



July 2017

REFUGEES

State and Its Partners
Have Implemented
Several Antifraud
Measures but Could
Further Reduce Staff
Fraud Risks

Accessible Version

GAO Highlights

Highlights of GAO-17-737, a report to congressional addressees.

Why GAO Did This Study

According to UNHCR, as of the end of 2015, more than 21 million people had become refugees. In fiscal year 2016, the United States admitted nearly 85,000 refugees. State manages the U.S. refugee admissions program (USRAP). UNHCR referred 61 percent of the refugees considered by the United States for resettlement from October 2011 to June 2016, and State worked with staff hired by nine RSCs to process their applications. Deterring and detecting fraud is essential to ensuring the integrity of USRAP.

GAO examined (1) how State works with UNHCR to ensure program integrity in the UNHCR resettlement referral process and (2) the extent to which State and RSCs follow leading practices to reduce the risk of fraud committed by RSC staff. GAO analyzed State and UNHCR data and documents; interviewed relevant officials; conducted fieldwork at UNHCR offices in Denmark, El Salvador, Jordan, Kenya, and Switzerland; interviewed senior officials from all nine RSCs; and visited RSCs in Austria, Jordan, Kenya, and a suboffice in El Salvador. This report is based on GAO-17-446SU, with certain sensitive information removed.

What GAO Recommends

To better assess and manage risks of fraud committed by staff at RSCs, State should actively pursue efforts to ensure RSCs comply with program integrity measures; require each RSC to conduct regular risk assessments tailored to its operations; and use these assessments to design, implement, and revise control activities to mitigate risks of staff fraud. State agreed with GAO's recommendations.

View GAO-17-737 for more information, contact Thomas Melito at (202) 512-9601 or melitot@gao.gov.

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State and Its Partners Have Implemented Several Antifraud Measures but Could Further Reduce Staff Fraud Risks

What GAO Found

The Department of State (State) and the United Nations High Commissioner for Refugees (UNHCR) have worked together on several measures designed to ensure integrity in the resettlement referral process. State and UNHCR have established a Framework for Cooperation to guide their partnership, emphasizing measures such as effective oversight structures, close coordination, and risk management. Working with State, UNHCR has implemented standard operating procedures and other guidance that, according to UNHCR officials, provide baseline requirements throughout the referral process. UNHCR also uses databases to help verify the identities of and manage information about refugees. These systems store biographic information such as names, personal histories, and the types of persecution refugees experienced in their home countries. They also maintain biometric information, such as iris scans and fingerprints.

Figure: Technology that the United Nations High Commissioner for Refugees (UNHCR) Uses to Register and Verify Refugees



On the left, a Sudanese man provides iris scans during registration with UNHCR in Chad. On the right, an unaccompanied Afghan child provides fingerprint scans to UNHCR in a children's shelter in Indonesia.

Source: © UNHCR/S.A. Jefferies. | GAO-17-737

To reduce the risk of fraud committed by staff at the nine Resettlement Support Centers (RSC) worldwide, State and RSCs have instituted several antifraud activities, many of which correspond with leading antifraud practices, but key gaps remain. Overseen by State, the organizations that operate RSCs hire staff to process and prescreen applicants who have been referred for resettlement consideration. According to State and RSC officials, RSCs have experienced staff fraud. Officials said that instances of staff fraud are uncommon, but they illustrate risks to the integrity of RSC operations. To manage these risks, State and RSCs have established a number of activities consistent with leading antifraud practices. For example, officials from all nine RSCs stated that they assign staff fraud risk management responsibilities to designated individuals. State has also worked with RSCs to develop and implement controls to ensure program integrity. However, RSCs face challenges implementing some of these controls. Additionally, State has not required RSCs to conduct regular staff fraud risk assessments tailored to each RSC or examined the suitability of related control activities. Without taking additional steps to address these issues, State and RSCs may face challenges in identifying new staff fraud risks or gaps in the program's internal control system as well as designing and implementing new control activities to mitigate them.

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Abbreviations

BIMS	Biometric Identity Management System
DHS	Department of Homeland Security
IOM	International Organization for Migration
MOU	Memorandum of Understanding
NGO	nongovernmental organization
PRM	Bureau of Population, Refugees, and Migration
ProGres	Profile Global Registration System
RSC	Resettlement Support Center
RSD	Refugee Status Determination
SOP	standard operating procedure
State	Department of State
UNHCR	United Nations High Commissioner for Refugees
USCIS	United States Citizenship and Immigration Services
USRAP	United States Refugee Admissions Program
WRAPS	Worldwide Refugee Admissions Processing System

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U.S. GOVERNMENT ACCOUNTABILITY OFFICE

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Congressional Addressees

Millions of people worldwide have fled their home countries to seek asylum because of persecution. If determined to have a well-founded fear of persecution on account of their race, religion, nationality, political opinion, or their membership in a particular social group, these individuals can be registered as refugees with the governments of the countries to which they have fled or with the United Nations High Commissioner for Refugees (UNHCR).¹

At the end of 2015, UNHCR reported approximately 21.3 million refugees worldwide. In fiscal year 2016, the United States admitted nearly 85,000 refugees for resettlement, the largest yearly number in more than 15 years. The Department of State's (State) Bureau of Population, Refugees, and Migration (PRM) manages the process by which refugees seek to be resettled in the United States, which is known as the United States

¹According to UNHCR, registration of refugees and asylum-seekers is primarily the responsibility of national governments. UNHCR assumes an operational role for registration only if needed. In addition to asylum-seekers and refugees, UNHCR registers, and works with host countries to register all persons who are of concern to UNHCR. They include internally displaced persons, refugee returnees, stateless individuals, and others.

Refugee Admissions Program (USRAP).² State works with the Department of Homeland Security's (DHS) U.S. Citizenship and Immigration Services (USCIS), which has responsibility for adjudicating applications from these individuals. State receives applications and referrals for refugee resettlement from a variety of sources, with most coming from UNHCR. Both State and USCIS coordinate with nine Resettlement Support Centers (RSC) worldwide to manage referrals and applications to USRAP, collect information on each refugee applicant, and prepare approved refugee applicants for resettlement to the United States. State oversees these RSCs, four of which are operated by the International Organization for Migration (IOM), and four of which are

²This report does not address the impacts, if any, of Executive Order 13780, Protecting the Nation From Foreign Terrorist Entry into the United States, issued on March 6, 2017, on USRAP or the processing of refugees for admission into the United States more generally. See 82 Fed. Reg. 13,209 (Mar. 9, 2017). Among other things, the Executive Order articulates that it is the policy of the United States to improve the screening and vetting protocols and procedures associated with the visa-issuance process and USRAP. As of June 2017, certain aspects of the Executive Order had been the subject of pending litigation and sections 2 and 6 of the Executive Order (among other things, temporarily suspending the entry of nationals from countries of particular concern and the U.S. Refugee Admissions Program, respectively) remained the subject of a nationwide injunction. See Hawaii v. Trump, No. 1:17-cv-00050, ECF Doc. No. 219, 2017 U.S. Dist. LEXIS 36935 (D. Haw. Mar. 15, 2017) (Order Granting Motion for Temporary Restraining Order), aff'd in pertinent part, 2017 U.S. App. LEXIS 10356 (9th Cir. June 12, 2017) (per curiam). On June 26, 2017, however, the Supreme Court, granted, in part, the government's application to stay the injunction and, specific to section 6, explained that the administration may enforce this section except with respect to an individual seeking admission as a refugee who can "credibly claim a bona fide relationship with a person or entity in the United States." See Trump v. International Refugee Assistance Project, 2017 U.S. LEXIS 4266 (June 26, 2017) (per curiam) (providing also that the government's petitions for certiorari have been granted and that the Court will hear the cases during the first session of the October Term 2017). Subsequent to the Supreme Court's June 26, 2017, ruling, State and DHS officials stated that USRAP will be implemented in accordance with the Executive Order and consistent with the Supreme Court's ruling. Implementation of the Executive Order, however, remains the subject of ongoing litigation in the federal courts. See, e.g., Hawaii v. Trump, No. 1:17-cv-00050, 2017 U.S. Dist. LEXIS 109034 (D. Haw. July 13, 2017) and Trump v. Hawaii, 2017 U.S. LEXIS 4322 (July 19, 2017). As of April 30, 2017, the United States had admitted about 42,000 refugees in fiscal year 2017.

operated by nongovernmental organizations (NGO).³ The ninth RSC, in Havana, Cuba, is operated directly by State.⁴

USRAP relies on the integrity of several processes, including refugee registration, resettlement referrals, RSC preparation of applications for refugee status, and the adjudication of applications for refugee classification by USCIS, to help meet U.S. resettlement goals while also safeguarding against fraud. According to State officials, incidents of staff fraud occur infrequently, but there have been some cases of fraud committed by RSC staff. State officials told us that these cases are usually uncovered before any significant consequences occurred; however, these incidents of staff fraud in USRAP have created concerns about the integrity of the program.

Federal agencies within and outside of the intelligence community, including the National Counterterrorism Center and the Federal Bureau of Investigation, partner with State and USCIS on security checks to identify and vet any potential national security concerns associated with an applicant. Further, DHS's U.S. Customs and Border Protection is responsible for examining all individuals, including refugees, at U.S. ports of entry to determine their admissibility, and the terms and conditions on such admission, to the United States.

Pursuant to a provision in the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2016, and congressional requests, we conducted a review of the refugee screening process.⁵ This report (1) describes how State works with UNHCR to ensure program integrity in the resettlement referral process and (2) examines the extent to which

³The IOM, a related organization of the United Nations, is an intergovernmental organization that, among other things, makes arrangements for the organized transfer of migrants.

⁴The nine RSCs cover the following countries or geographic regions and are located in the cities and countries in parentheses: Africa (Nairobi, Kenya); Austria (Vienna, Austria); Cuba (Havana, Cuba); East Asia (Bangkok, Thailand); Eurasia (Moscow, Russia); Latin America (Quito, Ecuador); the Middle East and North Africa (Amman, Jordan); South Asia (Damak, Nepal); and Turkey and the Middle East (Istanbul, Turkey). Some RSCs have suboffices located in other countries. For example, RSC Latin America has a suboffice in San Salvador, El Salvador.

⁵See 161 Cong. Rec. H10175 (daily ed. Dec. 17, 2015) explanatory statement accompanying Pub. L. No. 114-113, div. F, 129 Stat. 2242, 2493 (2015).

State and RSCs follow leading practices to reduce the risk of fraud committed by RSC staff.⁶

This report is a public version of a sensitive report that we issued in June 2017.⁷ The Departments of State and Homeland Security deemed some of the information in our June report to be sensitive, which must be protected from public disclosure. Therefore, this report omits sensitive information about State staffing levels, RSCs' reported compliance with some measures contained in State's Program Integrity Guidelines, and actions taken by specific RSCs to assess risk. Although the information provided in this report is more limited, the report addresses the same objectives as the sensitive report and uses the same methodology.

To describe how State works with UNHCR to ensure program integrity in the resettlement referral process, we reviewed standard operating procedures (SOP) and other guidance issued by UNHCR and State. We also conducted interviews with UNHCR and State officials in Washington, D.C.; UNHCR headquarters offices in Geneva, Switzerland, and Copenhagen, Denmark; and UNHCR field offices in El Salvador, Jordan, and Kenya. We also met with State and RSC officials in Austria, El Salvador, Jordan, and Kenya. We traveled to these locations between May 2016 and September 2016 and selected them to observe diverse types of refugee populations and several different types of UNHCR referrals. For the purposes of this report, we define "program integrity" as the extent to which the resettlement referral process is free from fraud, waste, and abuse by both staff and applicants. An important component of program integrity is to combat fraud in the UNHCR resettlement referral process. In this report, we define fraud as including any attempt to (1) gain financial benefit as a staff member of UNHCR or one of its contractors through inappropriate means or (2) gain access to the

⁶We plan to issue a separate report reviewing USRAP focused on the characteristics and outcomes of USRAP applications, State policies and procedures on case processing at RSCs, USCIS policies and procedures for adjudicating refugee applications, and mechanisms in place to detect and prevent potential applicant fraud in USRAP. GAO, *Refugees: Actions Needed by State Department and DHS to Further Strengthen Applicant Screening Process and Assess Fraud Risks*, GAO-17-706 (Washington, D.C.: July 2017). It is the public version of a sensitive GAO report. GAO, *Refugees: Actions Needed by State Department and DHS to Further Strengthen Applicant Screening Process and Assess Fraud Risks*, GAO-17-444SU (Washington, D.C.: June 2017).

⁷GAO, *Refugees: State and Its Partners Have Implemented Several Antifraud Measures but Could Further Reduce the Risks of Staff Fraud*, GAO-17-446SU (Washington, D.C.: June 2017).

program by an applicant through providing false information or other inappropriate means. We describe how State and UNHCR work together to ensure program integrity in the resettlement referral process and report on measures put in place by State and UNHCR, but determining the effectiveness of these measures was beyond the scope of our review.

To examine the extent to which State and RSCs follow leading practices to reduce the risk of fraud committed by RSC staff, we took a number of steps. First, we reviewed RSC SOPs and guidance documents from State, IOM, and various NGOs. We evaluated the staff fraud risk management activities conducted by State and RSCs by comparing antifraud activities reported by RSCs with the leading practices encompassed in GAO's *A Framework for Managing Fraud Risks in Federal Programs* (the Fraud Risk Framework).⁸ For the purposes of this report, we reviewed documentation and spoke with State and RSC officials about instances of fraud committed by staff at RSCs, including malfeasance and collusion. To assess the controls PRM has in place to monitor RSCs, we reviewed RSC cooperative agreements, recent monitoring reports PRM completed for 8 of the 9 RSCs, questionnaires completed by six RSC directors in advance of monitoring visits, and fiscal year 2015 quarterly reports that RSCs submitted to PRM.⁹ We also interviewed officials from IOM and various NGOs. We spoke with officials at all nine RSCs, including during visits to RSCs in Austria, Jordan, Kenya, and the RSC Latin America suboffice in El Salvador. Observations from our site visits are not generalizable to all RSCs but provide illustrative examples and apply to the USRAP program through fiscal year 2016.

Second, to analyze the extent to which RSCs reported compliance with the 72 required control activities listed in State's USRAP Program Integrity Guidelines (see app. I), we examined the most recent Internal Malfeasance Prevention and Mitigation Measures and Actions report submitted to State by all nine RSCs. For each required measure, RSCs report the actions taken to comply with the measure. If an RSC reported an action that met the measure required by State, we determined the

⁸GAO, *A Framework for Managing Fraud Risks in Federal Programs*, GAO-15-593SP (Washington, D.C.: July 2015).

⁹Nongovernmental organizations operate four RSCs through cooperative agreements with State—Africa, Austria, East Asia, and Turkey and the Middle East. In addition, State funds four other RSCs managed by IOM—Eurasia, Latin America, South Asia, and the Middle East and North Africa—through voluntary contributions. State operates RSC Cuba.

RSC to have reported compliance.¹⁰ If an RSC (a) reported an action that met some, but not all, of the parts of the required measure; (b) reported progress toward compliance but had not yet fully complied with the required measure; (c) reported an action that did not meet any parts of the required measure; or (d) did not report actions related to a measure, we determined that the RSC did not report compliance. While we analyzed RSC reporting on these actions, we did not independently verify all of the information contained in the reports. When possible, we did verify certain information reported by RSCs, such as confirming during our visits to RSC offices that required signage was displayed.

Third, we assessed whether RSC staff fraud risk assessments were conducted at regular intervals or when the program experienced changes and were tailored to RSC operations. We determined staff fraud risk assessments to be conducted at regular intervals or when the program experienced changes if RSCs reported conducting such an assessment more than once. We determined that RSCs had not conducted staff fraud risk assessments at regular intervals or when the program experienced changes, if RSC officials reported that they had not conducted a staff fraud risk assessment or if they reported they had conducted such an assessment but had not done so more than once. If RSCs completed staff fraud risk assessments, we examined whether those assessments were tailored to RSC operations. We determined staff fraud risk assessments to be tailored if RSCs reported that they had conducted a risk assessment since October 2014 and assessments examined risks specific to individual RSC operations. If a staff fraud risk assessment was conducted, but RSC officials reported that it did not examine the risks specific to RSCs individually, we determined the risk assessment was not tailored to RSC operations.

In the background of this report, we report on the number of refugees globally at the end of 2015, identify the number and nationality of refugees referred to USRAP by UNHCR from fiscal year 2011 through June 2016, and describe the process of classification as a refugee by the United States. To do so, we analyzed data on global refugee populations from UNHCR's 2015 Global Trends Report. We also analyzed record-level data on all refugee applications to the United States from the State

¹⁰Our calculations of the percentages of reported RSC compliance exclude measures that RSCs reported to be not applicable to their operations. For example, RSC Cuba reported it does not hire interpreters, so we did not include measures related to interpreters in our analysis of RSC Cuba's reported compliance with the Program Integrity Guidelines.

system that serves as a repository of application information and tracks the status of all individual refugee applications to USRAP—the Worldwide Refugee Admissions Processing System (WRAPS). The data we reviewed from WRAPS include information on all refugee applications made from fiscal year 2011 through June 2016. We assessed the reliability of RSCs' data on refugees, for example, by reviewing the information for missing data or obvious errors and interviewing State officials responsible for ensuring data quality. We determined that these data were sufficiently reliable for the purposes of this report. The data we included regarding the staffing levels at all nine RSCs were provided by State. In most cases, we used the data State reported for the number of full-time staff equivalents in fiscal year 2016. We reviewed these numbers with State officials, but it was beyond the scope of this report to fully determine their reliability.

The performance audit upon which this report is based was conducted from February 2016 to June 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate, evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We subsequently worked with the Departments of State and Homeland Security from June 2017 to July 2017 to prepare this unclassified version of the original sensitive report for public release. This public version was also prepared in accordance with these standards.

Background

UNHCR and the Processes of Refugee Registration and Resettlement Referral

In response to the large number of people displaced following World War II, the United Nations established UNHCR in 1950 with the mandate of providing protection to and seeking permanent solutions for refugees. The 1951 United Nations Convention Relating to the Status of Refugees¹¹ defines a refugee as someone who, as a result of events occurring before

¹¹ See United Nations Convention Relating to the Status of Refugees, July 28, 1951, 189 U.N.T.S. 150.

January 1, 1951 and owing to a “well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence, as a result of such events, is unable or, owing to such fear, is unwilling to return to it.” The 1967 Protocol Relating to the Status of Refugees¹² expanded the definition of refugee to include all refugees covered by the definition in the 1951 Convention with no date or geographic limitation. Over time, UNHCR’s mandate has expanded beyond providing protection and humanitarian assistance, and seeking, together with governments, durable solutions for refugees, to include asylum-seekers, stateless persons, returnees, and in certain circumstances, internally displaced persons. UNHCR has over 10,000 staff located at its headquarters in Geneva, Switzerland; Budapest, Hungary; Copenhagen, Denmark; and in field offices in more than 128 countries.

UNHCR’s mandate, as established by the United Nations General Assembly, is the provision of international protection, material assistance, and durable solutions to refugees and other persons of concern. According to UNHCR, registration is a key tool for providing protection to refugees. Registration in the refugee protection context is the recording, verifying, and updating of information on asylum-seekers, refugees, and other persons of concern to UNHCR. Registration is the first step in formalizing the protection relationship between the individual seeking protection and the host government in the country of asylum, UNHCR, or both. UNHCR uses registration as a tool to assist in determining which types of assistance and protection are most appropriate.

UNHCR also uses Refugee Status Determination (RSD), which it describes as the legal or administrative process by which governments or UNHCR determine whether an asylum-seeker meets the definition of a refugee under international, regional, or national law. This determination involves one or more interviews by trained government officials in the country of asylum or by trained UNHCR RSD staff. RSD and registration are distinct processes, although data recorded during the individual’s registration as an asylum-seeker may be drawn upon and confirmed

¹² See United Nations Protocol Relating to the Status of Refugees, Jan. 31, 1967, 19 U.S.T. 6223.

during RSD. If an asylum-seeker is determined to be a refugee, his or her registration will be updated from asylum-seeker to refugee, or if there was no prior registration, the refugee will be registered as such. In the majority of its operations, UNHCR records identity data in UNHCR's database and case management system, the Profile Global Registration System (ProGres).

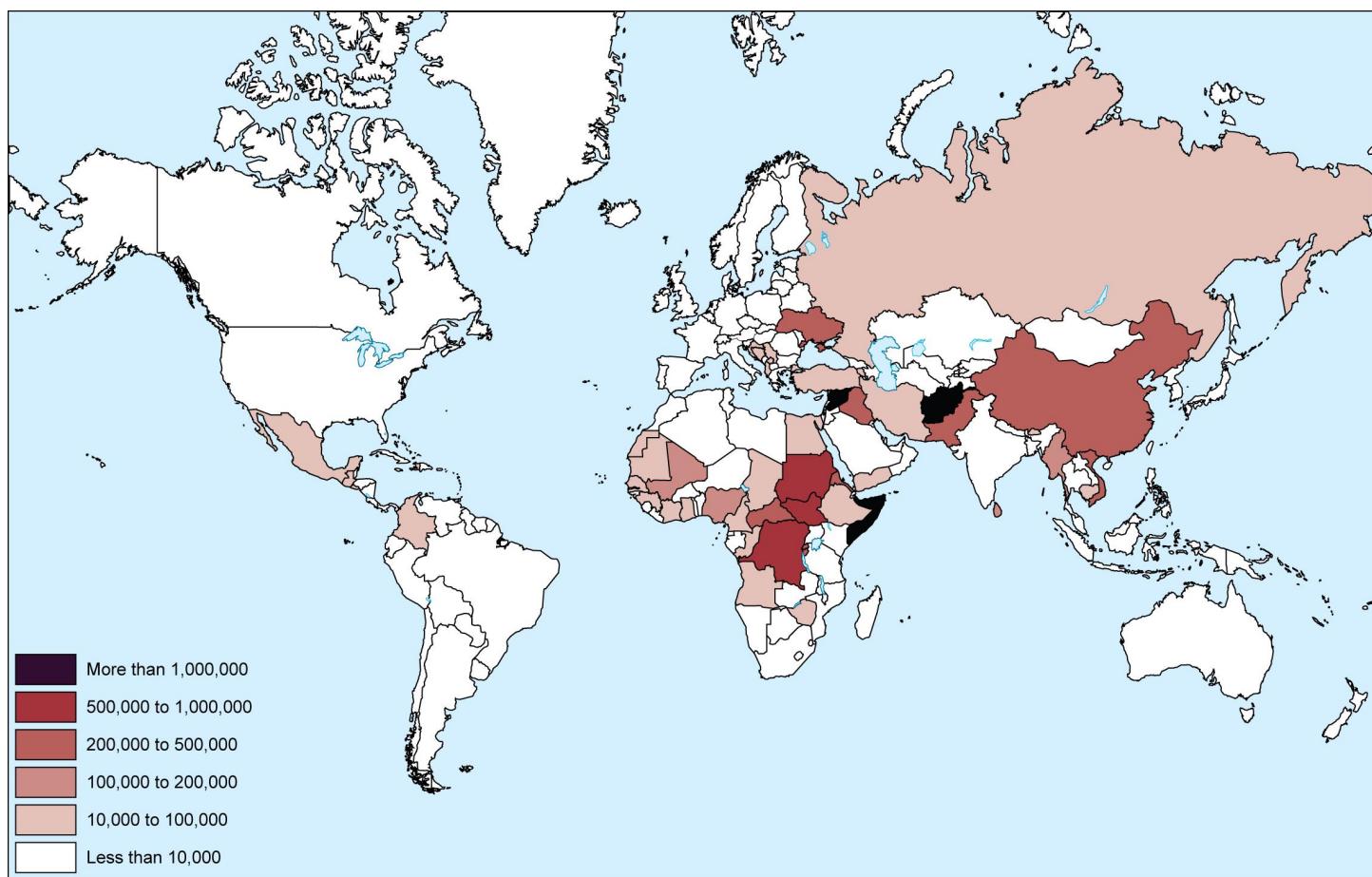
UNHCR promotes and provides both legal and physical protection, and also provides for basic needs including food, water, shelter, and medical care in response to refugee crises worldwide. According to UNHCR, registration is a fundamental component of UNHCR's protection activities. For instance, during registration, the organization collects information on the numbers of refugees and their specific characteristics, such as family composition or special health needs, which assists it in determining the type of assistance that an individual refugee or families may initially require. Information on registered refugee populations is also used by the organization to help determine the amount and types of assistance that specific regions may need. Registration is described by UNHCR as an ongoing process that includes inputting refugees' biographic and biometric information into databases and case management systems and updating it. UNHCR uses ProGres to log and maintain biographic information such as names and family information, and uses the Biometric Identity Management System (BIMS) and IrisGuard to collect and store biometric information such as iris scans and fingerprints.

UNHCR reports that the number of refugees registered with the organization worldwide has grown significantly in recent years. For instance, the total number of refugees was estimated to be approximately 21.3 million by the end of 2015, approximately 1.7 million more than the total reported at the end of 2014.¹³ This number includes 4.9 million refugees from Syria, 2.7 million from Afghanistan, and 1.1 million from

¹³At the end of 2015, UNHCR reported 16.1 million refugees under its mandate. In addition, 5.2 million Palestinian refugees are under the mandate of the United Nations Relief and Works Agency for Palestine Refugees in the Near East. These numbers include people who are in a refugee-like state, which UNHCR defines as those who face protection risks similar to those of refugees but for whom refugee status has, for practical or other reasons, not been ascertained.

Somalia.¹⁴ See figure 1 for the number of UNHCR-registered refugees by country of origin as of December 31, 2015.

Figure 1: Number and Country of Origin of Refugees Registered by the United Nations High Commissioner for Refugees as of December 31, 2015



Sources: GAO analysis of data from the United Nations High Commissioner for Refugees; Map Resources (map). | GAO-17-737

In addition to providing protection and humanitarian assistance to refugees and other persons of concern, UNHCR is mandated to work with governments to provide “durable solutions” to those individuals so that they may transition out of refugee status and rebuild their lives. The three

¹⁴United Nations, “Global Trends Forced Displacement in 2015” (New York, NY: June 20, 2016), accessed January 26, 2017, <http://www.unhcr.org/statistics/unhcrstats/576408cd7/unhcr-global-trends-2015.html>.

durable solutions that UNHCR facilitates include (1) voluntary repatriation to a refugee's home country, (2) integration within the country in which they are currently located, and (3) resettlement to a third country. For instance, a refugee may decide to permanently return to his or her home country, with the support of UNHCR and that country, once the crisis that prompted his or her flight ends. Alternatively, refugees unable to safely repatriate to their home country may in certain cases, with the help of UNHCR, acquire permanent legal status with rights such as citizenship in their country of asylum, which UNHCR reports approximately 1.1 million refugees have done over the past decade. However, if neither repatriation nor local integration is available or appropriate, UNHCR may consider submitting a refugee's case to a third country for resettlement consideration. UNHCR refers refugees for resettlement consideration to various countries, including the United States, Australia, Canada, Denmark, and the United Kingdom, among others. Refugees can be referred for resettlement consideration by UNHCR only if they meet UNHCR's preconditions for resettlement consideration and fall under one or more of the resettlement submission categories.¹⁵

To assess refugees' eligibility for resettlement referrals, UNHCR officials conduct interviews with refugees to obtain their basic biographic information, assess evidence of past or feared persecution, and determine eligibility for all other solutions that might be available to them. The organization documents this information in a resettlement referral form. While most registered refugees receive some form of protection assistance from the organization, less than 1 percent are referred for resettlement in a third country, according to UNHCR.¹⁶

¹⁵UNHCR's two preconditions for resettlement consideration are that (1) the applicant is determined by UNHCR to be a refugee; and that (2) the prospects for all other solutions have been assessed, with resettlement identified as the most appropriate solution. UNHCR's resettlement submission categories are (1) legal and/or physical protection needs, (2) survivors of torture and/or violence, (3) medical needs, (4) women and girls at risk, (5) family reunification, (6) children and adolescents at risk, and (7) lack of foreseeable alternative durable solutions.

¹⁶While less than 1 percent of refugees are referred to resettlement to a third country, UNHCR estimates that 6 percent of refugees are in need of resettlement. UNHCR officials stated that this is mostly because of limits placed by resettlement countries.

The United States Refugee Admissions Process

State manages the USRAP admissions process in conjunction with DHS, and both agencies work with other government agencies, UNHCR, IOM, and various NGOs to process applications for refugees seeking resettlement to the United States. From fiscal year 2011 through June 2016, 61 percent of all refugee cases referred to the United States for resettlement consideration were referred by UNHCR, or roughly 405,000 referrals out of the 655,000 total.¹⁷ According to UNHCR, most of its referrals are families. UNHCR submits refugee referrals to the United States from all over the world. See table 1 for more information on the nationality of refugees referred by UNHCR for potential admission to the United States from fiscal year 2011 through June 2016.

Table 1: Top 10 Nationalities of Refugees Referred to the United States by the United Nations High Commissioner for Refugees from Fiscal Year 2011 through June 2016

Nationality	Cumulative number	Percentage of total
Burma	82,382	20.42
Somalia	59,409	14.72
Democratic Republic of the Congo	57,595	14.27
Iraq	53,169	13.18
Syria	48,052	11.91
Bhutan	36,046	8.93
Sudan	13,626	3.38
Eritrea	9,420	2.33
Iran	9,097	2.25
Afghanistan	8,950	2.22

Source: GAO review of Department of State documents and data from WRAPSnet.org. | GAO-17-737

Note: These numbers indicate the number of refugee resettlement referrals provided by UNHCR to the United States. They do not represent the number of refugees admitted to the United States.

¹⁷According to State, referrals and applications to USRAP can originate from various sources. While the majority of referrals and applications come from UNHCR, other sources include U.S. permanent residents with overseas family members, and referrals from U.S. embassies overseas, among others.

Once UNHCR refers a case to the United States for resettlement consideration, it is considered for access to USRAP.¹⁸ State accepts UNHCR referrals via UNHCR's ProGres database and uploads biographic information to WRAPS, which is State's own system that serves as a repository of application information and tracks the status of all individual refugee applications to USRAP.

The resettlement application process continues at one of the nine RSCs. Through grants or voluntary contributions from State, various NGOs and IOM operate eight of the nine RSCs.¹⁹ RSCs are responsible for compiling eligible applications. They collect supporting documentation, biographic information such as names and addresses, and family information from each applicant. They are also responsible for prescreening USRAP applicants—that is, conducting in-person interviews with each applicant—during which staff employed by the organization that manages the RSC collect information on the applicants' persecution story and why they claim to be unable to return home to their country of origin. RSCs then provide all of this information to USCIS officers. In addition, RSCs initiate the necessary biographic security checks for USRAP applicants, coordinate medical exams with panel physicians, and provide cultural orientation for refugees approved to travel to the United States, as well as manage the provision of interpretation services for USCIS interviews. See table 2 for more information on RSCs.

¹⁸State has established three categories of individuals who may access USRAP, which it calls priorities. Priority 1 (P1) describes a case for an individual or family unit referred by UNHCR or by a U.S. embassy overseas because of that individual or family's compelling need for protection. According to WRAPS data, UNHCR refers nearly all P1 cases; other sources, including U.S. embassies, refer less than 1 percent of P1 cases. Priority 2 (P2) is for individuals in a specific group who have been determined to share special humanitarian concerns and whose members State has identified as being in need of resettlement. Priority 3 (P3) consists of individuals from designated nationalities who have immediate family members in the United States who initially entered as refugees or were granted asylum. According to State, the priority classifications only indicate the source of the referral or application not the urgency with which they are adjudicated.

¹⁹The RSC in Havana, Cuba, is staffed by local embassy employees and managed directly by State.

Table 2: Information on the Nine Refugee Resettlement Support Centers (RSC) Worldwide

RSC	Operating entity or organization	Headquarters location	Cumulative number of applications and referrals to the RSC (fiscal year 2011 to June 2016) ^a
RSC Africa	Church World Service	Nairobi, Kenya	151,924
RSC Austria	Hebrew Immigrant Aid Society	Vienna, Austria	14,365
RSC Cuba	Department of State	Havana, Cuba	24,273
RSC East Asia	International Rescue Committee	Bangkok, Thailand	89,284
RSC Eurasia	International Organization for Migration	Moscow, Russia	31,650
RSC Latin America	International Organization for Migration	Quito, Ecuador	11,094
RSC Middle East and North Africa	International Organization for Migration	Amman, Jordan	187,439
RSC South Asia	International Organization for Migration	Damak, Nepal	44,511
RSC Turkey and Middle East	International Catholic Migration Commission	Istanbul, Turkey	66,008

Source: GAO review of Department of State (State) documents and data from WRAPSnet.org. | GAO-17-737

^aThe applications are for cases, which usually include more than one individual, typically multiple members of the same family. Data include case applications from October 2010 through June 2016.

As part of the resettlement application process, USCIS officers travel overseas to conduct in-person interviews of USRAP applicants and adjudicate their applications for refugee status pending the results of required security and background checks. RSCs provide interpreters to USCIS officers during the interviews, as necessary.²⁰

Program Integrity and Managing Fraud Risks

Program integrity describes the extent to which the resettlement referral process is free from fraud, waste, and abuse by both staff and applicants. An important aspect of ensuring program integrity is designing, implementing, and evaluating the efficacy of antifraud measures.

²⁰The resettlement process includes several additional steps that are outside the scope of our report. For instance, once USCIS approves an individual for refugee resettlement, RSCs provide the refugee and his or her family with instructions on adjusting to life in the United States through a “cultural orientation” class. RSCs also assist refugees in preparation for travel to the United States by assembling travel packets and scheduling final medical checks. Once refugees are resettled to the United States, the Department of Health and Human Services’ Office of Refugee Resettlement and domestic resettlement organizations can provide further assistance, such as housing assistance and Temporary Assistance to Needy Families.

According to GAO's *Standards for Internal Control in the Federal Government*, fraud, such as malfeasance conducted by staff, poses a significant risk to the integrity of a program.²¹ Accordingly, management should consider the potential for fraud when identifying, analyzing, and responding to program risks. Management responds to identified fraud risks by developing antifraud activities designed to reduce or eliminate the potential for fraud. Antifraud activities are a critical component for ensuring the integrity of a program such as USRAP. Proactive fraud risk management helps to facilitate a program's mission and ensure that program services achieve their intended purpose.

State Has Worked with UNHCR on Various Measures Designed to Ensure the Integrity of the Resettlement Referral Process

State and UNHCR have worked together on several measures designed to ensure integrity in the resettlement referral process. The organizations have developed a Framework for Cooperation to guide their partnership, emphasizing measures such as oversight activities and risk management. Additionally, UNHCR has developed SOPs and identity management systems to combat the risk of fraud and worked with State to implement these activities in the resettlement process.

State and UNHCR Have Developed a Framework for Cooperation Including Activities Designed to Help Ensure Program Integrity

Since 2000, State and UNHCR have outlined their formal partnership using a Framework for Cooperation. State and UNHCR signed the most recent framework document in 2016, covering the period of March 14, 2016 to December 31, 2017. According to State and UNHCR officials, the organizations work together on the activities listed in the Framework for Cooperation to achieve mutual goals. Specifically, the framework emphasizes improved accountability at UNHCR through effective oversight measures, close cooperation with State, and organization-wide risk management.

²¹GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: September 2014).

The Framework for Cooperation notes that State will work to ensure that UNHCR allocates sufficient resources to fully implement measures to provide oversight and accountability. UNHCR has several offices that are responsible for overseeing antifraud activities, in addition to providing audit services, investigating instances of fraud, and conducting broad reviews of country-level operations. The United Nations Office of Internal Oversight Services and the Board of Auditors conduct regular reviews of UNHCR and audit its financial statements, respectively. Both make recommendations regarding the management of UNHCR and track the status of those recommendations to help ensure effective management. For example, the board's annual reports track previous recommendations, many of which focus on ensuring financial accountability, conducting fraud risk assessments, and establishing regular performance reporting mechanisms, among other things.²²

UNHCR also has an Inspector General's office that investigates allegations of staff misconduct and assigns responsibility to its headquarters, Nairobi, or Bangkok staff to conduct investigations.²³ In 2015, the Inspector General's Investigative Office opened 88 investigations, including 21 investigations related to fraud complaints. Of those 21 fraud investigations, 7 were related to the refugee status determination or resettlement processes. According to UNHCR officials, fraud committed by persons of concern is investigated locally, and local management can open an investigation and decide sanctions if applicant fraud is established.²⁴

In addition, according to UNHCR officials, between 2014 and 2016, the organization sent as many as 10 teams to conduct reviews of field office operations, including registration, protection, and resettlement. Although the composition of these teams varies depending on the field operation

²²According to the Board of Auditor's report released on July 25, 2016, of the 34 recommendations made to UNHCR for 2014 and previous years, 6 (18 percent) had been implemented, 25 (73 percent) were in process, and 3 (9 percent) had been superseded by events.

²³The Inspector General's office's three main purposes are to (1) assess the quality of UNHCR's management, (2) investigate allegations of misconduct by anyone working for the refugee agency, and (3) conduct inquiries into other types of incidents that could affect UNHCR's reputation.

²⁴According to UNHCR officials, although UNHCR cannot deny refugees basic services such as food assistance and shelter in the event of applicant fraud, it could decide not to provide a refugee with an opportunity for resettlement.

being visited, they usually include officials responsible for reviewing registration, RSD, resettlement, interactions with the regional bureau, and other things. According to UNHCR officials, these visits have resulted in strengthening refugee protection and resettlement operations. For example, in response to alleged instances of fraud at UNHCR's activities in an Asian country, the organization undertook two visits in 2016 to investigate and respond. First, UNHCR's Inspector General's office visited to investigate potential staff fraud but determined that while certain procedures may not have been followed, staff fraud was not established. Later, UNHCR sent a team to review how the operations there could be strengthened throughout the registration, protection, and resettlement processes. According to UNHCR officials, this visit resulted in improvements throughout operations in the country, especially related to the provision of assistance to urban populations of refugees.²⁵

The Framework for Cooperation also describes regular coordination and communication between State and UNHCR as an important principle in the relationship between the two organizations. Specifically, at the headquarters level, the U.S. Mission in Geneva, Switzerland, has a humanitarian affairs office that, according to State officials, coordinates with UNHCR on a regular basis. For example, State reported that it works with UNHCR to review draft policy and procedures. It also works with UNHCR and other countries to help organize annual conferences on resettlement issues, which include working groups on integrity.

The Framework for Cooperation also discusses UNHCR's efforts to improve accountability and monitoring. It notes that UNHCR has committed to implementing Board of Auditors recommendations, including implementing an organization-wide approach to risk management, an enhanced framework for implementation with partners, and improved management of oversight over implementing partners. In addition, UNHCR has established committees on oversight and internal compliance, which have helped in developing an accountability matrix and monitoring progress made toward the implementation of oversight recommendations. UNHCR has also developed an organization-wide risk management strategy, known as enterprise risk management, across its

²⁵According to UNHCR officials, after the visits, local UNHCR officials initiated steps toward strengthening activities to provide assistance to refugees in the country and reduced individual case-processing activities related to resettlement.

programs to assess risk in the resettlement referral process, thus addressing a recommendation made by the Board of Auditors.²⁶

UNHCR Has Various Procedures and Systems Designed to Help Ensure Program Integrity in the Resettlement Referral Process and Works with State to Implement Them

UNHCR has developed guidance documents, baseline SOPs, and identity management programs that it notes are meant to help ensure the integrity of their operations, including the refugee resettlement referral process. For example, UNHCR has developed guidance on registration, RSD, resettlement, and other activities. The Handbook for Registration lays out the policies and methodology for registration, while the Resettlement Handbook provides guidance on the conditions for resettlement, the types of resettlement submission categories, and the procedures for making referrals to resettlement countries. UNHCR headquarters also issued baseline SOPs on resettlement, which provide a template for local field offices to complete and adapt for local situations. The resettlement SOPs vary by country and refugee population but, according to UNHCR officials, they adhere to these baseline requirements. Despite the complexity and regional variations in its refugee registration, refugee status determination, and resettlement referral processes, UNHCR officials said that standardizing procedures ensures that the organization has established basic antifraud practices worldwide. These officials added that they believe that SOPs are among the most important tools with which they ensure the integrity of the resettlement referral process. UNHCR officials in two of the field offices

²⁶United Nations Board of Auditors, *Voluntary funds administered by the United Nations High Commissioner for Refugees, Financial report and audited financial statements for the year ended 31 December 2010 and Report of the Board of Auditors* (New York, NY: 2011). UNHCR reported that it conducted a risk management assessment throughout all of its operations and all of its field offices in 2014 and 2015. According to UNHCR officials, the assessment included a “what if” analysis and a review of project objectives as well as successes and failures. The assessment also measured the likelihood of identified risks from “very high” to “very low” and the impact of these risks from “disastrous” to “insignificant.” UNHCR used the results of the risk management assessment to develop a registry of the top risks to its operations worldwide. According to UNHCR officials, some of the fraud risks identified included very long application time lines and information technology failures. According to the officials, this effort is making progress but is still ongoing. In a subsequent report, the Board of Auditors noted that UNHCR’s actions on implementing enterprise risk management had made significant progress in assessing risks posed to UNHCR.

we visited indicated that changes to the baseline resettlement SOPs allowed for regional specificity.

UNHCR officials also register refugees and manage their cases through ProGres, which is a registration and case management tool. According to UNHCR, registration and identity management are important ways to provide legal and physical protection, identify refugees at risk, provide population planning statistics, and facilitate implementation of durable solutions. UNHCR developed ProGres in 2003; according to the organization, it contained 7.2 million records and is used in 97 countries as of July 2016. UNHCR primarily uses BIMS and IrisGuard to collect and maintain biometric information, such as iris scans and fingerprints, and runs them in parallel depending on the geographic region and population.²⁷ According to UNHCR officials, both BIMS and IrisGuard are linked with ProGres, allowing biometric data collected on refugees to be associated with biographic information.²⁸ BIMS contains over 1.1 million records from 16 countries on its central server, and UNHCR is currently expanding its operation to additional countries, according to UNHCR officials. On our visits to UNHCR field offices, we observed UNHCR officials registering and managing case files in ProGres and verifying biometric data in BIMS and IrisGuard. Using these systems, UNHCR officials said they can check to ensure that a refugee is not already registered or receiving assistance. See figure 2 for photographs of technology that UNHCR uses to register and verify refugee identities.

²⁷According to UNHCR, IrisGuard is used in countries most heavily focused on the response to the Syrian refugee crisis.

²⁸In addition to the systems' uses in the resettlement referral process, UNHCR uses these systems to support its delivery of other types of assistance to registered refugees.

Figure 2: Technology that the United Nations High Commissioner for Refugees (UNHCR) Uses to Register and Verify Refugee Identities



On the left, a Sudanese man provides iris scans during registration with UNHCR in Chad. On the right, an unaccompanied Afghan child provides fingerprint scans to UNHCR in a children's shelter in Indonesia.

Source: © UNHCR/S.A. Jefferies. | GAO-17-737

UNHCR has worked with State on implementing some activities related to collaboration with its identity management systems. For instance, to help manage the identities of referred refugees, State and UNHCR developed a Memorandum of Understanding (MOU) regarding the sharing of some biometric information. According to a Letter of Understanding that accompanies the MOU, it provides a framework whereby data from UNHCR is shared with State, which allows for increased efficiency and accuracy in processing resettlement referrals to the United States.²⁹

²⁹According to UNHCR officials, this MOU and all other instances related to the sharing of personal data are in adherence with its Policy on the Protection of Personal Data of Persons of Concern to UNHCR. See United Nations High Commissioner for Refugees, *Policy on the Protection of Personal Data of Persons of Concern to UNHCR* (New York, NY: May 2015).

To Address Staff Fraud Risks, State and RSCs Have Taken Steps to Follow Many Leading Antifraud Practices but Could Improve Implementation of Controls and Assessment of Risk

State and RSCs report instituting a number of activities to combat the risk of fraud committed by RSC staff. Many of these activities correspond with leading practices identified in GAO's Fraud Risk Framework. For instance, State and RSCs have taken steps to commit to an organizational culture and structure to help manage staff fraud risks. Further, State and RSCs have designed and implemented several specific control activities to mitigate staff fraud risks and taken steps to monitor staff fraud risk management activities. However, State could take additional steps to improve the implementation of existing controls, assess the risks of staff fraud, and examine the suitability of existing activities to control it. Further details on RSCs' reported compliance with some measures contained in State's Program Integrity Guidelines, challenges faced in compliance, and actions taken by specific RSCs to assess risk are provided in the sensitive report that we issued in June 2017.³⁰

Although Identified as Uncommon by State and RSC Officials, Staff Fraud Has Been Experienced by RSCs in Some Instances

According to State officials, staff fraud at RSCs occurs infrequently, but instances of staff fraud have taken place in recent years, such as RSC staff soliciting bribes from applicants in exchange for promises of expediting applicants through RSC processing. State officials said that these events were uncovered before any significant consequences occurred; however, such instances illustrate the risks to the integrity of RSC operations. State and management from six of the nine RSCs stated that they could not recall any instances of staff fraud occurring at their RSCs. However, State and managers from the other three RSCs reported

³⁰GAO-17-446SU.

instances of staff fraud or malfeasance in recent years, including the following:

- In 2013, an RSC reported a significant case of staff fraud, resulting in the termination of two staff members. According to State and RSC officials, two RSC staff promised to expedite applicant cases in exchange for money. Although the staff were actually unable to influence the outcome of the applicants' cases, the illusion of expediting the process in exchange for money allowed the extortion to take place. After an investigation by State's local Regional Security Officer, the RSC terminated the two staff members and all individuals involved were arrested. In response, State undertook new antifraud initiatives, such as the creation of new antifraud guidelines for RSCs and commissioning an evaluation of risks posed by staff fraud.
- In 2014, while conducting interviews in the field, officials discovered three interpreters soliciting money from applicants, according to State officials. These officials said that the RSC identified the three interpreters and discovered that they had a record of misconduct with local police. The RSC terminated the interpreters and barred them from any future employment with the RSC. Since the incident, State officials said that the RSC has maintained a list of interpreters who are barred from providing services for the RSC.
- In 2016, another RSC discovered that a staff member connected a personal thumb drive to an RSC laptop without approval with the intention of accessing applicants' files. The RSC reported the activity to State and the organization that manages the RSC. In coordination with State, RSC officials contracted with a private firm to conduct a forensic analysis of any potentially compromised information. The analysis determined that the staff member had attempted but failed to access any information and subsequently, the staff member was terminated.

State and RSCs Have Taken Steps to Combat Staff Fraud but Have Not Followed Some Leading Practices

To address instances of fraud committed by staff at RSCs, State and RSCs report instituting a number of antifraud activities, many of which correspond with leading practices identified in GAO's Fraud Risk Framework. GAO's Fraud Risk Framework identifies leading antifraud practices to aid program managers in managing fraud risks that affect their program. The framework includes practices such as implementing activities that demonstrate an antifraud culture, designing and applying

control activities to address fraud risks, monitoring the application of fraud controls, and conducting regular fraud risk assessments. We found that State and RSCs have taken steps to institute a number of these practices, but some gaps remain.

State and RSCs Have Reported Implementing Activities that Demonstrate a Culture Committed to Staff Fraud Risk Management

By taking steps to promote organizational cultures and structures conducive to combatting staff fraud, State and RSCs have worked to demonstrate a commitment to managing staff fraud risks at RSCs. The Fraud Risk Framework identifies the involvement of all levels of an organization in setting an antifraud tone as a leading practice for fraud risk management. Management at every RSC said that all RSC staff had the responsibility to combat staff fraud. For example, management at all eight RSCs operated by IOM or NGOs reported that they had required their staff to review and sign their organization's code of conduct annually.³¹ Furthermore, managers at all nine RSCs said that they had required their staff to attend annual antifraud training and reported to State that RSC staff had complied with these measures.

Additionally, State and RSCs have created organizational structures to combat staff fraud by assigning specific staff the responsibility of overseeing staff fraud risk management activities, a leading practice highlighted in the Fraud Risk Framework. All nine RSCs stated that they had assigned staff fraud risk management responsibilities to specific staff members. Individual RSCs have varied in how they assign these responsibilities. For instance, while RSC Africa, RSC Middle East and North Africa, and RSC Turkey and Middle East reported having positions dedicated to leading their fraud risk management activities, RSCs Austria, Cuba, and East Asia have assigned overseeing fraud risk management activities as a duty of their respective RSC directors.³² The three remaining RSCs operated by IOM—including RSCs Eurasia, Latin America, and South Asia—stated that staff had been assigned to oversee

³¹RSC Cuba is managed directly by State employees and, therefore, according to State officials, does not have an organization code of conduct for employees to sign.

³²For example, RSC Africa has developed a Program Integrity Specialist position that is responsible for (1) developing and conducting training on fraud, ethics, confidentiality, and the treatment of refugee records; (2) facilitating fraud and malfeasance investigations in coordination with senior management; (3) monitoring fraud reporting mechanisms; and (4) overseeing compliance with State's Program Integrity Guidelines, among other things.

fraud risk management responsibilities at each of them.³³ Additionally, IOM maintains an ethics office located at its headquarters in Geneva, Switzerland, to provide additional staff fraud risk oversight.

State and RSCs Report that RSCs Have Shared Information on and Designed Control Activities to Address Staff Fraud Risk, but Implementation Gaps Remain

To help prevent or mitigate fraud committed by staff at RSCs, State and RSC officials said that they had established collaborative relationships with both internal and external partners to share information, which is consistent with another leading practice identified in the Fraud Risk Framework. For example, State reported that it had hosted an annual resettlement workshop, attended by RSC directors and UNHCR staff. State also reported that RSC staff attend region-specific meetings to share fraud risk management information. According to RSC Middle East and North Africa reporting, they have held similar fraud-focused quarterly meetings attended by representatives from State and UNHCR. In addition to attending organized conferences and meetings, management at RSCs stated that they had shared fraud-related information as it arose. When an RSC experiences an instance of staff fraud, State requires the RSC to report the fraud to State. According to RSC officials, depending on the RSC's operating organization, the RSC may also report the staff fraud to its headquarters, inspector general, partner organizations, or ethics office.

Another leading practice in the Fraud Risk Framework is the development of specific control activities to prevent and detect fraud. State officials identified two key guidance documents containing control activities: RSC SOPs and the Program Integrity Guidelines. First, according to State officials, State provides guidance to RSCs on developing SOPs that include staff fraud risk controls. For example, State requires RSCs to record the names of staff and interpreters who interact with applicants during prescreening interviews into WRAPS in order to mitigate fraud risk. According to State and RSC officials, although each RSC has used State's guidance as a template, RSCs may incorporate additional

³³For example, RSC Eurasia has assigned the responsibility of overseeing staff fraud risk management to its RSC Director; RSC Latin America has assigned it to its antifraud committee; and RSC South Asia has assigned it to its reports supervisor. For IOMs remaining RSC, RSC Middle East and North Africa, IOM determined that the size and complexity of its operations warranted staffing a position dedicated to managing its antifraud activities, while its other three RSCs' operations did not. State approved IOMs request to create such a position at RSC Middle East and North Africa.

procedures, including program integrity activities, based on their specific operational environment, such as size, complexity, location, or applicant population.

Second, in response to the staff fraud incident in 2013 that resulted in the termination of two RSC staff, State developed and provided RSCs with a list of 87 measures designed to prevent and mitigate staff fraud at RSCs, known as the Program Integrity Guidelines. Of the 87 measures, State requires 72 and recommends the remaining 15. These measures include control activities addressing issues such as background checks, interpreter assignment, antifraud training, office layout, case file reviews, electronic data management, and reporting and responding to instances of suspected fraud. For example, State's Program Integrity Guidelines have required RSCs to establish physical drop boxes or e-mail addresses to allow applicants to report instances of suspected staff fraud, as well as whistleblower policies for other staff to inform RSC management of suspected staff fraud. State has also required RSCs to include signage that indicates that the admissions process is free and instructions on how to report fraud. See figure 3 for examples of such RSC antifraud signage. Each RSC that we visited displayed similar signage in interview rooms, hallways, or applicant waiting areas.

Figure 3: Antifraud Signage in Selected Refugee Resettlement Support Centers (RSC)



On the left, signage located in the waiting room of the RSC in Amman, Jordan. It includes messages in Arabic and English regarding the ability to report fraud to an anonymous e-mail inbox. On the right, signage located in the waiting room of the RSC suboffice in San Salvador, El Salvador. It includes messages in Spanish and English that the resettlement process is free and refugees should report suspected fraud to an anonymous e-mail inbox.

Source: GAO. | GAO-17-737

Consistent with another leading practice identified in the Fraud Risk Framework, State and RSCs also reported that they had implemented control activities designed to prevent and detect staff fraud; however, some gaps remain. State works with RSCs to implement the control activities identified in the Program Integrity Guidelines to mitigate staff fraud risks. RSCs report their compliance with the Program Integrity Guidelines to State via annual *RSC Internal Malfeasance Prevention and Mitigation: Measures and Actions* reports. For each measure listed in the Program Integrity Guidelines, RSCs report the actions they have taken to comply.

State required RSCs to comply with the original Program Integrity Guidelines by October 2014. However, our review of the *Measures and Actions* reports found that RSCs reported complying with most, but not all, of the required measures applicable to their operations. Reported compliance with required, applicable measures at individual RSCs ranged from 86 percent to 100 percent. For 53 of the 72 measures, compliance was reported by all RSCs for which the measure was applicable.³⁴

Though RSCs have reported complying with most of the controls required by the Program Integrity Guidelines, some RSCs have reported that they face challenges in fully implementing certain controls. State officials told us that they work to ensure that each RSC complies with all required controls in the Program Integrity Guidelines. If an RSC reports that it does not yet fully comply with a measure listed in the Program Integrity Guidelines, State expects the RSC to report its progress toward compliance to State. While this reporting assists State in its implementation efforts, gaps remain. Full compliance with these measures could help RSCs ensure the integrity of their operations and guard against staff fraud.

State and the Organizations that Operate RSCs Have Monitored Staff Fraud Risk Management Activities at RSCs

State and the organizations that operate RSCs have taken steps to monitor their staff fraud risk management activities, a leading practice

³⁴Our calculations of the percentages of reported RSC compliance exclude measures that RSCs reported to be not applicable to their operations. For example, RSC Cuba reported that it does not hire interpreters, so we did not include measures related to interpreters in our analysis of RSC Cuba's reported compliance with the Program Integrity Guidelines. More information can be found in GAO-17-446SU.

identified in the Fraud Risk Framework. For State's monitoring of RSC antifraud activities, program officers and refugee coordinators have served as the primary liaison between their assigned region's RSCs and State. According to State officials, its program officers have conducted monitoring of RSCs through frequent communication, program reports, and annual monitoring visits. State officials said that program officers have communicated with RSC management frequently via telephone and e-mail to conduct administrative functions, provide updates to State guidance, and address issues, including those related to staff fraud.

Program officers also have reviewed program reports submitted by RSCs, which include a section that describes instances of suspected staff fraud from the previous quarter, if any, and updates to staff fraud risk management activities. For example, one RSC reported that, as an antifraud measure, it had prohibited staff from using their personal smartphones at worksites and issued staff cellphones without cameras or Internet capability. State also assigns to local U.S. embassies refugee coordinators who monitor RSC staff fraud risk management activities through frequent interaction with RSC staff. According to State officials, during visits to RSCs, refugee coordinators have provided additional monitoring of RSC staff fraud risk management activities by checking compliance with State's Program Integrity Guidelines and receiving notification of and addressing reported instances of staff fraud.

Additionally, IOM and NGOs have reported conducting annual monitoring visits of the RSCs that they operate. State has required the operating organization of each RSC to "conduct annual monitoring that includes fraud vulnerabilities" and submit the results of the monitoring visits to State. All four RSCs operated by IOM and all four RSCs operated by various NGOs reported that their respective operating organizations conducted such monitoring visits. For example, when one operating organization conducted a monitoring visit to an RSC in 2015, it recommended that the RSC should program its computers to lock after 5 minutes of inactivity, as required by the Program Integrity Guidelines.

According to State officials, State program officers are also expected to conduct annual monitoring visits and create monitoring reports to check RSC compliance with State's RSC SOPs and Program Integrity Guidelines. According to these monitoring reports, program officers observe day-to-day operations at RSCs during the monitoring visits. For instance, program officers report that they have observed RSC caseworkers conducting prescreening interviews of applicants. Upon concluding the annual monitoring visits, program officers are to complete

written monitoring reports including a section that assesses RSC compliance with the Program Integrity Guidelines and makes recommendations to mitigate vulnerabilities for staff fraud. For example, the completed monitoring report for one RSC recommended upgrading the locks for its file library to an electronic system enabled by iris or fingerprint scan as a step to mitigate vulnerabilities of staff fraud. Further, program officers also have administered questionnaires to RSC directors and caseworkers to gather feedback on RSC procedures. In these questionnaires, State has asked RSC directors to comment on RSC procedures concerning hiring and training new staff. During the period of our review, State provided us with the most recent monitoring reports for each of the RSCs that had completed one.³⁵

State and RSCs Have Taken Steps to Assess Staff Fraud Risks, but Some RSCs Have Not Conducted Risk Assessments or Examined the Suitability of Fraud Controls

State has taken some steps to assess the risks posed by staff fraud to RSC operations. For example, in 2015, a contractor hired by State completed a report assessing (1) areas of vulnerability to staff fraud at RSCs, (2) current measures to address vulnerabilities and their effectiveness, (3) important factors in preventing staff fraud, and (4) optimization of State monitoring of RSCs. The report made a number of recommendations regarding potential staff fraud risks.

Although State has taken steps to assess staff fraud risks, not all RSCs have conducted staff fraud risk assessments that follow leading practices identified in the Fraud Risk Framework, including (1) conducting

³⁵IOM, an international organization related to the United Nations, receives voluntary contributions from member states, including the United States. State and IOM signed an MOU in April 2013 that sets forth services that IOM expects to provide related to the admission of refugees and other designated migrants, including activities entailed in managing RSCs. The MOU also sets forth the manner in which State provides payment for these activities. The MOU does not include provisions for monitoring trips to RSCs or documentation of those trips. However, during the period of our review, State was able to provide us with completed, written monitoring reports for three of the four IOM-managed RSCs. State officials said that a State program officer conducted a monitoring visit to the fourth RSC, RSC South Asia, but did not find major deficiencies so did not prepare a written report. Instead, the officials said the program officer provided results of the monitoring visit to RSC South Asia through an oral briefing. According to State and IOM officials, State and IOM are currently negotiating a renewal of the MOU that details the relationship between the organizations and have discussed the inclusion of annual monitoring visits.

assessments at regular intervals or when the program experiences changes, (2) tailoring assessments to the program and its operations, and (3) examining the suitability of existing fraud controls. State officials told us that not all RSCs had conducted staff fraud risk assessments because State's Program Integrity Guidelines recommend but do not require these assessments. Without State requiring RSCs to conduct regular staff fraud risk assessments tailored to their specific operations, staff fraud risk assessments conducted by individual RSCs have varied. While officials from six of the nine RSCs stated that they had completed some form of staff fraud risk assessment, officials from four of them stated that they had done so only once. Additionally, only two of the nine RSCs have conducted staff fraud risk assessments specifically tailored to their operations. Further, State and most RSCs have not examined the suitability of existing fraud controls, another recommended leading practice in the Fraud Risk Framework. For example, while one RSC has regularly assessed the suitability of its existing staff fraud controls by conducting regular staff fraud risk assessments that examine the likelihood and impact of potential fraudulent activity and related fraud controls, the remaining eight RSCs have not done so. State officials told us that because State does not require RSCs to conduct risk assessments, information needed to assess the suitability of existing controls is not available from all RSCs.

GAO's *Standards for Internal Control in the Federal Government* states that changes in conditions affecting an entity and its environment often require changes to the entity's internal control system, as existing controls may not be effective for addressing risk under changed conditions. For instance, a study of USRAP conducted at State's request notes that as the number of refugees has increased in recent years, the potential for staff fraud committed against refugees has increased as well. According to this report, refugees may become more susceptible to participating in acts of staff fraud as they become more desperate to reach another country. As the number of refugees accepted varies each year by RSC, internal control systems may need to be changed to respond to the potential increased fraud risk. Moreover, as described earlier, individual RSCs face challenges complying with some of the existing fraud controls outlined in the Program Integrity Guidelines. Examining the suitability of these controls could help managers identify areas where existing control activities are not suitably designed or implemented to reduce risks to a tolerable level. Based on this analysis, managers could prioritize and target areas of residual risk.

Without requiring RSCs to conduct regular staff fraud risk assessments that are tailored to their specific operating environments and reviewing these assessments to examine the suitability of existing fraud controls, State may lack necessary information about staff fraud risks and therefore not have reasonable assurance that existing controls effectively reduce these risks. Information from such risk assessments could help State and RSCs revise existing controls or develop new controls to mitigate the staff fraud risks faced by the program, if necessary.

Conclusions

Each year, the United States resettles tens of thousands of refugees from around the world as part of its humanitarian commitment in the international community. The refugee admissions process relies on RSC staff to coordinate and manage refugee applications. Accordingly, staff fraud can undermine the integrity of the program. To reduce these risks, State and RSCs have instituted several antifraud activities, many of which correspond with leading antifraud practices. One of these activities is designing and implementing antifraud controls. For instance, State has required that RSCs comply with 72 staff fraud control measures. While RSCs have complied with most of these measures, persistent gaps remain. Pursuing efforts to ensure RSC compliance with these controls is essential to reducing the risks of staff fraud.

Additionally, some RSCs have not conducted regular risk assessments tailored to their operations or examined the suitability of existing fraud controls. Without these assessments, State and RSCs may not be able to identify the staff fraud risks affecting their programs, fully assess the risks associated with noncompliance with staff fraud control measures, or evaluate the effectiveness of their control activities. In conjunction with antifraud controls already put in place by State and RSCs, additional steps could strengthen existing controls, assess future staff fraud risks to the program, and better support the integrity of USRAP.

Recommendations for Executive Action

1. To support efforts to reduce staff fraud at RSCs, the Secretary of State should direct the Bureau of Population, Refugees, and Migration to actively pursue efforts to ensure that RSCs comply with required, applicable measures in the Program Integrity Guidelines.

-
2. To better identify risks from RSC staff fraud, the Secretary of State should direct the Bureau of Population, Refugees, and Migration to update guidance, such as the Program Integrity Guidelines, to require each RSC to conduct regular staff fraud risk assessments that are tailored to each RSC's specific operations.
 3. To help ensure that control activities are designed to mitigate identified RSC staff fraud risks, the Secretary of State should direct the Bureau of Population, Refugees, and Migration to regularly review RSC staff fraud risk assessments and use them to examine the suitability of existing staff fraud controls and revise controls as appropriate.

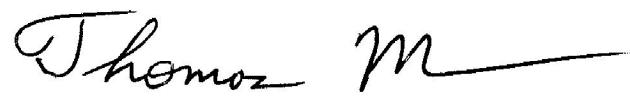
Agency Comments and Our Evaluation

We provided a draft of the sensitive version of this report to the Departments of State and Homeland Security for review and comment. State provided written comments that are reprinted in appendix I. State, DHS, and UNHCR also provided technical comments, which we have incorporated as appropriate. State deemed some of the information in their original agency comment letter pertaining to RSCs' reported compliance with the Program Integrity Guidelines to be sensitive, which must be protected from public disclosure. Therefore, they have redacted the sensitive information in the department's comment letter, which is included in appendix I. These redactions did not have a material effect on the substance of the department's comments.

State concurred with our recommendations and agreed that implementing these activities could reduce the risk of staff fraud at RSCs. State noted that it has developed new guidance to enhance the monitoring of RSCs, which outlines roles, responsibilities, and tools for program officers and refugee coordinators.

We are sending copies of this report to the appropriate congressional committees, the Secretaries of State and Homeland Security, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

Should you or your staff have questions about this report, please contact me at (202) 512-9601 or melitot@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix II.

A handwritten signature in black ink, appearing to read "Thomas M".

Thomas Melito
Director, International Affairs and Trade

List of Committees

The Honorable John Boozman
Chairman
The Honorable Jon Tester
Ranking Member
Subcommittee on Homeland Security
Committee on Appropriations
United States Senate

The Honorable Lindsey Graham
Chairman
The Honorable Patrick Leahy
Ranking Member
Subcommittee on State, Foreign Operations, and Related Programs
Committee on Appropriations
United States Senate

The Honorable Claire McCaskill
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable John R. Carter
Chairman
The Honorable Lucille Roybal-Allard
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Subcommittee on Homeland Security
Committee on Appropriations
House of Representatives

The Honorable Hal Rogers
Chairman
The Honorable Nita Lowey
Ranking Member
Subcommittee on State, Foreign Operations, and Related Programs
Committee on Appropriations
House of Representatives

The Honorable Michael McCaul
Chairman
Committee on Homeland Security
House of Representatives

The Honorable Bob Goodlatte
Chairman
Committee on the Judiciary
House of Representatives

The Honorable Jeff Duncan
Chairman
Subcommittee on the Western Hemisphere
Committee on Foreign Affairs
House of Representatives

Appendix I: Comments from the Department of State



United States Department of State

Comptroller

Washington, DC 20520

Charles M. Johnson, Jr.
Managing Director
International Affairs and Trade
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548-0001

Dear Mr. Johnson:

We appreciate the opportunity to review your draft report,
“REFUGEES: State and its Partners Have Implemented Several Antifraud
Measures, but Could Further Reduce Staff Fraud Risks” GAO Job Code 102098

The enclosed Department of State comments are provided for incorporation
with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact
Kelly Gauger, Deputy Director, Office of Refugee Admissions, Bureau of
Population, Refugees and Migration at (202) 453-9268.

Sincerely,

Christopher H. Flagg
Christopher H. Flagg

Enclosure:
As stated

cc: GAO – Thomas Melito
PRM– Mark Storella (Acting)
State/OIG - Norman Brown

Department of State Comments on GAO Report

REFUGEES: State and Its Partners Have Implemented Several Antifraud Measures, but Could Further Reduce Staff Fraud Risks
(GAO-17-737, GAO Code 102098)

Thank you for the opportunity to comment on the GAO report, entitled “*State and Its Partners Have Implemented Several Antifraud Measures, but Could Further Reduce the Risk of Staff Fraud.*”

The Department of State accepts GAO’s recommendation to actively pursue efforts to ensure Resettlement Support Centers (RSCs) comply with required, applicable measures in the Program Integrity Guidelines. We agree with GAO’s assessment that these measures will support efforts to reduce staff fraud at RSCs. The Bureau of Population, Refugees, and Migration (PRM) has developed new guidance to enhance monitoring of RSCs. A new monitoring and evaluation framework serves as the foundational document for this guidance, which has incorporated and formalized PRM’s existing RSC monitoring practices and established further requirements to address gaps identified by internal and external evaluative processes. The framework outlines roles, responsibilities, and tools for program officers and refugee coordinators. These responsibilities include formalizing and expanding monitoring of RSC compliance with the Program Integrity Guidelines.

The Department of State also accepts GAO’s recommendation to update guidance, such as the Program Integrity Guidelines, to require each RSC to conduct regular staff fraud risk assessments that are tailored to each RSC’s specific operations. We agree with GAO’s assessment that this requirement would strengthen RSC ability to identify risks of staff fraud.

Finally, the Department of State also accepts GAO’s recommendation to regularly review RSC staff fraud risk assessments and use them to examine the suitability of existing staff fraud controls and revise controls as appropriate. We agree with GAO’s assessment that this would help ensure that control activities are designed to mitigate identified RSC staff fraud risks.

Appendix II: GAO Contact and Staff Acknowledgments

GAO Contact

Thomas Melito, (202) 512-9601, or melitot@gao.gov.

Acknowledgments

In addition to the contact named above, Elizabeth Repko (Assistant Director), Brian Hackney (Analyst-in-Charge), Ashley Alley, Kathryn Bernet, Anthony Costulas, Rebecca Gambler, Cynthia Grant, Paul Hobart, Mona Nichols Blake, Michael McKemey, Mary Pitts, Sean Sannwaldt, and Su Jin Yon made significant contributions to this report. Debbie Chung, Martin De Alteriis, Neil Doherty, Mark Dowling, Thomas Lombardi, Erin McLaughlin, and Mary Moutsos provided technical assistance.

Appendix III: Accessible Data

Agency Comment Letter

Accessible Text for Appendix I: Comments from the Department of State

Page 1

Charles M. Johnson, Jr. Managing Director International Affairs and Trade

Government Accountability Office

441 G Street, N.W.

Washington, D.C. 20548-0001

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United States Department of State

Comptroller

Washington, DC 20520

JUL 25 2017

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Sincerely,

Christopher H. Flaggs

Enclosure:

As stated

cc: GAO -Thomas Melito

PRM-Mark Storella (Acting) State/OIG - Norman Brown

Page 2

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