  - (5) Makes tentative decisions on which potential issues or problem areas are likely to require more detailed examination at the post and which will not—these will be detailed in a work plan prepared by the team leader and reviewed by the Assistant Inspector General for Inspections; and
  - (6) Complete the survey by testing these decisions against the realities found at post.
- b. Upon completion of the survey phase, the inspectors will provide the chief of mission or principal officer with a briefing outlining the areas, issues, and potential problems that will receive more thorough examination in the review phase of the inspection. Any areas that will not be subject to

further review will be identified at this briefing, together with the reasons for this decision. The inspection team will then begin examining selected operations in detail. During the course of this review phase, the team will keep post managers at all levels informed of its findings. Where problems are encountered that require only post action to correct, the team will ask the post to take the necessary actions.

- c. At the conclusion of the review phase of the inspection, the inspectors will provide a report on their findings and recommendations to the chief of mission or principal officer.
  - (1) At embassies, missions, U.S. interests sections, and independent consular posts, the inspectors will draft a formal report for senior Department officials evaluating the post's overall performance in implementing U.S. policies and programs; in representing U.S. interests; in administering the post's resources; and in implementing internal management controls to prevent waste, fraud, and abuse. The team will provide this report to the chief of mission or principal officer in draft, subject to later review and approval by the Inspector General.
  - (2) Formal recommendations. Findings and recommendations that by their nature require formal recording in the inspection report will be contained within the report. These include but are not limited to the following:
    - (a) Major issues or problems requiring high-level attention in the Department;
    - (b) Problems that require action by other than the inspected post acting alone;
    - (c) Findings that involve problems or failures of sufficient seriousness as to require that they be made known formally to Department managers;
    - (d) Recommendations that involve cost recovery or cost savings of significant amounts; and
    - (e) Recommendations from prior inspections and audits that still have validity but on which compliance has not been completed.
  - (3) Operational recommendations. Other findings and recommendations dealing with operational problems not requiring action by organizations outside the inspected unit(s) and/or the parent regional bureau will be provided separately to the chief of

mission by the inspection team leader.

- (4) Informal recommendations. A team leader may also opt to leave a list of informal recommendations, which are essentially helpful suggestions.
- (5) At constituent posts, the team will not prepare separate inspection reports. The team will include in the overall report on the mission significant issues affecting these posts, and findings and recommendations requiring compliance. However, any findings or operational recommendations requiring post action only and/or informal recommendations will be provided to the principal officer separately.
- (6) Upon approval of the formal and operational recommendations by the Inspector General, the chief of mission is responsible for compliance and for providing a status report to the Inspector General within 45 days of the transmittal of the final report, as set forth in section 2 FAM 037 , below.

## **2 FAM 033.4-3 Procedures for Domestic Inspections**

*(TL:GEN-280; 11-02-1992)*

- a. Domestic inspections examine Department of State programs and functions across organizational lines and, for the most part, are conducted in the United States, with only occasional travel abroad for the purpose of data collection. Domestic inspections proceed in much the same manner as Foreign Service post inspections.
- b. Each domestic inspection begins with a survey phase starting with a review of documentation provided by Department bureaus and offices that have a role to play in the implementation, management, control, or monitoring of the program or function. The team reviews the record of compliance with recommendations arising from the previous inspection and any subsequent OIG evaluations. The inspectors conduct interviews at all levels of the Department and in other Federal agencies that have an interest in the program or function. It analyzes all information gathered to identify key issues or apparent problem areas, such as difficulties in achieving policy or program goals, or inefficient and uneconomical use of resources. When their survey is completed, the inspection team will brief the managers of the bureau(s) or office(s) that will form the centerpiece of the inspection on those areas, issues, and potential problems that will receive more thorough examination during the review phase, and those that will not and will provide the rationale for their decisions.

- c. After briefing the responsible manager(s), the inspection team will begin the review phase, examining selected operations and activities in detail. It will review the inspected unit's policy, program, and functional roles, and evaluate how well the Department is achieving its major policy goals and program objectives. It will also place emphasis on evaluating the economy and efficiency of the entities charged with implementing the particular policies, programs, or functions under review and will examine the implementation of internal management controls to prevent or detect waste, fraud, or abuse and to ensure compliance with applicable laws and regulations.
- d. Upon completion of the review phase, the inspectors will prepare a draft report to be presented to the principal manager of the bureau or office for comment. This report, when approved and issued by the Inspector General, is intended to provide senior Department managers with concise, candid evaluations of policy implementation and program effectiveness and efficiency and to inform them of conditions or situations that require their attention or intervention. After the report has been approved by the Inspector General, OIG will distribute it to appropriate offices for compliance with the inspectors' recommendations.
- e. As with inspection reports on posts abroad, the report will contain only formal findings and recommendations subject to the compliance procedures in 2 FAM 037. Formal recommendations are defined in 2 FAM 033.4-2 paragraph c(2).
- f. Other findings and recommendations dealing with operational problems or informal suggestions not requiring action by other than the inspected unit(s) will be provided separately to the senior unit manager(s) by the inspection team leader. After approval of the formal and operational recommendations by the Inspector General, the manager(s) will be held responsible for compliance and for providing the Inspector General a complete status report within 45 days of the transmittal of the final report as set forth in 2 FAM 037.

## **2 FAM 033.4-4 Procedures for Inspection Compliance Follow-up Reviews**

*(TL:GEN-280; 11-02-1992)*

- a. Unlike full inspections, OIG makes notification of an upcoming CFR a few days or, at most, a few weeks in advance. In some cases, there may be no prior notice at all. While circumstances may occasionally dictate otherwise, the CFR team is usually smaller than a regular inspection team. Generally composed of two members, a typical CFR team will include a senior inspector experienced in reviewing management,

political, and economic affairs and other agency functions, and an officer qualified to review all aspects of administrative support operations.

- b. The focus of the CFR is on compliance with recommendations from the past inspection and any subsequent OIG reviews. The team will not normally conduct new evaluations of post, unit, or program operations but will attempt to respond positively to requests for assistance with new problems that require priority attention. If significant new problems are uncovered, however, the team may issue new recommendations.
- c. CFRs may occur at any time after an inspected post, unit, or entity has submitted its initial compliance response to OIG, which is due within 45 days of issuance or confirmation of the inspection report. Normally, the CFR will not be conducted later than eighteen months after the publication of the inspection report.
- d. At Foreign Service posts, the team will brief the chief of mission (or deputy chief of mission) or principal officer on the purpose and scope of the CFR and will solicit the views of post management on the post's compliance performance. The team may also elicit post management's views on the conduct of the inspection under review and the extent to which it was conducted professionally and in accordance with inspection procedures. A meeting with all U.S. citizen and FSN personnel is not necessary, and extensive interviewing in the manner of a full inspection would not be an efficient use of team time. However, team members will make every effort to meet with individuals, U.S. citizen and FSN, who express a desire to speak with them.
- e. In any case where the CFR team suspects that a particular employee, or even post or unit management, has reported compliance with a recommendation and the claimed corrective action has not been taken and may not be intended, the team will thoroughly investigate and document the case and will submit it to the Inspector General for review. If, after review, the Inspector General finds the case to be sufficiently serious to warrant further action, he or she may refer it either to OIG's Office of Investigations for further investigation and possible referral to the Department of Justice for prosecution, or to the Director General of the Foreign Service and Director of Personnel with a recommendation for disciplinary action on grounds of lack of integrity.
- f. Upon completion of a CFR, the team will usually prepare a draft report to the Inspector General. The team will provide a copy of the draft report to the chief of mission, principal officer, or unit manager. The report will:
  - (1) Contain an evaluation of the overall quality of compliance with the previous inspection recommendations and may also contain an

evaluation of compliance with recommendations from any subsequent OIG audit or review;

- (2) Cite any significant changes of circumstances that affect the ability to comply, and may recommend to the Inspector General modification or cancellation of recommendations that have been overtaken by events; and
  - (3) Inform OIG of any major problems that may have arisen since the inspection or any subsequent review and may issue recommendations to correct them or recommend an OIG investigation, administrative action, audit, or early reinspection, if circumstances warrant.
- g. The CFR team will use its report to certify for closeout the prior inspection report and, when appropriate, recommendations from any subsequent OIG reviews. Any recommendations contained in those reports that have not been satisfactorily resolved will be reissued in the CFR report with an indication as to their status. This includes any formal recommendations that may have been closed earlier on the basis of faulty compliance reporting. Any operational recommendations on which compliance is outstanding will also be carried to the CFR report and reissued as formal recommendations.
- h. The CFR team is also responsible for conducting a quality control review of the previous inspection and will solicit comments on the inspection from post or bureau management.

## **2 FAM 033.4-5 Inspector's Evaluation Reports (IERs)**

*(TL:GEN-280; 11-02-1992)*

### **a. Department and Foreign Service Managers:**

- (1) Inspection team leaders, normally of ambassadorial rank, will prepare an IER on chiefs of mission, permanent charges, deputy chiefs of mission, principal officers, assistant secretaries, and deputy assistant secretaries in connection with each post or bureau inspection who have been at post more than 120 days. Each IER will be related directly to the officer's management or supervision of the unit or post being inspected and will constitute a part of the independent review of the operation being evaluated. IERs may evaluate the officer in any area of his or her responsibility, but will focus on the skills and abilities of rated officers to manage personnel, budgets, resources, and programs. Inspectors will evaluate career and noncareer officers (see 3 FAM 521.3). IER

procedures provide for formal comment by the rated officer as part of the evaluation report.

- (2) IERs normally will not be written on employees who departed the post prior to the inspection. If the inspector feels that a report is necessary on such an officer, it will be written in conformity with current regulations (see 3 FAM 521.3).
  - (3) An IER will not be prepared on a person who will have been at post less than 90 days on the date the review phase of the inspection is scheduled to conclude, except under unusual circumstances, and with the approval of the Inspector General. The team leader's judgement will determine whether those at post less than 120 days should be reviewed in an IER.
- b. Others. IERs may also be prepared at the discretion of inspectors on any employee for the reasons stated in 3 FAM 521.3 (b), which include:
- (1) To record outstanding or substandard performance that in the opinion of the inspection team leader needs to be additionally documented;
  - (2) To correct an injustice;
  - (3) To record performance, as observed during the inspection, that differs markedly from that reported in the employee evaluation report prepared by the regular supervisors of the rated employee.
- c. Review Panel. Upon receipt of an IER, the Inspector General designates a panel of three active or retired ambassadors who have been senior inspectors to review the reports. Once the reports are approved, the report is forwarded to the Inspector General, who, in the case of career employees, sends it under cover of a memo to the Director General of the Foreign Service, requesting that it be placed in the rated officer's official performance evaluation file, or in the case of non-career persons, sends it under cover of a memo to the Deputy Secretary of State for transmittal to the White House personnel office or for other action which the Deputy Secretary deems appropriate.

## **2 FAM 033.4-6 Counseling**

*(TL:GEN-280; 11-02-1992)*

A primary goal of each inspector is to create an atmosphere where positive, constructive change can occur. Inspectors strive to do more than just hand over a report; they want to transmit an idea and convince the recipient of its

value. It is the professional counseling and guidance function that sets the inspection process apart from many of the other activities traditionally associated with Inspectors General.

## **2 FAM 033.5 Inspection Reports**

### **2 FAM 033.5-1 Content**

*(TL:GEN-280; 11-02-1992)*

- a. OIG inspection teams will prepare reports on all:
  - (1) Inspections of activities and operations performed under the direction, coordination, and supervision of chiefs of mission;
  - (2) Inspections of programs, functions, bureaus, or other operating units of the Department of State;
  - (3) Inspection compliance follow-up reviews; and
  - (4) Special inspections.
- b. In such formal reports of inspection, the main body usually will contain an evaluation of:
  - (1) Policy and program implementation and results;
  - (2) Effectiveness and efficiency in administration of available resources; and
  - (3) The implementation and monitoring of internal management controls to prevent or detect waste, fraud, or mismanagement.
- c. The OIG may issue formal reports of inspection in booklet format or as memorandum reports. The inspection team leader will provide key findings and recommendations to post or unit managers in an exit letter.

### **2 FAM 033.5-2 OIG Staff Review**

*(TL:GEN-280; 11-02-1992)*

Inspection reports reflect the judgements and findings of all inspection team members. OIG staff and the Inspector General review them prior to issuance to ensure that they:

- (1) Are complete;

- (2) Are substantiated;
- (3) Have the appropriate security classification; and
- (4) Follow the style detailed in OIG guidelines.

The Inspector General approves these reports and has final authority on their substance and recommendations.

## **2 FAM 034 SECURITY OVERSIGHT AUDITS AND INSPECTIONS**

### **2 FAM 034.1 Policy**

#### **2 FAM 034.1-1 Security Oversight Evaluations**

*(TL:GEN-280; 11-02-1992)*

- a. The Inspector General has devised an integrated audit and inspection system to evaluate:
  - (1) The ability of overseas posts to respond to threats from terrorism, mob or other physical intrusion, intelligence penetration, and crime;
  - (2) Whether security standards are adequate to protect life and information and whether posts are implementing established security standards;
  - (3) Whether policy goals and objectives are being effectively achieved and U.S. interests are appropriately safeguarded;
  - (4) Whether the Department's security and intelligence programs and activities are being carried out with the most efficient and effective utilization of resources (personnel, property, and funding);
  - (5) Whether the Department, in its security and intelligence programs, is complying with applicable laws and regulations; and
  - (6) Whether adequate internal controls are in place to prevent or reduce the incidence of waste, fraud, and mismanagement.
- b. The Office of Security Oversight (OSO) shall undertake these reviews, which will evaluate Foreign Service posts having high or critical security threat, at least once every four years.

## **2 FAM 034.2 Security Oversight Audits**

### **2 FAM 034.2-1 Standards**

*(TL:GEN-280; 11-02-1992)*

As required by the Inspector General Act of 1978, as amended, and the Foreign Service Act of 1980, as amended, security oversight audits performed by the Office of Security Oversight or by independent public accountants with whom OIG may contract for audit services will comply with the Comptroller General's Standards for Audits of Governmental Organizations, Programs, Activities, and Functions.

### **2 FAM 034.2-2 Scope**

*(TL:GEN-280; 11-02-1992)*

The Comptroller General's standards provide for a scope of audit work beyond the traditional examination of documentation supporting expenditures. To help ensure full accountability and to assist U.S. Government employees in discharging their responsibilities in the security and intelligence field, security oversight audits may be in the form of:

- (1) Financial audits, as discussed in 2 FAM 032.2-3 paragraph a(1) and (2); and
- (2) Performance audits, as discussed in 2 FAM 032.2-3 paragraph a(3) and (4).

### **2 FAM 034.2-3 Planning**

*(TL:GEN-280; 11-02-1992)*

OSO will comply with OMB directives in preparing an annual audit plan to provide adequate coverage of Department security and intelligence programs and operations, both domestically and abroad, and to ensure efficient and effective use of available audit resources. Field work and reporting will follow the procedures set forth in 2 FAM 032.3 , above.

### **2 FAM 034.2-4 Field Work**

*(TL:GEN-280; 11-02-1992)*

- a. Field work is the data-gathering phase of security oversight audit work during which information is examined and evaluated, findings are

identified, and recommendations are developed. Auditors will:

- (1) Conduct interviews;
  - (2) Perform on-site reviews;
  - (3) Collect, verify, and analyze information; and
  - (4) Perform other audit procedures as appropriate.
- b. Prior to the start of field work, an entrance conference will be held between members of the security oversight audit team and officials of the organization, program, or function being audited. The primary purpose of the conference is to provide those being audited with a description of the audit scope and objectives. It is also an occasion to introduce the team and to discuss the team's needs, such as access to pertinent records and information, space accommodations, access to office supplies and equipment, and clerical and secretarial support, if required. The assistance of those being audited will be sought in identifying potential areas that may warrant special review.
- c. Upon completion of field work at each operating level, the audit team holds an exit conference with that level's senior program officials. The purpose of the exit conference is to provide preliminary audit results to these officials prior to the issuance of the audit report.
- d. Whenever tentative findings and recommendations developed during the field work are of sufficient significance to warrant their presentation to program heads or higher officials, a briefing session may be held. The audit team will give advance notice to the officials as to topics to be covered.

## **2 FAM 034.2-5 Reporting**

*(TL:GEN-280; 11-02-1992)*

- a. A formal security oversight audit report is generally the vehicle used to report the auditors' findings and recommendations, together with the comments of the audited organization, program, or function, to those officials who should be informed of the subject matter or who must act upon the recommendations. In cases where a formal audit report is deemed unnecessary, the audit team may issue a memorandum report.
- b. In order to ensure complete and objective audit reports, the auditors generally provide copies in draft form to the appropriate officials of the organization, program, or function that has been audited and give them a specific period of time (normally 30 days) in which to provide written

comments. If needed, the Assistant Inspector General for OSO may approve an extension for an additional specified period. The Inspector General must approve any further extensions, however.

- c. Written responses of those audited should indicate agreement or disagreement with each of the findings and recommendations in the draft report. These responses will be incorporated into the final report. OIG will note in the text significant changes in the contents of the final report made as a result of such comments. OIG will then include the written comments in their entirety in an appendix to the report. When comments on draft audit reports have been requested but are not received by the due date, OIG will issue the report with an annotation to this effect.
- d. Final security oversight audit reports represent the official OIG position on issues addressed by the audit. OIG distributes the reports to those officials who are responsible for taking action on audit findings and recommendations and to others authorized by the Inspector General to receive them. Those responsible for complying with audit recommendations are required to provide an initial response within 45 days, giving a status report and furnishing a corrective action plan with target dates for specific compliance actions. (See 2 FAM 037 for detailed compliance procedures.)

## **2 FAM 034.2-6 Procedures for Security Oversight Audit Follow-up Reviews**

*(TL:GEN-280; 11-02-1992)*

From time to time, OIG may conduct security oversight audit follow-up reviews to provide senior managers of the Department and the Foreign Service with evaluations and progress reports on correction of the deficiencies identified in the earlier audits, or to provide verification of failure to correct the deficiency. In any case where the audit follow-up team suspects that a particular employee, or even post or unit management, has reported compliance with a recommendation and the claimed corrective action has not been taken and may not be intended, the team will thoroughly investigate and document the case and will submit it to the Inspector General for review. If after reviewing the case the Inspector General concludes that such action is warranted, the OIG will refer the information to the Director General of the Foreign Service and Director of Personnel with a recommendation for disciplinary action on grounds of lack of integrity on the part of the employee(s) responsible.

## **2 FAM 034.3 Security Oversight Inspection**

## Procedures

### 2 FAM 034.3-1 Preparations

*(TL:GEN-280; 11-02-1992)*

- a. Although unannounced security oversight inspections may be undertaken when deemed appropriate by the Inspector General, the inspection team will normally notify chiefs of mission and principal officers of posts to be inspected well in advance of the initiation of the Washington survey for the inspection.
- b. Notifications will include the approximate dates and duration of the inspection or group of inspections, instructions on how to prepare for it, and questionnaires to be completed by post managers covering all aspects of security programs and operations that will be reviewed.
- c. The inspection team leader will subsequently provide post managers with more details on team composition and schedules, and will request any additional information or assistance required by the team.
- d. The Inspector General will also inform other Federal departments and agencies having an interest in security at the posts being inspected and will request from them pertinent information, records, or briefing materials.
- e. Posts being inspected are responsible for providing logistic support for the inspectors to include, at a minimum:
  - (1) Space, including a secure private office or other space for conducting interviews;
  - (2) Word processing equipment and a dedicated secure storage container, preferably a safe; and
  - (3) Office supplies and secretarial support.

### 2 FAM 034.3-2 Survey Phase

*(TL:GEN-280; 11-02-1992)*

- a. Each security oversight inspection begins in Washington with a survey phase intended to obtain relevant background information and to develop, to the extent possible, a matrix of all security standards that the post to be inspected is expected to observe for safeguarding against threats from terrorism, mob or other physical intrusion, intelligence

penetration, and/or crime.

- b. The record of compliance with prior audits, post inspections, and security oversight inspections is reviewed.
- c. Interviews are conducted with responsible Federal agencies having an interest in the security programs of the post(s) being inspected.
- d. Documentation on implementation of security equipment, procedures, and programs is gathered and organized.
- e. As the survey progresses, the team analyzes the information gathered with a view to arriving at initial estimates as to how effectively the post is discharging its security responsibilities. This analysis leads to the identification of potential key issues or apparent problem areas that will require attention during the review phase at the post(s). These will be detailed in a scope-of-work plan prepared by the team leader for review by the Assistant Inspector General for Security Oversight prior to the departure of the team.

## **2 FAM 034.3-3 Review Phase**

*(TL:GEN-307; 08-14-2003)*

- a. After arrival at the post, the inspection team has an entrance briefing with the chief of mission or principal officer and any others (deputy chief of mission, management officer, regional security officer) whom post management wishes to have present. The potential key issues and other tentative findings identified in Washington will be discussed, and information on problems or weaknesses that post personnel believe deserve the inspectors' attention will be solicited.
- b. The team will test its tentative findings against the realities at the post, will review the implementation of security standards to counter the various threats, and will assess security vulnerabilities. At the conclusion of this on-site portion of the review phase, the inspectors will brief post management on the key findings that they expect will appear in their report.
- c. Upon their return, the inspectors will continue their review through debriefings with those officials who were consulted during the survey phase and with others, both in the Department and in other Federal agencies, concerned with the inspectors' findings and recommendations. The views of these officials will be sought both on the product and the process of the security oversight inspection. This is intended to ensure that the inspectors' findings are accurate and complete, and that the

corrective actions recommended are appropriate and feasible.

## **2 FAM 034.3-4 Report Phase**

*(TL:GEN-280; 11-02-1992)*

- a. Upon completion of the review phase, the inspectors will draft a report of the security oversight inspection, which will describe their findings of significant deficiencies in security programs and provide their recommendations for correcting these problems.
- b. Areas for evaluation in the report may include the Department's assessment of the threats at the post(s), and various security programs (physical security, technical security, personnel security, procedural security, and emergency preparedness), and any special issues. The views of those officials consulted at the conclusion of the review phase will be taken into consideration in this process.
- c. The Inspector General will review the report and, when it is approved, OIG will distribute the report to the post(s) and to appropriate offices for compliance with the inspectors recommendations. (See 2 FAM 037 for detailed compliance procedures.)

## **2 FAM 034.3-5 Security Oversight Inspection Compliance Follow-up Reviews**

*(TL:GEN-280; 11-02-1992)*

- a. Unlike full inspections, OIG makes notification of an upcoming CFR a few days or, at most, a few weeks in advance. In some cases, there may be no prior notice at all. While circumstances may occasionally dictate otherwise, the CFR team is usually smaller than a regular inspection team. Generally composed of three members, a typical CFR team will be led by the Assistant or Deputy Assistant Inspector General for OSO or one of the OSO division directors. Additional team members will be assigned depending on the specific areas of expertise required.
- b. The focus of the CFR is on compliance with recommendations from the past inspection or audit and any subsequent OIG reviews. The team will not normally conduct new evaluations of post, unit, or program operations but will attempt to respond positively to requests for assistance with new problems that require priority attention. If significant new problems are uncovered, however, the team may issue new recommendations.
- c. CFRs may occur at any time after an inspected post, unit, or entity has

submitted its initial compliance response to OIG, which is due within 45 days of issuance or confirmation of the inspection report. Normally, the CFR will not be conducted later than eighteen months after the publication of the inspection report.

- d. At Foreign Service posts, the team will explain to the chief of mission (or deputy chief of mission) or principal officer the purpose and scope of the CFR, and will solicit the views of post management on the post's compliance performance. The team may also elicit post management's views on the conduct of the inspection under review and the extent to which it was conducted professionally and in accordance with inspection procedures. A meeting with U.S. citizen and FSN personnel is not necessary, and extensive interviewing in the manner of a full inspection would not be an efficient use of team time. However, team members will make every effort to meet with individuals, U.S. and FSN, who express a desire to speak with them.
- e. In any case where the CFR team suspects that a particular employee, or even post or unit management, has reported compliance with a recommendation and the claimed corrective action has not been taken and may not be intended, the team will thoroughly investigate and document the case and will submit it to the Inspector General for review. If, after review, the Inspector General finds the case to be sufficiently serious to warrant further action, the case may be referred to OIG's Office of Investigations for further investigation. If warranted, the case could then be referred to the Department of Justice for prosecution, and/or to the Director General of the Foreign Service and Director of Personnel with a recommendation for disciplinary action on grounds of lack of integrity.
- f. Upon completion of a CFR, the team will usually prepare a draft report. (If no new recommendations are made or if no recommendations are reissued, a formal report may not be necessary.). The team will provide a copy of the draft report to the chief of mission, principal officer, or unit manager. The report will:
  - (1) Contain an evaluation of the overall quality of compliance with the previous inspection or audit recommendations and may also contain an evaluation of compliance with recommendations from any subsequent OIG audit or review.
  - (2) Will cite any significant changes of circumstances that affect the ability to comply and may recommend to the Inspector General modification or cancellation of recommendations that have been overtaken by events.
  - (3) The report also will inform OIG of any major problems that may

have arisen since the inspection or any subsequent review and may issue recommendations to correct them or recommend an OIG investigation, audit, or early re-inspection, if circumstances warrant.

- g. The CFR team will use its report to certify for closeout the prior inspection report and, when appropriate, recommendations from any subsequent OIG reviews. Any recommendations contained in those reports that have not been satisfactorily resolved will be reissued in the CFR report with an indication as to their status. This includes any formal recommendations that may have been closed earlier on the basis of faulty compliance reporting. Any informal recommendations on which compliance is outstanding may also be carried to the CFR report and reissued as formal recommendations.
- h. The CFR team is also responsible for conducting a quality control review of the previous inspection and will solicit comments on the inspection from post or bureau management.

## **2 FAM 035 INVESTIGATIONS**

### **2 FAM 035.1 Policy**

#### **2 FAM 035.1-1 Investigations of Employees, Programs, and Operations**

*(TL:GEN-280; 11-02-1992)*

- a. The Inspector General will provide policy direction for and will conduct, supervise, and coordinate investigations relating to the programs and operations of the Department and relating to members of the Foreign Service and Department employees, including FSN employees, as authorized by the Inspector General Act of 1978, as amended, and the Foreign Service Act of 1980, as amended. The Office of Investigations (OIG/INV) carries out these duties.
- b. OIG/INV carries out these duties and responsibilities in part by identifying and recommending the prosecution of participants in fraud and abuse, including expeditiously reporting to the Attorney General whenever OIG/INV determines that there are reasonable grounds to believe that there has been a violation of Federal criminal law.
- c. OIG/INV conducts both proactive and reactive investigations and handles special inquiries as the Inspector General directs. OIG/INV also operates

the State Department Hotline (see 2 FAM 031.1-5) which receives complaints and information from both within and without the Department and the Foreign Service.

## **2 FAM 035.2 Investigative Standards**

### **2 FAM 035.2-1 Compliance**

*(TL:GEN-280; 11-02-1992)*

Office of Investigations special agents will comply with the Quality Standards for Investigations issued by the President's Council on Integrity and Efficiency, the Office of Investigations internal policies and procedures, the Federal Rules of Criminal Procedure, applicable laws, regulations, and decisions of the courts and will conduct its investigations with due respect for the rights and privacy of those involved.

### **2 FAM 035.2-2 Case Initiation Policies and Procedures**

*(TL:GEN-280; 11-02-1992)*

- a. OIG/INV initiates and enforces strict control over the case initiation process. Investigative cases are initiated only on the authorization of the Assistant Inspector General for Investigations (AIGI), or his or her representative, based upon reasonable suspicion of misconduct. When OIG/INV determines that a case warrants followup but does not involve criminal, civil or administrative fraud activity, OIG/INV refers the case to the Office of Policy, Planning and Management (OIG/PPM) for appropriate referral to the Department.
- b. During the case initiation process, the AIGI assigns priorities based upon the merits of the individual circumstances. OIG/INV utilizes a five-tier priority system, which then becomes the basis for later operational planning. These priorities are subject to change, as circumstances warrant or as information is developed during the course of an investigation. They also allow for consideration of issues which cannot be readily quantified, such as the impact of investigations on sensitive foreign relations, their effect on the Department's ability to conduct its business, or other such concerns. For example, misconduct involving a small dollar amount by a Foreign Service National employee would not have the same priority as a similar situation involving the principal officer at post.
- c. In addition to the process of establishing priorities, there are four case status levels:

- (1) Pending. When the Office of Investigations is the sole investigative office involved in an investigation;
- (2) Pending/Joint. When matters are worked jointly with other investigative agencies, such as the Federal Bureau of Investigation or the Immigration and Naturalization Service or another Department office such as the Bureau of Diplomatic Security. Each office involved in a joint investigation has an active role, depending on its area of expertise and its investigative jurisdiction.
- (3) Pending/Monitor. Situations in which OIG/INV has a vested interest in the outcome of a matter but is not taking an active role. These are also carried as cases. OIG/INV will routinely monitor the status of these cases with the agency conducting the investigation to ensure that OIG interests are considered. A pending/monitor case can become pending/joint, and vice-versa, or, if the other agencies drop out of the investigation, it can become simply a pending matter under the sole responsibility of the Office of Investigations.
- (4) Closed. Cases are closed when all investigative activity is completed and all ensuing judicial or administrative actions have been taken. Closed cases are maintained in accordance with internal investigative file retention policies.

## **2 FAM 035.3 Responsibilities of Foreign Service and Department Employees**

### **2 FAM 035.3-1 Reporting Violations of Law and Regulation**

*(TL:GEN-280; 11-02-1992)*

- a. Each individual State Department employee and member of the Foreign Service, including FSN employees, has a responsibility to help guarantee the honesty, integrity, effectiveness, and efficiency of the Department's programs and operations. Immediate indications or suspicions of violations of law or regulation should be reported immediately to OIG for further review (see 2 FAM 031.1-5 paragraph a).
- b. Reporting procedures, including use of the OIG channel, are given in 2 FAM 031.1-5 paragraph b.
- c. Protection for members of the Foreign Service and Department employees who provide information to the Inspector General is stated in 2 FAM 031.3-1 paragraphs f, g, and h, and are further set out in 2 FAM

035.5.

## **2 FAM 035.3-2 Employee Cooperation**

*(TL:GEN-280; 11-02-1992)*

- a. Each Department employee and member of the Foreign Service is responsible for providing requested assistance and information to OIG/INV special agents in the conduct of their official investigations or special inquiries (see 2 FAM 031.3-1).
- b. Department and Foreign Service personnel at all levels will:
  - (1) Cooperate fully by disclosing complete and accurate information pertaining to matters under OIG/INV review;
  - (2) In response to an OIG/INV inquiry, inform investigators of any other areas or activities that they believe require further investigation; and
  - (3) Not conceal information or obstruct investigations or other official inquiries being conducted by the OIG.

## **2 FAM 035.3-3 Management Cooperation**

*(TL:GEN-280; 11-02-1992)*

- a. The officer in charge of the post, bureau, unit, or program being investigated is required to provide support to OIG/INV special agents conducting investigations and special inquiries (see 2 FAM 031.1-6).
- b. Chiefs of mission and principal officers at Foreign Service posts and heads of bureaus and other operating units in the Department will caution all employees against making any comment or taking any action that might prejudice the government's interest in a criminal or civil investigation or inquiry. When there is reason to believe that an employee has committed a criminal act, employees at a post or in a bureau or unit will not, without the specific authorization of an OIG representative:
  - (1) Engage in any independent investigation or inquiry;
  - (2) Discuss the matter with the suspected wrongdoer or representative; or
  - (3) Disclose to unauthorized persons information regarding the matter or information that identifies or could reasonably lead to identifying the person(s) reporting the irregularity or problem.

## **2 FAM 035.4 Protection for Employees Reporting Information**

*(TL:GEN-280; 11-02-1992)*

- a. Section 7 of the Inspector General Act of 1978, as amended, and Sections 209(f)(2) and 105(b)(2)(B) of the Foreign Service Act of 1980, as amended, in combination with 5 U.S.C. 2302(b)(8), offer protection for members of the Foreign Service and Department employees who provide information to the Inspector General against disclosure of their identity and against reprisal, if their identities must be disclosed or are otherwise learned.
- b. After receipt of a complaint or information from a member of the Foreign Service or a Department employee, the OIG will not disclose, without consent, the identity of the member or employee, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.
- c. No member of the Foreign Service or Department employee may take or threaten to take any personnel action against any other member or employee as a reprisal for making a complaint or disclosing information to an OIG official, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.
- d. It is a prohibited personnel practice (see 5 U.S.C. 2302(b)(8)) punishable by suspension, reprimand, reduction in grade, debarment from Federal employment, and civil fine (see 5 U.S.C. 1207(b)) for an individual to take or fail to take a personnel action with respect to a member of the Foreign Service or a Department employee as a reprisal for a disclosure to the Inspector General that the employee reasonably believes evidences:
  - (1) A violation of any law, rule, or regulation; or
  - (2) Mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

## **2 FAM 035.5 Investigative Activities**

### **2 FAM 035.5-1 Criminal Statutes, Violations of Regulations, and Standards of Conduct**

*(TL:GEN-280; 11-02-1992)*

The Inspector General provides policy direction for and conducts, supervises, and coordinates objective, independent investigations of complaints, allegations, reports, or other information received concerning possible instances of criminal activities and other serious abuses or deficiencies relating to the programs and operations of the Department. These include, but are not limited to, the following:

- (1) Bribery or attempted bribery of members of the Foreign Service and Department employees, including Foreign Service nationals (18 U.S.C. 201);
- (2) Submission of false claims by an employee, grantee, contractor or subcontractor, loan or loan guarantee recipient, or other beneficiary of financial assistance (18 U.S.C. 287 (criminal), 31 U.S.C. 3729 (civil), and 31 U.S.C. 3801 (program fraud));
- (3) Theft, conversion, misappropriation, embezzlement, or misuse of government funds or property by an employee, grantee, contractor or subcontractor, loan or loan guarantee recipient, or other beneficiary of financial assistance (18 U.S.C. 641);
- (4) False statements or entries in dealings with the United States (18 U.S.C. 1001 and 31 U.S.C. 3801 (program fraud));
- (5) Conspiracy to defraud the United States (18 U.S.C. 371);
- (6) Violation of Department regulations regarding employees' standards of conduct and responsibilities (22 C.F.R. Part 10, excluding Section 10.735-215);
- (7) Imprest fund irregularities or shortage in excess of \$100 (see 3 FAM 630 );
- (8) Activities prohibited by Section 105 of the Foreign Service Act of 1980, as amended, relating to the protection of merit principles, and 5 U.S.C. 2302(b), relating to prohibited personnel practices; and
- (9) Activities that involve a substantial and specific danger to the public health or safety.

## **2 FAM 035.5-2 Proactive Investigations**

*(TL:GEN-280; 11-02-1992)*

- a. The OIG undertakes proactive investigative activity in the absence of allegations, complaints, or other indicators, to determine if misconduct is

occurring. Instead of reacting to information received, investigators actively seek out areas in which abuse is likely to occur based upon past history and/or classic fraud indicators. Many proactive investigations use audit methodologies and testing procedures to pinpoint specific areas of vulnerability. Once an area of vulnerability is located, OIG investigators make in-depth inquiries to determine if actual abuse is occurring. Examples of proactive efforts include computer matches, frequently utilized to uncover fraud in large entitlement agencies, and "sting" operations.

- b. OIG/INV special agents should view all investigations proactively in order to develop additional leads and sources. Proactive activities at this level include maintaining liaison with:
  - (1) Department components;
  - (2) Other OIG offices;
  - (3) Federal, State, and local law enforcement agencies; and
  - (4) Organizations having information that may be of use to OIG/INV.

While at post, agents will make themselves available to post personnel to discuss matters of concern and will follow up on any areas of investigative interest.

- c. The Office of Investigations may initiate formal proactive efforts involving areas of the Department that are vulnerable to fraud, waste, or abuse. Because of the wide scope of such reviews and the potential for the application of significant OIG resources to such projects, uniform procedures have been developed for proactive activities. The initiator of the proactive matter will prepare documentation providing details of the investigative effort, which will be reviewed and approved, if appropriate, by the AIGI. These proactive projects may be staffed by designated agents, or they may be worked in conjunction with other cases already scheduled.

## **2 FAM 035.6 Investigative Procedures**

### **2 FAM 035.6-1 Conduct**

*(TL:GEN-280; 11-02-1992)*

- a. Following receipt of relevant information, the Division Director, working with the Branch Chief, will determine what investigative steps are required.

- b. Following the guidelines set forth in the work plan, investigative trips are scheduled in detail. Prior to commencement of the trip, OIG/INV begins to coordinate investigative plans with posts, the bureaus, and other relevant Department elements. However, the extremely reactive nature of the investigative process dictates that not all trips can be planned nor all coordination completed prior to the arrival of investigative personnel. Additionally, the exigencies of certain situations, and the confidentiality of certain investigations relating to the protection of sources and the identity of investigative subjects, may preclude or limit the amount of information that can be shared with relevant elements of the Department.
- c. Upon arrival at post, OIG/INV agents will coordinate their visit with the post control officer assigned and make a courtesy call upon the chief of mission or designee. Depending on the circumstances, the agents will brief the chief of mission and/or other post management officials or their designee on the matters under investigation. In many cases, however, the agents will provide only general information. Depending upon the nature of the particular investigation, OIG/INV's inability to share information may be a requirement of law, such as information relating to Federal grand jury investigations. In most cases, however, the protection of investigative information is necessary to protect both the identity of complainants and the reputations of those under investigation who have not yet been found guilty of any wrongdoing. As the agents proceed with their investigative efforts, they will conduct interviews, review records, and take other steps designed to prove or disprove the allegations. Shortly before departure from post, OIG/INV agents will provide an exit briefing to the chief of mission or appropriate post management officials or their designee.
- d. Completed investigations usually take one of three courses. If the allegations were not sustained, were found to be without merit or were disproved, OIG/INV closes the investigation with no further action. The case documentation will be indexed, archived, and stored in the OIG system of records. If there are findings of criminal misconduct, OIG/INV presents the facts of the matter to the appropriate prosecutorial body, such as the Department of Justice, for consideration of prosecution. If a decision is made to prosecute the case, OIG/INV will work with the assigned prosecutors to ensure a successful outcome. Serious FSN criminal misconduct will be presented to local host country law enforcement officials for prosecutive consideration, unless there are compelling reasons not to do so. Merely terminating the FSN's employment, or allowing him or her to resign, is generally not believed to be in the best long-term interests of the Department. If a civil or program fraud remedy may be available, referrals are made to the appropriate Assistant U.S. Attorney in the former case or to the Office of Counsel in the latter case. If there are findings of noncompliance with or violations of

Department regulations, OIG/INV presents the facts to the appropriate bureau for such actions as monetary recoveries, employee disciplinary actions, and correction of systemic weaknesses.

## **2 FAM 035.6-2 Reports of Investigations**

*(TL:GEN-280; 11-02-1992)*

- a. OIG/INV special agents will prepare case reports for the Inspector General when investigations or special inquiries are completed. The reports will be prepared in conformance with OIG/INV internal policies and procedures. The Inspector General will control the distribution of these reports.
- b. The AIGI will review all reports for violations of criminal statutes to determine if a referral should be made to the Attorney General pursuant to Section 4(d) of the Inspector General Act of 1978, as amended, and 28 U.S.C. 535. The AIGI will follow up with the Department of Justice to determine the status of any such referrals.
- c. If a case is declined for prosecution, but has civil or program fraud potential, OIG/INV will present that information, orally or in writing, to the appropriate Assistant U.S. Attorney, or Office of Counsel attorney (if single damages are less than \$150,000) for initial review. If the case is accepted for follow-up action, preparation of a written report may be required.
- d. If the case is declined for prosecution, but evidence of administrative misconduct, malfeasance, misfeasance, waste, or poor management was developed during the course of the investigation, OIG will provide that information, in the form of an administrative report, to the Director General of the Foreign Service and the Director of Personnel for appropriate action. Administrative reports will document the issues in question, cite the applicable laws or regulations violated, and make recommendations for appropriate action. The Director General of the Foreign Service and Director of Personnel will inform the Inspector General in a timely manner of the disposition of the case.
- e. In the case of either prosecutive or administrative actions, the case will remain in a pending status until such time as all actions are taken. Those actions will then be documented in the case file, which will be indexed, archived, and stored in the OIG system of records.

## **2 FAM 035.6-3 Maintaining Investigative Files**

*(TL:GEN-280; 11-02-1992)*

The Office of Investigations will maintain all investigative files, records, evidence, and other materials and documents in strict conformance with applicable laws and regulations and will ensure that they are not released to unauthorized persons or organizations.

## **2 FAM 036 SPECIAL OPERATIONS REVIEW TEAM**

### **2 FAM 036.1 Purpose**

*(TL:GEN-280; 11-02-1992)*

The Special Operations Review Team (SORT) allows the Inspector General the flexibility of reacting on a worldwide basis to problems and issues that otherwise would not be addressed by the OIG or could be addressed only at the cost of disrupting important on-going work or unduly delaying scheduled projects. The principal purpose of the SORT is to identify problems early enough either to resolve them completely and thus preclude further difficulties or to alleviate their severity and thus enable bureau and/or post management to deal with them more easily.

### **2 FAM 036.2 Review Guidelines**

*(TL:GEN-280; 11-02-1992)*

In general, the SORT responds to significant matters brought to the attention of the Inspector General which:

- (1) Warrant early OIG action;
- (2) Appear to lend themselves to relatively quick assessment and resolution; and
- (3) Are not included in the Audit Plan, inspection schedule, or other regularly programmed activity.

The SORT does not respond to matters which are criminal in nature. If they encounter issues likely to become criminal, they refer these to OIG/INV.

### **2 FAM 036.3 Reports**

*(TL:GEN-280; 11-02-1992)*

Formal reports on SORT reviews may not always be required. However,

when a written report is requested or is otherwise deemed necessary by the Inspector General, it may be prepared and issued in draft form on site to the chief of mission or principal officer. This report, when approved and issued by the Inspector General, is intended to provide concise, candid, and objective evaluations of policy implementation and program effectiveness and efficiency and to inform of conditions or situations that require management attention or intervention. Availability and distribution of written reports approved by the Inspector General will be determined by the Inspector General.

## **2 FAM 036.4 Team Makeup**

*(TL:GEN-280; 11-02-1992)*

The SORT is headed by a Supervisory Auditor who directs its operations and reports directly to the Deputy Inspector General. The Director of Special Operations is assisted by three auditors. As required by specific assignments, the team may be supplemented by OIG inspectors, investigators, attorneys, and program analysts. Subunits may be headed by an auditor or inspector, depending upon the nature of the assignment.

## **2 FAM 037 THE COMPLIANCE SYSTEM**

### **2 FAM 037.1 Action on OIG Recommendations**

#### **2 FAM 037.1-1 Procedures**

*(TL:GEN-280; 11-02-1992)*

- a. The Inspector General shall maintain an accurate record of the status of each recommendation through the entire process of resolution and implementation of corrective action to closure. When necessary, the Inspector General shall initiate a request for the establishment of appropriate accounting and collection controls over amounts determined by an audit, inspection, or investigation to be owed to the U.S. Government.
- b. OIG will provide copies of reports, as appropriate, to the senior manager in charge of the posts, bureaus, units, or activities that must take action on any of the recommendations contained in a report and request the senior manager to provide OIG with initial compliance status reports on each recommendation for which they are responsible within 45 days of the date of distribution of the report, unless otherwise specified by OIG.

The action office must formally respond to all recommendations in issued reports even in those cases in which management had, in commenting on the draft, indicated what decision and action(s) would be taken. In the case of inspections of posts abroad, where the inspectors leave a draft of their report which is subject to review and approval by the Inspector General with the chief of mission or principal officer, compliance responses are required within 45 days of the distribution of the final report. It is OIG policy to respond promptly to compliance responses. OIG responses will contain an analysis of the tasked organization's response and provide the status of the recommendation. OIG compliance messages require prompt replies in return. The mutual objective is to obtain resolution within six months of the report's issue date.

- c. A response to a recommendation must repeat the identifying number and text of the recommendation and then state in detail the action taken or to be taken to implement the recommendation, together with the actual or proposed target date for completion. The responsible officer should set the estimated completion date so as to ensure that implementation proceeds as rapidly as possible. When action is completed, the officer informs OIG and provides appropriate evidence of completion (see paragraph g, below).
- d. Foreign Service posts abroad should send compliance responses to formal recommendations by telegram slugged "For action of OIG" and provide a copy to the country desk and bureau executive director. Responses should not be sent by OIG channel; to do so would limit distribution to OIG. Posts should send responses to operational recommendations in a separate cable also slugged for OIG and for its bureau's executive director.
- e. Although compliance with the informal recommendations is expected, a written compliance report on informal recommendations is not required.
- f. If the person in charge of the post, bureau, unit, or activity responsible for compliance with a recommendation disagrees with that recommendation or believes that an alternative solution to the problem would be preferable, the compliance response should clearly state the reason for disagreement (including, as appropriate, references to law, regulation, or procedure that may affect implementation of the recommended corrective action) and provide a detailed description of any alternative proposal.
- g. All recommendations are considered unresolved until such time as the issuing OIG office informs the action office that the recommendation is resolved (a management decision has been reached). OIG will evaluate compliance responses to determine the adequacy of actions taken or

planned in the context of law and regulation, will determine whether additional action or information is required, and will inform persons responsible for compliance of any further requirements.

- h. The Inspector General must be satisfied that a management decision has been reached on all recommendations in an audit or inspection report within six months of the date of distribution of the report. OIG is required to report to the Secretary and the Congress on recommendations without a management decision for periods longer than six months (see section 2 FAM 031.7 ). Once resolution has been accomplished on a recommendation regarding a monetary claim, any subsequent decision to waive or compromise the claim must meet the requirements of the False Claims Amendment Act of 1968 (31 U.S.C. 3701), the Federal Claims Collection Standards (4 C.F.R. 101-105), and other laws and regulations. Such decisions must be communicated in advance to the Inspector General.
- i. OIG bases the closing of audit or inspection recommendations and reports upon completion of the corrective action prescribed in the recommendations, the taking of alternative action which the Inspector General considers appropriate to deal with a finding, agreement on the invalidity or inapplicability of a recommendation, or performance by OIG of a compliance follow-up review or a subsequent full audit or inspection, the report of which supersedes the prior audit or inspection report. OIG reports are considered closed when OIG informs management that all the formal and operational recommendations are closed. It is the continuing responsibility of the management to inform OIG of any subsequent changes after closure.
- j. Because of the great variety of recommendations, it is not possible to establish precise criteria for resolving recommendations, determining that final action has occurred, and closing reports. However, some general criteria for particular kinds of recommendations are:
  - (1) Improved management practice recommendations require evidence that post or unit management has implemented the recommendation;
  - (2) Recommendations for revision or creation of regulations, manuals, handbooks, or other procedural directives require evidence that post or unit management has implemented the recommendation;
  - (3) Recommendations on other procedural matters require evidence that action is completed;
  - (4) Recommendations on disallowed costs require evidence of repayment, agreement on the amount of the indebtedness and the

making of arrangements for repayment, referral to a claims collection official, or other remedial action or sanctions as may be authorized by applicable law and regulation;

- (5) Recommendations concerning questioned costs (normally cases involving inadequate documentation) require evidence that the costs are supportable and eligible for payment or that excessive costs have been avoided or recovered; and
  - (6) Finding a recommendation to be invalid or inapplicable, which requires agreement by the Inspector General that good and valid reasons exist for not implementing it, such as a change in the situation that led to the finding and recommendation.
- k. When questions or disagreements arise concerning a particular audit or inspection recommendation, OIG will make an initial effort to resolve the issue by formal or informal means at the action bureau, office, or post level. When an impasse is reached, the Inspector General may refer the matter to the Secretary or to the Secretary's designee, the Under Secretary for Management, for a decision. The Inspector General will provide the responsible bureau, office, or post with sufficient notice and opportunity in such cases to present its reasons for noncompliance in conjunction with the impasse referral. If not resolved at the Secretary's level to the satisfaction of the Inspector General, the matter will be reported in the Semiannual Report to the Congress, as required by the Inspector General Act of 1978, as amended.
- l. When the Inspector General has reason to believe that a Department employee, a member of the Foreign Service, an FSN, or the management of a unit or post has reported compliance with an audit or inspection recommendation on which claimed corrective action has not been taken or may not be intended, OIG may assign auditors, inspectors, or investigators to investigate and document the case and submit it to the Inspector General for review. If, after review, the Inspector General finds the case to be sufficiently serious to warrant further action, OIG may refer it either to the Department of Justice for prosecution and/or to the Director General of the Foreign Service and Director of Personnel with a recommendation for disciplinary action on grounds of lack of integrity.

## **2 FAM 037.1-2 Special Procedures**

*(TL:GEN-280; 11-02-1992)*

- a. Because of the need to make early decisions with respect to auditors' and inspectors' recommendations regarding significant cost savings or cost avoidance or with the reduction or reprogramming of personnel positions,

a special procedure applies to reporting on and compliance with such recommendations.

- b. Upon making a finding and arriving at a recommendation calling for significant cost savings or cost avoidance or the reduction or reprogramming of personnel positions, auditors and inspectors will provide this information to the Inspector General by the most expeditious means, either by telegram or memorandum.
- c. The Inspector General will expeditiously inform those bureaus, units, or activities in the Department that will be responsible for any action, providing them with the text of the finding (or summary finding) and recommendation.
- d. The Inspector General will expeditiously inform the appropriate Country or Executive Director and the Director General that no action is to be taken to encumber, reprogram, or otherwise affect a position recommended for abolition or reprogramming until a final decision on the inspection recommendation is made.
- e. If the bureau, unit, or activity with lead compliance responsibility for a recommended personnel position reduction or reprogramming does not respond to OIG within 45 days, OIG will recommend that the Bureau of Personnel (PER), Office of Resources Management and Organization Analysis, adjust the personnel ceiling of the bureau, unit, or activity in compliance with the OIG recommendation.
- f. If an employee has been selected for assignment into an affected U.S. citizen position or has pending assignment orders, PER's Office of Career Development and Assignments and PER's Office of Civil Service Personnel Management shall notify OIG without delay so that steps can be taken to resolve the issue expeditiously and avoid employee hardship.
- g. Within 45 days of the Inspector General's notice that the auditors or inspectors have made a recommendation calling for significant cost savings or avoidance, or for the reduction or reprogramming of personnel positions, the bureau, unit, or activity with lead responsibility for compliance, in coordination with posts or other Department units as necessary, must respond to OIG describing actions taken or to be taken to implement the recommendation. In the case of recommended cost savings or avoidance, OIG shall also send a copy of this response to FMP.
- h. If affected posts, bureaus, units, or activities disagree with a recommendation made under these special procedures, and the Inspector General accepts their position, OIG will immediately notify those persons earlier informed of the initial recommendation.

- i. If the bureau, unit, or activity with lead responsibility for a recommended significant cost savings or avoidance does not respond to OIG within 45 days, the Inspector General may submit the issue at impasse to the Secretary or the Secretary's designee, the Under Secretary for Management, for decision under the same procedures outlined in 2 FAM 037.1-1 paragraph h.
- j. If affected posts, bureaus, units, or activities are unable to reach agreement with the Inspector General on a recommended cost saving or avoidance, or the reduction or reprogramming of a position, the Inspector General (after consultation with the Director General of the Foreign Service and Director of Personnel and/or FMP and other affected organizations, as appropriate) will submit the issue at impasse to the Secretary or the Secretary's designee, the Under Secretary for Management, for decision under the same procedures outlined in 2 FAM 037.1-1 paragraph h.
- k. The OIG may, on determining extensive delay in obtaining final resolution to a recommendation, change the status from resolved to unresolved.

## **2 FAM 037.1-3 Review of Compliance System**

*(TL:GEN-280; 11-02-1992)*

The Inspector General shall periodically conduct an evaluation of the compliance system to determine whether it results in efficient, prompt, and proper resolution and corrective action on audit and inspection recommendations.

## **2 FAM 037.1-4 Analysis of Audit and Inspection Findings and Recommendations**

*(TL:GEN-280; 11-02-1992)*

The Inspector General shall provide for periodic analyses of audit and inspection findings, recommendations, resolutions, and corrective actions to determine whether there are significant trends and, if so, to identify such problems and recommend solutions.

# **2 FAM 038 REPORTING TO THE SECRETARY AND THE CONGRESS**

## **2 FAM 038.1 Reporting Serious or Flagrant**

## **Problems, Abuses, or Deficiencies**

### **2 FAM 038.1-1 Reporting Responsibility of the Inspector General**

*(TL:GEN-280; 11-02-1992)*

- a. In accordance with Section 5(d) of the Inspector General Act of 1978, as amended, and Section 209(d)(3) of the Foreign Service Act of 1980, as amended, the Inspector General will report immediately to the Secretary whenever the Inspector General becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of activities and operations of Foreign Service posts, of Department bureaus or other operating units, or of activities financed by the Department.
- b. The Secretary shall transmit these reports to the Committees on Governmental Affairs and on Foreign Relations of the Senate and to the Committees on Government Operations and on Foreign Affairs of the House of Representatives and to other appropriate committees within seven calendar days of receiving them, together with any comments the Secretary deems appropriate.

### **2 FAM 038.2 Semiannual Report of the Inspector General**

#### **2 FAM 038.2-1 Deadline**

*(TL:GEN-280; 11-02-1992)*

In accordance with the Inspector General Act of 1978, as amended, the Inspector General will, not later than April 30 and October 31 of each year, provide to the Secretary for transmittal to Congress (within 30 days) a semiannual report.

#### **2 FAM 038.2-2 Contents of Report Prepared by Inspector General**

*(TL:GEN-280; 11-02-1992)*

The semiannual report summarizes OIG activities during the previous six months. It includes:

- (1) A description of significant problems, abuses, and deficiencies relating to the administration of activities and operations of Foreign

Service posts and bureaus and other operating units of the Department disclosed by the Inspector General within the reporting period.

- (2) A description of recommendations for corrective action made by the Inspector General during the reporting period with respect to significant problems, abuses, or deficiencies described in paragraph a, above.
- (3) An identification of each significant recommendation described in previous semiannual reports on which corrective action has not yet been completed.
- (4) A summary of matters referred to prosecutive authorities and any resulting prosecutions and convictions.
- (5) A summary of each report made to the Secretary during the report period explaining the circumstances surrounding incidents where information or assistance requested was, in the judgment of the Inspector General, unreasonably refused or not provided.
- (6) A listing, subdivided according to subject matter, of each audit report issued by the OIG during the reporting period and for each audit report, where applicable, the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs) and the dollar value of recommendations that funds be put to better use.
- (7) A summary of each particularly significant report.
- (8) Statistical tables showing the total number of audit reports and the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs), for audit reports, whether or not a management decision has been made.
- (9) Statistical tables showing the total number of audit reports and the dollar value of recommendations that funds be put to better use by management, whether or not a management decision has been made.
- (10) A summary of each audit report issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period (including the date and title of each such report), an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision on each such report.

- (11) A description and explanation of the reasons for any significant revised management decision made during the reporting period.
- (12) Information concerning any significant management decision with which the Inspector General is in disagreement. See Section 106(a) of the Inspector General Act Amendments of 1988 (Pub. L. 100-504 of Oct. 18, 1988, 102 Stat. 2515, 5 U.S.C. 5(b)) for detailed requirements concerning this report.

## **2 FAM 038.2-3 Action by the Secretary**

*(TL:GEN-280; 11-02-1992)*

The Secretary shall transmit the Inspector General's semiannual report to the committees on Governmental Affairs and on Foreign Relations of the Senate and the Committees on Government Operations and on Foreign Affairs of the House of Representatives, and to other appropriate committees within 30 days of receiving it, together with a report by the Secretary containing any comments the Secretary determines appropriate and the information described in section 2 FAM 031.1-3.

## **2 FAM 038.2-4 Availability to Public**

*(TL:GEN-280; 11-02-1992)*

Within 60 days after transmitting the reports to the appropriate committees, copies of the Inspector General's semiannual report will be made available to the public upon request and at a reasonable cost.

## **2 FAM 038.2-5 Prohibitions on Disclosures**

*(TL:GEN-280; 11-02-1992)*

In accordance with Section 209(d)(4) of the Foreign Service Act of 1980, as amended, the Inspector General's semiannual report, as a public document, may not contain any information which is specifically:

- (1) Prohibited from disclosure by any other provision of law; or
- (2) Required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs.

## **2 FAM 039 UNASSIGNED**