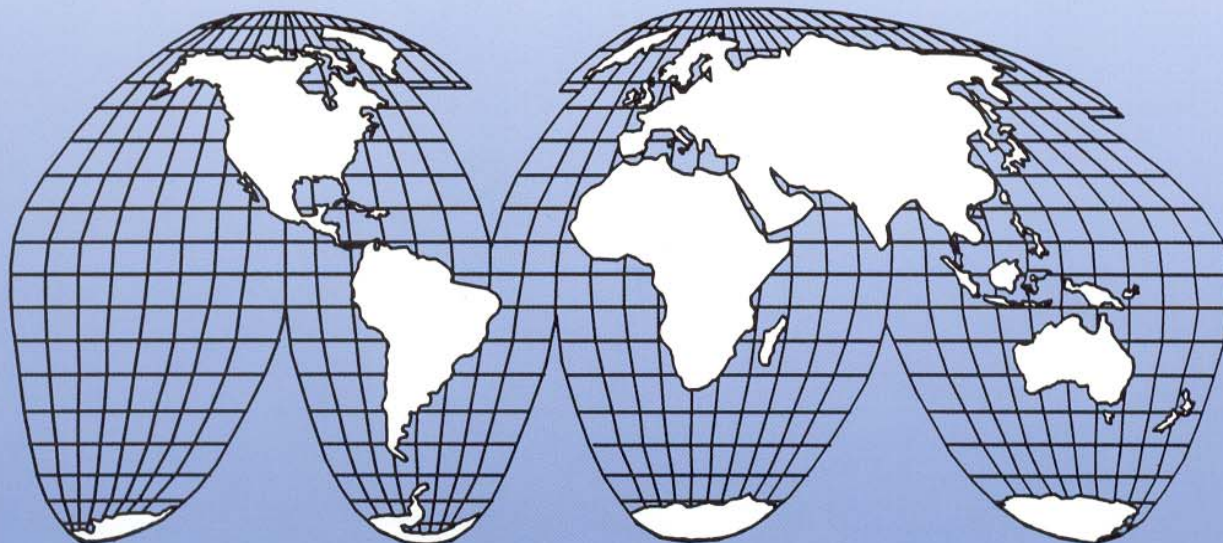# USAID

OFFICE OF INSPECTOR GENERAL

Audit of USAID/Tanzania's Participant Training Activities

Audit Report No. 4-621-04-001-P

November 5, 2003

PRETORIA, SOUTH AFRICA

November 5, 2003

MEMORANDUM

FOR: USAID/Tanzania Mission Director, Ray Kirkland

FROM: Regional Inspector General/Pretoria, Jay Rollins /s/

SUBJECT: Audit of USAID/Tanzania's Participant Training Activities (Report No. 4-621-04-001-P)

This is our report on the subject audit.   In finalizing this report, we considered management comments on the draft report and have included those comments, in their entirety, as Appendix II in this report.

This report has 10 recommendations. In response to the draft report, USAID/Tanzania agreed with 9 of the 10 recommendations. USAID/Tanzania did not agree with Recommendation No. 3, but included an alternative plan that meets the intent of that recommendation.   USAID/Tanzania also included corrective action plans and target completion dates for all the recommendations.   As a result, we consider all recommendations (Recommendation Nos. 1 through 10) to have received a management decision. Please provide M/MPI with evidence of final action in order to close the recommendations.

I appreciate the cooperation and courtesy extended to my staff during the audit.

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Summary of Results	In this era of increased concerns related to foreign students and visitors entering the United States, USAID/Tanzania will need to adhere to existing, as well as new, participant training program regulations. The Bureau of Citizenship and Immigrations Services[1] recently established a requirement that sponsors use the Bureau's Student Exchange and Visitor Information System database to obtain J-1 visas. This new federally-mandated foreign student database is intended to account for all foreign students in the United States and, along with newly enacted legislation, will require USAID/Tanzania (and all USAID missions) to more actively manage participant trainees selected for training in the United States. (See pages 6-8.)

The Regional Inspector General, Pretoria conducted this audit to (1) determine whether USAID/Tanzania complied with selected requirements for administering the participant training program; (2) determine the non-returnee rates for overseas participants from USAID/Tanzania and whether the Mission took appropriate actions when participants failed to return; and (3) identify additional actions that USAID/Tanzania should take to meet the new requirements. (See page 8.)

The audit showed that USAID/Tanzania complied with two of the four selected requirements for administering the participant training program. Specifically, USAID/Tanzania identified the roles of personnel for entering, verifying and approving participant trainee data in accordance with the new visa compliance guidelines and ensured that all participants sent to the U.S. for training were issued a J-1 visa. However, inaccuracies existed in the historical data maintained in the Mission's TraiNet database for participants trained in the United States. These inaccuracies occurred because errors were left unresolved after system conversions and Mission employees made data entry errors because of lack of training on the system. As a result, we could not determine the universe of participants that USAID/Tanzania sent to the United States in calendar years 2000 to 2002. Secondly, because the Mission did not consistently apply the requirements to all participants, it did not have required documentation on all participants. (See pages 8-14.)

A non-returnee rate for overseas participants from USAID/Tanzania could not be determined because the data from the Mission's TraiNet database was unreliable and a universe of trainees was undeterminable. However, for the participants that the Mission identified as non-returnees, the audit showed that the Mission did not take timely action when they failed to return to their home country. This occurred because the Mission did not have an effective or reliable system in place for tracking and reporting non-returnees. Furthermore, the Mission did not issue bills of collection to all known non-returnees, nor did it impose interest charges on delinquent bills of collection that had been issued. (See pages 15-21.)

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[1] Formally known as the Immigration and Naturalization Service (INS) and referred to as the Bureau of Citizenship and Immigration Services (BCIS) in the remainder of the report.

To comply with the new requirements for selecting, monitoring and reporting on participants trained in the United States, the Mission needs to develop Mission-specific guidance to improve their management and controls of administering the participant training program. (See pages 21-24.)

This report contains ten recommendations to help USAID/Tanzania comply with selected requirements for administering the participant training program, improve its tracking and reporting of participants identified as non-returnees, and comply with the new visa compliance requirements. (See pages 11, 14, 19, 21, and 24.)

In response to the draft report, USAID/Tanzania agreed with nine of the ten recommendations. For the recommendation (Recommendation No. 3) that they did not agree with, USAID/Tanzania provided an alternative plan of action. RIG/Pretoria concurs with USAID/Tanzania's alternative plan of action because it meets the intent of that recommendation. Corrective action plans and target completion dates were also included for all ten recommendations. As a result, management decisions were reached on all ten recommendations upon final report issuance. (See page 24.)

Background

Each year USAID's participant training programs send thousands of non-Americans to the United States.[2] According to USAID, "participants" may be host country residents or foreign nationals taking part in a structured learning activity. Participant training is defined as either short-term (less than nine months) or long-term (nine months or more) and may include a range of learning activities such as study tours, conferences, and academic training. Activities expose trainees to outside expertise and ideas that can be exported back to their home countries for developmental purposes. Participant training sponsoring units (USAID and its missions) have the choice of managing training directly or arranging for training to be conducted by a non-governmental organization or private voluntary organization. USAID's participant trainee data is collected and reported through its Training Results and Information Network (TraiNet), a database developed, maintained and managed by a Washington-based contractor. It is the mechanism used to collect and report the training results that are included in USAID's reports, responses to Congressional inquiries, and other Federal agencies' reports.

As a result of homeland security concerns and recent attacks on the United States, increased attention is now being given to all visitors to the United States, including those involved in participant training activities. In addition, new regulations by the Bureau of Citizenship and Immigration Services (BCIS) and Department of State have changed, and more specific procedures have been established for issuing J-1 visas, monitoring exchange visitors, and recording various status changes such as new addresses and altering course work. Also, the

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[2] Participant training can also be conducted in-country, or in a third country; however, this audit reviewed only participants sent to the United States.

BCIS developed its own database, the Student and Exchange Visitor Information System (SEVIS), which required all sponsors, as of February 15, 2003, to input data requests for J-1 visa applications. With timely input and accurate data, SEVIS is designed to track the status and location of all foreign students in the United States on three different types of visas; USAID, however, will only use the J-1 visa for its entire participant training activities. The BCIS has further determined that all foreign students in the United States, as of August 1, 2003, should be included in SEVIS, including those who were in the United States before the initial implementation of SEVIS on February 15, 2003.

In planning this audit, the countries in East Africa, especially Kenya and Tanzania, were of special concern because of the bombing attacks on the U.S. Embassies in those countries in August 1998. Such attacks provided indisputable evidence that anti-U.S. terrorist organizations were active in that region. Consequently, USAID missions in East Africa should be particularly careful in selecting, monitoring and reporting on foreign nationals participating in training programs in the United States.

Photograph of U.S. Embassy in Dar es Salaam, Tanzania, after the bombing attack in August 1998. (Source: http://www.terrorismvictim.org/terrorists/us-embassy-bombings.html)

USAID/Tanzania's participant training program uses both contractors and grantees to help manage training activities. The training activities sponsored by the Mission have ranged from sending participants to courses in the gaming industry, legislative drafting, and wildlife conservation; to sending participants to obtain advanced degrees in fields such as civil engineering and public administration at various universities in the United States. In addition to sponsoring its own participant training activities, USAID/Tanzania has also provided administrative support to a centrally-funded participant training program

administered by the United States Telecommunications Training Institute (USTTI). USTTI is a non-profit joint venture between leaders of the U.S. telecommunications, broadcast and information technology industries and ranking officials from the federal government. The goal of this collaborative effort is to share the U.S.'s telecommunications, technological and managerial advances with qualified participants who regulate and manage the communications infrastructures in the developing world.

Audit Objectives

This audit was conducted at USAID/Tanzania as part of a worldwide effort to review USAID's participant training activities.

The audit was designed to answer the following questions relating to participant training activities:

- Has USAID/Tanzania complied with selected requirements for administering participant training conducted in the United States?

- What have been the non-returnee rates from USAID/Tanzania participants who were trained in the United States and did USAID/Tanzania take appropriate actions when participants failed to return to their home countries?

- What additional actions should USAID/Tanzania take to meet new requirements for selecting, monitoring, and reporting on participants' training in the United States?

Appendix I contains a discussion of the audit's scope and methodology.

Audit Findings

Has USAID/Tanzania complied with selected requirements for administering participant training conducted in the United States?

USAID/Tanzania complied with two of the four selected requirements for administering participant training conducted in the United States. Specifically, USAID/Tanzania (1) identified the roles of personnel for entering, verifying and approving participant trainee data as required by the new visa compliance guidance and (2) ensured that all participants sent to the U.S. for training were issued a J-1[3] visa as required by Agency guidance.

However, the Mission could improve its compliance with requirements for administering its participant training program in two areas. These two areas involved the accuracy and completeness of historical data in the Mission's Training Results and Information Network (TraiNet) database and the Mission's retention of

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[3] J-1 nonimmigrant visas are issued to foreign nationals who have been selected by a sponsor designated by the U.S. State Department to participate in an exchange visitor program in the United States.

required training documents. Specifically, inaccuracies existed in the data maintained in the Mission's TraiNet database for participants trained in the United States. Also, the Mission did not retain documentation in the participants' files as required by Agency guidance. These issues are discussed in detail below.

**Inaccuracies Were Found in the
Mission's TraiNet Database**

Inaccuracies existed in the participant trainee data maintained in the Mission's TraiNet database for participants trained in the United States. USAID's Automated Directives System (ADS) 253 requires that certain participant training data be entered into the TraiNet database to track participants. However, required data for some participants was not entered into that database. The exceptions were caused by: (1) errors that remained unresolved after the conversion of the Mission's training management system, (2) data-entry errors made by Mission employees because of lack of training, and (3) data that the Mission employees failed to enter into the system during system upgrades. As a result, records of participant trainees from USAID/Tanzania, who were sent to training programs in the United States, could not be confirmed for calendar years 2000-2002. Furthermore, without accurate data, the Mission could not generate accurate, reliable, and useful participant training reports from TraiNet to successfully manage the program.

ADS 253.5.2e, "Tracking and Monitoring," states that the use of TraiNet is one of the criteria involved in the tracking and monitoring of USAID trainees and its training programs. It further states that TraiNet has been approved as the official USAID training database.

During the audit, the Mission could not generate from TraiNet a conclusive list of participants who were sent to training programs in the U.S. between 2000-2002. Instead, the Mission compiled the lists manually using the participants' files. Yet, the Mission's lists could not be successfully reconciled to information obtained from USAID/Washington's TraiNet data or the U.S. Consular Office in Tanzania.

For example, in 2000, using the participants' files, the Mission identified 69 participants that were sent to the U.S. for training. The U.S. Consular Office records showed 90 participants who were issued a J-1 visa to travel to the U.S. for a USAID-sponsored program and USAID/Washington's TraiNet data records showed only 14 participants.

Further, the Mission identified 34 participants sent to the U.S. for training in 2002. Audit testing revealed that 25 of 34 (74 percent) of the participants were not recorded in the Mission's TraiNet database.

In addition, the Mission did not always have TraiNet data for participants that were in centrally-managed training programs.[4] ADS 253 states that all training financed in whole or in part by USAID, or administered under its authority, is subject to the requirements outlined in the ADS 253 chapter. The Mission funds a number of non-governmental organizations through contracts or grants that are managed by USAID/Washington. A survey of eleven of these non-governmental organizations revealed that one organization had sent a participant who was not recorded in the Mission's TraiNet database to the U.S. for training during our audit period. According to the organization's project coordinator, the purpose of the participant's travel was for a training course. Participant trainee data did not exist in the Mission's TraiNet database for this participant. This occurred because the Training Officer was not aware that these organizations were sending participants to the U.S. for training programs that were paid with USAID funds.

The Mission attributed the inaccuracies in the historical data to errors that occurred after the conversion of its training management system, missing data in the system and data-entry errors made because of lack of useful training. Prior to the implementation of TraiNet, the Participant Training Management System (PTMS) was used by the Mission for management of its participant training program. In 1999, the Mission converted to TraiNet version 1.3. Although errors were discovered during the analysis of the data, the Mission's attempts to correct the data were unsuccessful. The Mission then upgraded to TraiNet version 2.0 in March 2003. The Training Officer stated that during this conversion they were told not to enter any data into the database and did not enter the data after completion of the conversion, resulting in the exclusion of the participants that were sent to the U.S. for training during the conversion period.

The data-entry errors were caused by the Mission employees' lack of useful training. Although Mission employees had received training twice on TraiNet, the Training Officer stated that the training was not useful and did not improve the employees' understanding of the database. As a result, the Mission employees made data-entry errors that contributed to the generation of unreliable reports. For example, data fields designed to contain data such as training dates, course descriptions and training providers were either inaccurate, incomplete or simply left blank. Such errors resulted in the Mission's inability to generate accurate reports from the TraiNet database on the participants or their training programs.

Prior to the upgrade to TraiNet 2.0, the Mission centralized the responsibility of entering the participant trainee data into TraiNet for the participants going to the U.S. Currently, the Training Officer is the only person at the Mission who enters the participant trainee data for these participants. In the near future, the Mission plans to delegate this responsibility to another Mission employee. Although this employee was receiving training from the Mission's computer specialist, the

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[4] Centrally-managed programs are run and managed by USAID/Washington. Missions have the opportunity to buy into the activities of the program.

Mission needs to ensure that the employee and all future TraiNet data entry operators are given formal training on using the TraiNet software.

TraiNet will be the sole source of official information on USAID participants sent to the U.S. Data entered into TraiNet will be automatically uploaded into the new Visa Compliance System (VCS) for the approval and verification process. VCS implements a process to verify data from TraiNet and translates TraiNet data to the format required by the Bureau of Citizenship and Immigrations Service's Student and Exchange Visitor Information System. Therefore, it is vital that the Mission enter all participant trainee data into TraiNet and that the data be complete and accurate.

Without complete, accurate and reliable data in the Mission's TraiNet database, the Mission cannot generate accurate reports on the training provided. Additionally, the Mission cannot successfully track participants in the U.S as required by the new visa compliance system to help minimize security threats to the U.S. Therefore, we are making the following recommendation:

> **Recommendation No. 1: We recommend that USAID/Tanzania train all current and prospective Training Results and Information Network (TraiNet) data entry operators.**

The Mission Needs to Obtain and Retain
Required Documents for All Participants

ADS 253 lists five areas of documentation or essential procedures that is required for each participant studying in the U.S. The Mission did not obtain or retain all required documents for all participant trainees as required by ADS 253. This occurred because the Mission did not consistently apply the requirements to each type of participant.[5] Without these documents, the Mission had no evidence to show whether it complied with provisions of law, statute, or regulation.

ADS 253.5.6 states that USAID shall observe the following five areas of documentation or essential procedures required to satisfy provisions of law, statute, or regulation determined by Federal agencies external to the Agency:

a)   U.S. J-1 visas for participants required to hold such documents in order to travel to the U.S.;
b)   Health and Accident Coverage insurance;
c)   Health eligibility and English proficiency of participants at U.S. training sites;
d)   The use of U.S. commercial carriers for travel; and
e)   Applicable U.S. income tax regulations governing U.S. source income.

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[5] Participants can be short-term, long-term, Mission-funded or centrally-funded.

ADS E253.5.2b states that the Conditions of Training form is one of the required documents for requesting the J-1 non-immigrant visa.

Our review of Mission files for 34 participants who were sent to the U.S. for training in 2002 revealed the following:

- Eighteen participants' files did not include evidence that the Health and Accident Coverage (HAC) insurance was obtained. According to ADS 253, all participants whose training in the U.S. is wholly or partially financed by USAID should be enrolled in the Agency's HAC Program. This problem occurred because the Mission did not obtain these documents from participants who were in centrally-funded programs. The Mission stated that it made inquiries with these participants to ensure HAC insurance was provided by the funding agency, but did not obtain a copy of the insurance document for retention in the participants' files.

- Six participants' files did not have a certificate of medical eligibility. According to ADS 253, certification of medical eligibility for admission to the U.S. on a J-1 visa is required unless the sponsoring unit has purchased special insurance coverage from an Agency HAC contractor. This special insurance coverage, which requires no medical examination, is for programs of 30 days duration or less, including travel time. This situation occurred because the Mission misinterpreted this guidance and did not apply it to all participants. The Mission believed that medical eligibility forms were not required for participants attending short-term training of less than 15 days. There was no evidence in the six participants' files that special insurance coverage had been purchased.

- Sixteen participants' files did not have evidence that an English language proficiency test had been passed or waived. ADS 253 require verification of participants' English language proficiency for any U.S. training program taught in English. It further states that a waiver or exemption of the language verification requirement may be approved by the training activity's Cognizant Technical Officer or other appropriate USAID official on a case-by-case basis. This lack of documentation occurred because the Mission misinterpreted the guidance and did not apply it to all participants. The Mission believed that only long-term participants were required to have an English language proficiency test.

- None of the participants' files had evidence that a social security number (SSN) or Individual Taxpayer Identification Number (ITIN) was obtained. According to ADS 253, all J-1 visa holders assisted with funds from U.S. sources, including USAID, are subject to the Internal Revenue Service requirement of filing U.S. tax returns, whether or not tax payments are due. It further states that all participants must be provided with an ITIN, which is obtained by filing

the Immigration and Naturalization Service (INS) W-7 form. This situation occurred because the Mission was not clear as to whose responsibility it was to obtain this information for the participants. As a result, none of the participants obtained a SSN or ITIN as required by the ADS.

In addition, audit testing was conducted on the participants' files for documents that the Mission stated were used in controlling and managing the participant training program. The following exceptions were noted.

- Eighteen of the 34 participants who were sent to the U.S. for training in 2002 did not have a copy of the Conditions of Training form in their file. In addition, the Mission did not sign 12 of the Conditions of Training forms that were in the participants' files. Furthermore, our review of the Mission's files for 2003 revealed that the Mission did not require 4 of 11 participants approved under the new visa compliance system to read and sign a Conditions of Training form. ADS 253 states that the Conditions of Training form is one of the required documents for requesting the J-1 non-immigrant visa and each participant should read and sign the form to confirm the participant's understanding of responsibilities as an USAID-sponsored participant and his or her concurrence with the training objectives and anticipated results. These conditions must be strictly followed, and each participant must be informed of the conditions before the participant accepts USAID sponsorship.

  The Mission did not give a reason for the missing forms for the participants sent to the U.S. for training in 2002. For the participants sent to the U.S. for training in 2003, four did not sign a Conditions of Training form because they were selected by U.S. Telecommunications Training Institute and had signed a Stakeholder's Compact document instead. Although the ADS allows for the conditions of training to be integrated into the Stakeholder's Compact document, these were not. The Stakeholder Compact document represents the agreement between the participant and the sponsoring unit/contractor/partner/grantee, not USAID. The Stakeholder Compact is completed when stakeholders agree on the objectives, content and logistics of the training activity, return-for-work date, training institution, and itinerary. For example one of the elements shown on a stakeholder compact is post-training performance targets back in the workplace, whereas, the Conditions of Training form serves as the agreement between the participant and the Mission on the participant's responsibilities during and after training, and includes requirements that must be strictly followed.

  The Conditions of Training form explicitly includes the requirement that the participant return home immediately following the USAID-sponsored training and remain in the home country for a minimum of two years after completion of the training before attempting to secure an immigrant visa to work in the U.S. The purpose of the two-year residency requirement is intended to ensure that participants return to their home countries to impart the knowledge and skills

they learned to aid in their country's development. The Conditions of Training form also covers other requirements such as medical insurance and U.S. income tax forms/payments. This form should be signed by both the participant and the Mission to signify that a mutual commitment has been attained and that both parties understand their rights and responsibilities. Without the participants' acknowledgement of this form, they may not be fully aware of their responsibilities as USAID-sponsored participants. Furthermore, without the Mission's signature on the form, the Mission's rights to seek restitution if the participant fails to satisfy or adhere to the conditions stated may be impeded.

- The Mission requested the U.S. Consular Office to waive the interview appearance of all 34 participants[6] sent to the U.S. for training in 2002. The Mission and the U.S. Consular Office had an agreement, also known as the visa referral program, which released all USAID-sponsored J-1 visa applicants from an interview before obtaining a visa. The U.S. Consular Office said that they relied on the Mission's knowledge of the applicants to issue the visas. However, this practice posed a risk because there was no guarantee that the applicants were interviewed either by the Mission or the U.S. Consular Office to assess the security threat to the U.S. before a visa was issued. The U.S. Consular Office was required to end this practice by August 1, 2003. A new BCIS regulation mandated that each and every visa applicant be interviewed before being issued a visa. In addition, the Mission stated that after the implementation of the new visa compliance requirements, the Mission required all participants applying for a J-1 visa to be interviewed by the U.S. Consular Office.

Without these documents, the Mission's files did not contain evidence that it had complied with ADS requirements and provided each participant with all the documents and procedures needed to attend training in the U.S. In addition, the recent attacks on the U.S. from terrorist organizations around the world and the importance being placed on national security merit the use of background checks for all prospective participant training applicants to assess the potential risk posed by individuals participating in training programs in the U.S. Therefore, we are making the following recommendations:

> **Recommendation No. 2: We recommend that USAID/Tanzania implement procedures and controls to properly document all future participants in accordance with Automated Directives System Chapter 253 requirements.**

> **Recommendation No. 3: We recommend that USAID/Tanzania conduct background checks on all prospective participant training applicants traveling to the United States for training programs.**

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[6] Audit testing revealed that all 34 participants traveled on J-1 visas to the U.S for USAID-sponsored training courses in 2002.

What have been the non-returnee rates for overseas participants from USAID/Tanzania who were trained in the United States and did USAID/Tanzania take appropriate actions when these participants failed to return to their home countries?

We were unable to determine the non-returnee rate for overseas participants from USAID/Tanzania who were trained in the United States because the data from the Mission's TraiNet database was unreliable. The Mission identified 15 known non-returnees who were due to return to Tanzania between 1990 and 2001. However, there is a possibility that more non-returnees may exist because the Mission did not have an effective and reliable system to track and report non-returnees.

For the 15 non-returnees identified, the Mission did not take appropriate or timely action when these participants failed to return to their home country until November 2002. After an inquiry by the RIG/Pretoria resident investigator, the Mission issued bills of collection to 7 of the 15 non-returnees with a known U.S. address. However, the Mission did not issue a bill of collection to the remaining non-returnees because they did not have cost data for the participants and one participant requested a waiver of the two-year residency requirement. These issues are discussed in detail below.

**The Mission Needs to Strengthen
Its System of Tracking and
Reporting Non-Returnees**

According to ADS 253, sponsoring units must track participants for timely return to their home countries. The Mission's system of tracking and reporting non-returnees was not effective or reliable. This occurred because the Mission did not always follow up with the participants or their employers to ensure that they returned to Tanzania after their training or establish follow-up procedures designed to track non-returnees. Without adequate tracking, the Mission has no assurance that participants returned to Tanzania to impart their knowledge and skills to assist in its development.

ADS 253.5.2c states that all sponsoring units must track participants for timely return to their workplace or professional setting in their home countries. It further states that efforts at reducing the non-returnee rate must be continuous and focused on the planning, design, participant selection, and progress monitoring as well as on tracking participants' post-training whereabouts and reporting to USAID/Washington if a non-returnee is back in the country. All non-returnees must be reported to USAID/Washington in writing. USAID/Washington then reports the non-returnees to the Bureau of Citizenship and Immigration Service (BCIS) office having jurisdiction over their training sites.

Although the Mission identified 15 known non-returnees, there is a possibility that more exist because of the Mission's ineffective and unreliable tracking system. For example, the Mission could not give the exact dates when participants returned to their country. ADS 253 state that the return date must be specified and the participant becomes a non-returnee when this date is exceeded. According to the Mission, although participants were asked to report to the Mission upon their return, they did not always comply with this request.

Another method employed by the Mission was to contact the participants' employers after receiving a cable from the contractors about their repatriation. However, the Mission did not always document the participants' status in the files or update their status in TraiNet after their return was verified by either method. A review of data in the TraiNet database of participants that the Mission identified as having returned from training showed that data fields such as "status of training," "return status" or "return to work date" were not always complete. According to the Mission, the prior system, Participant Training Management System (PTMS), automatically demanded a change of status for trainees on certain dates. For example, if a participant was in the "in-training" status and his course dates were over, PTMS would alert the Mission, which would then inquire about the participant's status from the contractors. However, the TraiNet database did not have this control mechanism in place, and the Mission did not establish effective procedures to follow up with the participants. Because TraiNet is the official tracking and reporting system, this information should have been entered for each participant upon their return. As a result, we could not confirm that the 15 participants identified as non-returnees represented the total number of non-returnees.

Additionally, the Mission did not take appropriate or timely action after identifying participants as non-returnees. According to ADS 253, all non-returnees must be reported in writing to USAID/Washington, which then reports the participant to the BCIS office having jurisdiction over the non-returnee's training site. This omission occurred because the Mission stated that they were not required to take further action once the non-returnees were reported to USAID/Washington; rather, it was USAID/Washington's responsibility to report them to the BCIS. Further, Mission officials stated that the BCIS did not inform them of their status in tracking the non-returnees. A review of the non-returnees' files identified evidence to support the fact that the Mission's contractors reported the participants to USAID/Washington as non-returnees. However, with one exception, there was no evidence in the files to support that non-returnees were reported to the BCIS. (One non-returnee file contained a letter from USAID/Washington to the BCIS asking for their assistance in locating and deporting a non-returnee.) For the remaining files, the contractors stated on their monthly progress reports that participants were reported as non-returnees to USAID/Washington, who, in turn, reported them to the BCIS.

Further, the Mission did not track whether a non-returnee later returned to the country after being reported as a non-returnee. According to ADS 253, efforts at non-returnee rate reduction must be continuous and focused on the planning, design, participant selection, and progress monitoring as well as on tracking a participant's post-training whereabouts and reporting if a non-returnee is back in the country. As it was, if a non-returnee later returned to Tanzania, the Mission only found out by chance. Such a situation occurred with one of the participants the Mission originally identified as a non-returnee. This participant was sent to the U.S. to obtain a master's degree in 1983. She completed her studies in 1985 and returned to Tanzania. She went to the U.S. a second time in 1991 to obtain her PhD degree. She completed the PhD program in December 1994 and returned to Tanzania, but the Mission did not become aware of her return until November 2002.

Another element of tracking participants involves ensuring that those participants who have returned to their home country meet the two year residency requirement. ADS 253 requires that J-1 visa users reside for a total of 24 months in the respective home country before being eligible for an immigrant visa or legal permanent residence in the U.S. The Mission stated that they did not have any procedures in place to determine if a participant met this requirement and that it was the responsibility of the U.S. Consular Office even though the two-year residency requirement is one of the conditions of training that the participants agree to before they accept USAID sponsorship for the training.

The audit also explored reasons that may have contributed to the participants' failure to return to their home country. One of the most compelling reasons noted was that the Mission often extended participants' visas and programs to allow them to complete their studies or pursue other endeavors such as advanced degrees. Although this gave the participants additional experience, it increased the risk that they would not return as they would have additional time to establish roots in the United States. Mandatory Reference to ADS 253 states that visa extensions may be requested, but never beyond the duration of the program, including practical training periods. The Code of Federal Regulations Title 22 also details time durations for all types of exchange visitors, such as trainees and college and university students, as well as government visitors. The Mission guidance should address the allowable timeframes for completion and extensions of training programs in the U.S. To prevent or mitigate the number of non-returnees, the Mission should consider new approaches to their training programs. One such approach is the sandwich program.[7] The sandwich program allows participants to combine course work at home with advanced course work abroad and then return home to complete their thesis research.

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[7] The sandwich program is a concept being pursued by the Board of International Food and Agricultural Development (BIFAD) in efforts to reinvigorate USAID's funded long-term and degree training programs.

Following are examples of extensions that were granted to the non-returnees during their training, which may have contributed to their not returning to their home country.

- One participant went to the U.S. for a six-month program from June to December 1989. In 1990, the Mission gave the participant approval to pursue a doctoral program. The participant completed the doctoral program in December 1995. Although the participant's visa expired on December 31, 1995, the Mission granted a visa extension until December 31, 1996. In 1997 and 2001, the participant filed a request to waive the two-year residency requirement. USAID denied both waivers.[8] The Mission incurred $156,113 in training costs for this participant whom they identified as a non-returnee.

- Another participant was sponsored by the Mission to pursue a doctoral degree program in electrical engineering at a U.S. university from August 1, 1996 to February 28, 2001. The Mission approved a four-month extension from February 28, 2001 to June 30, 2001. The Mission granted another extension from July 1, 2001 to December 31, 2001. The Mission incurred $113,240 in training costs for this participant whom they identified as a non-returnee.

- Another participant went to the U.S. for a bachelor degree program from June 1988 to May 1989. The Mission approved a visa extension for this participant to pursue his master's degree until August 1992. In September 1992, the Mission indicated in a cable that it did not have any objection to the participant taking advantage of a scholarship offered by another U.S. university. The participant started a doctoral program in 1993. Because this participant was in a centrally-funded program, the Mission did not have cost data on him. The Mission identified this participant as a non-returnee.

The exceptions noted above were caused by the Mission's lack of effective follow-up procedures to verify and document that participants returned to Tanzania after their training was completed and to track the status of the participants after being reported as non-returnees.

Without effective and reliable follow-up procedures in place, the Mission cannot be assured that participants returned to Tanzania after the training to impart the knowledge and skills acquired to benefit their country. The new visa compliance system requires USAID to transmit changes in the participant's status on a real-time basis. Alerts and reports will be provided directly to USAID and the BCIS. Hence, it is imperative that the Mission establish effective and reliable procedures to determine that participants have returned to their home country and to track and report non-returnees. In addition, since there is no tracking system in the United States to identify when foreign visitors leave the U.S., the Mission's success in

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[8] According to ADS 253, only the State Department in consultation with USAID/Washington is authorized to review and grant waivers for the two-year residency requirement.

tracking these participants' return to their home country is crucial to the security of the U.S. Therefore we are making the following recommendations:

> **Recommendation No. 4: We recommend that USAID/Tanzania develop procedures for verifying and documenting participants' return to the country in accordance with Automated Directives System Chapter 253.**

> **Recommendation No. 5: We recommend that USAID/Tanzania implement a system to document all actions taken, such as notification to appropriate authorities, once a participant is identified as a non-returnee.**

> **Recommendation No. 6: We recommend that USAID/Tanzania develop and implement procedures with USAID/Washington and affected contractors to locate and track all current and future non-returnees.**

**The Mission Needs to
Collect Training Costs
from Non-Returnees**

A participant's obligation to repay the USAID funds expended for training costs is implicitly stated in the USAID form AID 1381-6, Conditions of Training. Further, 22 CFR, Part 213.12 states that USAID will assess interest on all delinquent debts. The Mission did not issue bills of collection to all participants who were identified as non-returnees, nor did the Mission impose interest charges on delinquent debts of the non-returnees who were issued a bill of collection. This occurred because the Mission considered a participant's application for a waiver of the two-year residency requirement as an exemption from a bill of collection and the Mission did not have cost data on centrally-funded participants. Also, the Mission had little experience issuing bills of collection to non-returnees involved in the participant training program. In addition, there was no requirement or procedure in the ADS to identify the office responsible for recovering training-related expenses from non-returnees. Since training-related costs to send individuals to the United States are significant, processes should be clearly defined to actively pursue recovery of such costs. Without clear procedures, identification and recovery of training costs for non-returnees will continue to be problematic.

A basic premise of the participant training program is that trainees agree to complete a program and return to their home country. They are then expected to fulfill a two-year residency requirement. The purpose of the two-year residency requirement is to ensure that participants return to their home countries to impart the knowledge and skills learned to aid in the country's development. This is stated in USAID form AID 1381-6, Conditions of Training, which participants are

required to sign before USAID's sponsorship. In addition, 22 CFR, Part 213.12, states that USAID will assess interest on all delinquent debts unless prohibited by statute, regulation or contract. Furthermore, 22 CFR, Part 213.13 states that interest, penalty charges and administrative costs will continue to accrue on the debt during administrative appeal, either formal or informal, and during waiver consideration by the Agency unless precluded by statute.

In November 2002, after an inquiry from the RIG/Pretoria resident investigator, the Mission issued bills of collection amounting to $765,363 in training costs to 7 of the 15 known non-returnees with U.S. addresses. The remaining non-returnees were not issued a bill of collection because one participant requested a waiver of the two-year residency requirement and the others were centrally-funded.

The Mission incurred $100,207 in training expenses for the individual who requested a waiver. However, requesting a waiver of the two-year residency requirement does not exempt a participant from their obligation to USAID. Since the participant did not fulfill their obligation to the Mission, the Mission should issue a bill of collection to the non-returnee for the $100,207 in training costs that were incurred. Furthermore, in accordance with 22 CFR, Part 213.13, the Mission should accrue interest charges on the unpaid debt during waiver consideration.

For the non-returnees whose training was centrally-funded, the Mission stated that it did not have cost data on them because their training was funded by USAID/Washington. Financial documents showed the Mission incurred approximately $540,000 in training expenses for participants under one of the centrally funded programs. The Mission attempted to locate cost data on the other centrally funded non-returnees by contacting the contractors that administered the program but was unsuccessful. In addition, the Mission was not clear about whose responsibility it was to collect on the debt from these types of participants. The Mission needs to work with USAID/Washington to develop procedures to identify the responsible office for collecting training costs expended by USAID on non-returnees in centrally-funded programs.

In March 2003, the Mission issued a second bill of collection to the seven non-returnees, followed by a reminder notice in June 2003. Although the Mission had not received any payments from the non-returnees on the initial bill of collection issued, they did not impose interest charges on the subsequent bills of collection or notices as required. As stated in 22 CFR, Part 213.12, USAID should assess interest on all delinquent debts unless prohibited by statute, regulation or contract. Interest begins to accrue on all debts from the payment due date established in the initial notice to the debtor. The payment due date was established as December 14, 2002, on each bill of collection issued to the seven non-returnees. Because the non-returnees did not submit payments by the due date, the Mission should charge interest on the unpaid balance until paid.

The purpose of the participant training program is to exchange knowledge between a developed country and a developing one in hopes of providing that country with the knowledge and skills to efficiently develop and become self-sufficient. When the participants do not return to their home country, the funds that USAID spent for training are not used to benefit the home country. To recoup the expenses of training participants who do not return, the Mission should issue a bill of collection. It is also USAID's policy to impose interest charges on unpaid debts. For this reason, the non-returnees should repay the USAID funds with applicable interest charges. Therefore we are making the following recommendations:

> **Recommendation No. 7: We recommend that USAID/Tanzania issue a bill of collection in the amount of $100,207 to the non-returnee who requested a waiver of the two-year residency requirement.**

> **Recommendation No. 8: We recommend that USAID/Tanzania impose applicable interest charges on the unpaid balances, totaling $765,363, of the seven bills of collection mentioned above and reissue the bills of collection until paid or written off in accordance with 22 CFR Part 213.12.**

> **Recommendation No. 9: We recommend that USAID/Tanzania request clarification from USAID/Washington to determine which USAID office is responsible for issuing bills of collection to USAID participants who are in centrally-funded programs and do not return to their home country. If the Mission is deemed responsible, it should obtain cost data for all centrally-funded non-returnees and issue bills of collection to them for applicable training costs.**

What additional actions should USAID/Tanzania take to meet new requirements for selecting, monitoring and reporting on participants training in the United States?

To comply with the new requirements for selecting, monitoring and reporting on participants trained in the United States, USAID/Tanzania needs to improve controls over its participant training program as previously recommended in this report. In addition, we recommend that the Mission develop Mission-specific guidance on administering the participant training program. Following is a discussion of items that the Mission may consider addressing in such guidance to improve management and control of this program.

**The Mission Should Develop
Mission-Specific Guidance**

To comply with the new requirements, the Mission should develop Mission-specific guidance that will discuss, among other things, the methodology used to conform to the new visa compliance requirements. At the time of our audit, the Mission had not issued such guidance for administering its participant training program. Mission officials stated that prior to the new visa compliance requirements a Mission Order had been developed but was never issued. Mission officials plan to develop new Mission-specific guidance once the procedures are fully developed and they learn more about the new visa compliance process and its requirements.

In December 2002, the Department of Justice and the Immigration and Naturalization Service (now Bureau of Citizenship and Immigration Services) issued new regulations regarding J-1 visas. These regulations require USAID and all other J-1 visa sponsors to electronically input visa application data into the Student and Exchange Visitor Information System (SEVIS) by February 15, 2003. SEVIS then verifies the data and allows sponsors to print J-1 visa applications. The regulations also require that sponsors update data regarding the participant's status and location on a "real-time" basis (the same day information is known) throughout the training period.

To implement these changes, USAID/Washington issued *The Complete Guide to USAID Visa Compliance* for use by all USAID Missions. This guidance changes USAID's decentralized process of implementing the administration of participant training activities to one of more centralized control. Under the new process, each implementing organization enters the J-1 visa information into TraiNet; this data is then transferred to the Visa Compliance System (VCS), a secure data system. The application data must be approved by a designated direct-hire employee at the local USAID Mission and, if approved, be forwarded to USAID/Washington for submission to SEVIS.

To comply with the new requirements, USAID/Tanzania will have to alter its current J-1 visa application process. Visa application forms, which had been readily available at both missions and contractors, can now be obtained only from USAID/Washington. Missions have been advised to allow additional time to obtain necessary approvals. Since application and update data can only be approved within the VCS system by direct-hire employees, USAID/Tanzania must ensure that such officials are designated and available. The official must also approve any updates to the trainees' records for transmittal to SEVIS. These new procedures will require greater coordination between the Mission, contractors and USAID/Washington to ensure that applications are processed on time and that updates are submitted and processed when required.

USAID/Tanzania made changes to its computer systems, roles and responsibilities of personnel and workflow processes to comply with the new requirements. The Mission started processing participant trainee applicants using the new visa compliance system in March 2003. At the time of our audit, the Mission had processed eleven participants under the new visa compliance system. Although there were some difficulties, the Mission managed to successfully process the applicants through the system. However, our audit noted areas in which the Mission needed to clarify, update, or implement processes and procedures to ensure complete compliance with the new visa compliance guidelines. These areas are discussed below.

- The new visa compliance guidance instructs the Missions to make multiple verifications and approvals throughout the participants' training period. For example, when a participant has been confirmed as physically present at the training course, the Mission must change the participant's status in the system to "to-training". To do this, the Mission must obtain information from a reliable source for verification and approval. To ensure that independent and reliable data is obtained, the Mission needs to develop specific criteria about who, where, how and the type of documentation that will be accepted in monitoring the participants while in the United States.

- The standard clauses in the contractors/grantees' agreements pertaining to the participant training program were outdated. A review of six agreements between the Mission and selected contractors/grantees identified that the agreement clauses were either dated as August 1992 or April 1998. The latest standard provision on participant training for cooperative agreements and grant agreements is dated April 1998. Therefore, those Mission agreements with the August 1992 standard provision on participant training were outdated. Although the Mission informed their contractors and grantees of the new requirements, future clauses in the agreements will need to be updated. Without updated clauses, it may be difficult to hold contractors/grantees responsible for the new visa issuance requirements.

- Discussions with the Mission's strategic objective (SO) team leaders revealed that, in some instances, they were not fully aware of the new visa requirements or the Agency's definition of participant training. For example, one of the SO team leaders stated that he did not view conferences as training. Consequently, some of them may have provided incorrect information to the contractors/grantees about the visa requirements. The guidance should clearly define the types of training that are covered by the new visa compliance requirements which should then be communicated to the SO team leaders. ADS 253.5.6a states that J-1 visas must be used by the host country's legal permanent residents nationals or non-U.S. citizen residents of the host country when coming to the United States to engage in any training activity, including conferences. Accordingly, all USAID participants traveling to the U.S. must use the J-1 visa exclusively.

The new visa compliance requirements mandate changes for processing J-visa applications and monitoring exchange visitors in the U.S. The requirements are intended to improve the visibility of the entire visa application and participant monitoring process. They provide the mechanism for a more secure process to execute the visa applications and issue the J-1 visa, and provide more accurate accountability. Addressing the above areas, plus other issues identified in this report, will provide assurance that the Mission is in compliance with the new visa requirements and is exercising appropriate control over the participant training program. Therefore, we are making the following recommendation.

> **Recommendation No. 10: We recommend that USAID/Tanzania develop Mission-specific guidance on participant training to address areas such as participant training clauses in agreement documents; real-time tracking, monitoring and reporting of participants; and the new visa compliance requirements. The guidance should also address the other weaknesses identified in this report (including allowable visa and program extensions) to implement USAID policies and procedures for participant training in the United States.**

Management Comments and our Evaluation

In response to our draft report, USAID/Tanzania provided written comments that are included in their entirety as Appendix II. USAID/Tanzania agreed with nine of the ten recommendations and included corrective action plans and target completion dates for all ten recommendations.

USAID/Tanzania did not agree with Recommendation No. 3, to conduct background checks on all prospective participant training applicants traveling to the United States for training programs. The Mission stated that ADS 253 does not require background checks. As an alternative plan, the Mission stated that, in anticipation of a new ADS 253, it would begin preparations for instituting a "security risk inquiry" in coordination with the U.S. Embassy's Regional Security Office (RSO) located in Tanzania in August. This alternative procedure will incorporate RSO recommendations and serve as an additional means of gathering data from potential trainees.

We agree that background checks are not yet required by ADS 253 and concur with USAID/Tanzania's alternative plan of action. As a result, we consider management decisions to have been reached on all ten recommendations (Recommendation Nos. 1 through 10) upon final report issuance.

Scope and Methodology

Scope

The Regional Inspector General, Pretoria conducted this audit in accordance with generally accepted government auditing standards. The audit is part of a worldwide audit led by the Office of Inspector General's Performance Audits Division (IG/A/PA) in Washington, D.C. The audit was designed to answer the following questions:

1. Has USAID/Tanzania complied with selected requirements for administering participant training program conducted in the United States?

2. What have been the non-returnee rates for overseas participants from USAID/Tanzania who were trained in the United States and did USAID/Tanzania take appropriate actions when participants failed to return to their home countries?

3. What additional actions should USAID/Tanzania take to meet new requirements for selecting, monitoring, and reporting on participants training in the United States?

To answer these questions, participant training records from calendar years 2000 to 2003 were reviewed. Although our audit scope originally included reviewing information on a fiscal year basis, we used the calendar year basis because of the difficulty in collecting the information on a fiscal year basis. The audit also focused on examining and assessing management controls such as the Mission's evaluation of its participant training program in response to its fiscal year 2002 Federal Manager's Financial Integrity Act review and obtaining management's perspectives on the controls over the program. There were no previous audit reports of USAID/Tanzania on this subject matter to review.

We conducted the audit at USAID/Tanzania located in Dar es Salaam, Tanzania, from June 4 to July 10, 2003. We also interviewed contractors, grantees and participants at various locations in Tanzania.

Methodology

To answer the first audit objective, we reviewed USAID/Tanzania's participant training files for 2000 through 2003. We also reviewed USAID's directives and guidance pertinent to the participant training program. In addition, we interviewed Mission personnel who were involved in participant training activities and officials from the U.S. Embassy in Tanzania who represented the Consular and Security Office. Finally, we interviewed employees of contractors/grantees' organizations that carried out the Mission's participant training activities and participants that received training opportunities through this program. We reviewed TraiNet-generated reports and observed data within the

TraiNet system. We also attempted to reconcile the number of participants reported by USAID's TraiNet contractor and contractors/grantees with the Mission's records. We also reviewed the 2002 participants' files maintained by the Mission. For specific data elements, materiality thresholds were set at a 5 percent error rate and a +/- 4 percent precision rate.

To answer the second audit objective, we reviewed all available historical files related to non-returnees that were maintained by the Mission. Although our audit period was supposed to cover participants due to return in 1998 to 2003, our review was expanded to include all known non-returnees because we did not have reliable information on the participants' scheduled return dates. We also interviewed officials from the Tanzanian U.S. Consular and U.S. Embassy to determine their level of involvement with non-returnees.

To answer the third audit objective, we met with Mission personnel who were delegated the roles of entering, verifying and approving data in the new visa compliance system. We also reviewed participants' files that had been processed under the new system.

For criteria, we used relevant Automated Directives System chapters, Immigration and Naturalization Service Regulations, Department of State Regulations, Code of Federal Regulations, USAID's Complete Guide to USAID's Visa Compliance, and other guidance developed by USAID/Washington.

Management Comments

U.S. Agency For International Development
memorandum

DATE:	October 15, 2003
REPLY TO ATTN OF:	Derrick S. Brown, Acting Mission Director /s/
SUBJECT:	**Report on Audit of USAID/Tanzania's Participant Training Activities (Report No. 4-621-03-XXX-P)**
TO:	Jay Rollins, Regional Inspector General/Pretoria
REF:	RIG's memorandum dated September 10, 2003

Please find herewith USAID/Tanzania's comments on recommendations numbers 1 to 10 of audit report No. 4-621-03-XXX-P for the period 2000 to 2003.

Recommendation No. 1: We recommend that USAID/Tanzania train all current and prospective Training Results and Information Network (TrainNet) data entry operators.

Comments: We agree with the recommendation. As of 8/14/03, all of the Mission's current TraiNet data entry personnel were trained by the Assistant Computer Manager so that they can enter complete trainee data into TRAINET. The Mission will provide training to all other relevant Mission staff and partners who will use TraiNet in future.

Recommendation No. 2: We recommend that USAID/Tanzania implement procedures and controls to properly document all future participants in accordance with Automated Directive System 253 requirements.

Comments: We agree with the recommendation. The Mission will implement procedures and controls in accordance with ADS 253 requirements in order to properly document all future participants with effect from February 2004.

Recommendation No. 3: We recommend that USAID/Tanzania conduct background checks on all prospective participant training applicants traveling to the United States for training programs.

Comments: We do not agree with the recommendation. The ADS 253 does not stipulate background checks. In anticipation of a new ADS 253, the Mission began preparations for instituting a "security risk inquiry" in coordination with the Regional Security Office (RSO) in August. The Mission's new

procedure will incorporate RSO recommendations and serve as an additional means of gathering data from potential trainees.

Recommendation No. 4: We recommend that USAID/Tanzania develop procedures for verifying and documenting participant's return to the country in accordance with Automated Directive System 253.

Comments: We agree with the recommendation: The Mission will establish a system for verifying and documenting participant's return to the country in accordance with ADS 253. We estimate to develop the procedures by February 2004.

Recommendation No. 5: We recommend that USAID /Tanzania implement a system to document all actions taken, such as notification to appropriate authorities, once a participant is identified as a non-returnee.

Comments: We agree with the recommendation. The Mission will put in place a system to document all actions taken once a participant is identified as a non-returnee. The system is estimated to be implemented by December 2003.

Recommendation No. 6: We recommend that USAID/Tanzania develop and implement procedures with USAID/Washington and affected contractors to locate and track all current and future non-returnees.

Comments: We agree with the recommendation. The Mission will develop and implement procedures with USAID/Washington and Contractors to locate and track all current and future non-returnees with effect from January 2004.

Recommendation No. 7: We recommend that USAID/Tanzania issue a bill of collection in the amount of $100,207 to the non-returnee who requested a waiver of the two-year residency requirements.

Comments: We agree with the recommendation. The Mission will issue a bill of collection in the amount of $100,207 together with interest charges to the non-returnee who requested a waiver of the two-year residency requirements. The bill of collection will be issued in October 2003.

Recommendation No. 8: We recommend that USAID/Tanzania impose applicable interest charges on the unpaid balance, totaling $765,363, of the seven bills of collection mentioned above and reissue the bills of collection until paid or written off in accordance with 22 CFR Part 213.12.

Comments: We agree with the recommendation: Instead of reissuing the bills, the Mission has sent follow up letters that include interest and penalty charges.

Recommendation No. 9: We recommend that USAID/Tanzania request clarification from USAID/Washington to determine which USAID office is responsible for issuing bills of collection to USAID participants who are in centrally funded programs and do not return to their home country. If the Mission is deemed responsible, it should obtain cost data for all centrally funded non-returnees and issue bills of collection to them for applicable training costs.

Comments: We agree with the recommendation. The Mission has communicated with USAID/Washington and we are waiting for feedback. We anticipate resolving this issue by November 2003.

Recommendation No. 10: We recommend that USAID/Tanzania develop Mission-specific guidance on participant training to address areas such as participant training clauses in agreement documents; real-time tracking, monitoring and reporting of participants; and the new visa compliance requirements. The guidance should also address the other weaknesses identified in this report (including allowable visa and program extensions) to ensure complete compliance and control over the participant training program.

Comments: We agree with the recommendation. The Mission will prepare Mission guidance on participant training to address various aspects of participant agreement documents, tracking, monitoring and reporting of participants and the new visa compliance requirements. The guidance is estimated to be issued by December 2003.