

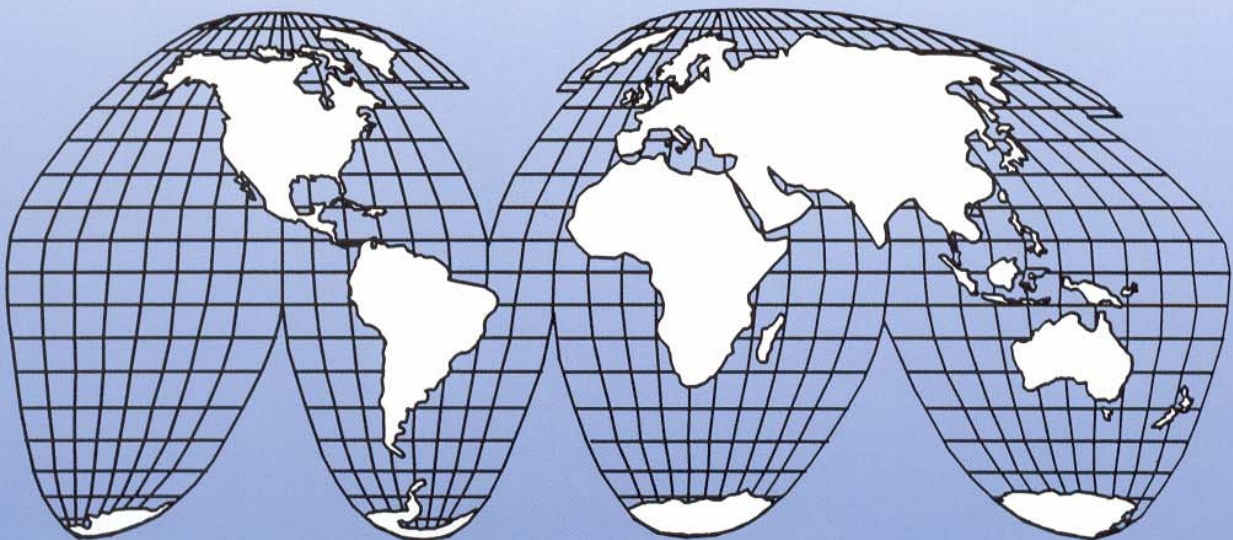
USAID

OFFICE OF INSPECTOR GENERAL

Audit of USAID/Dominican Republic Participant Training Activities

Audit Report No. 1-517-03-007-P

September 9, 2003



San Salvador, El Salvador

(This page intentionally left blank.)



September 9, 2003

MEMORANDUM

FOR: USAID/Dominican Republic Director, Elena Brineman

FROM: Acting Regional Inspector General/San Salvador, Christine M. Byrne

SUBJECT: Audit of USAID/Dominican Republic Participant Training Activities (Report No. 1-517-03-007-P)

This memorandum is our report on the subject audit.

This report contains four recommendations for your action. Regarding Recommendation Nos. 1, 3, and 4, final action has been taken. Regarding Recommendation No. 2, no management decision has been reached.

Please advise my office within 30 days of the actions you have planned or taken to implement Recommendation No. 2. Once you have a firm plan of action to implement this recommendation, please provide it to us for our concurrence. The Office of Management Planning and Innovation will make a determination of final action after the recommendation has been completely implemented.

Once again, thank you for the cooperation and courtesy extended to my staff during the audit.

(This page intentionally left blank.)

Table of Contents	Summary of Results	5
	Background	6
	Audit Objectives	7
	Audit Findings	7
	Has USAID/Dominican Republic complied with selected requirements for administering participant training conducted in the United States?	7
	Trainees did not Exclusively Travel with J-1 Visas	8
	Participant Training Files were not Complete	8
	Conditions of Training Forms were not Completed	10
	Monitoring Database was not Complete	11
	What have been the non-returnee rates for overseas participants from the Dominican Republic who trained in the United States and did USAID/Dominican Republic take appropriate action when participants failed to return?	11
	What additional actions should USAID/Dominican Republic take to meet new requirements for selecting, monitoring, and reporting on participants training in the United States?	12
	Inappropriate Information Systems Access	12
	Other Matters	13
	Management Comments and Our Evaluation	14
Appendix I – Scope and Methodology	15	
Appendix II – Management Comments	17	

(This page intentionally left blank.)

Summary of Results

As part of its fiscal year 2003 audit plan and in connection with an Office of Inspector General worldwide audit on the topic, the Regional Inspector General/San Salvador conducted an audit to determine the following:

- If USAID/Dominican Republic complied with selected requirements for administering participant training conducted in the United States (page 7).
- What the non-returnee rate was for overseas participants from the Dominican Republic who were trained in the United States and whether USAID/Dominican Republic took appropriate actions when participants failed to return (page 11).
- What additional actions should USAID/Dominican Republic take to meet new requirements for selecting, monitoring, and reporting on participant training in the United States (page 12).

USAID/Dominican Republic complied with a requirement to define participant training administration roles but did not comply with the requirements that trainees travel on the proper type of visa (page 8), that participant training files contain certain items (page 8), that Conditions of Training forms be used (page 10), and that the monitoring database contain complete data (page 11).

According to Mission officials, only one participant failed to return to the Dominican Republic since the beginning of fiscal year 2000. We could not determine whether the Mission's actions in response to this participant were adequate because documentation was not maintained by the Mission (page 12).

To meet new participant training selection, monitoring, and reporting requirements, USAID/Dominican Republic should assign data entry and data verification roles in accordance with *USAID Visa Compliance – The Complete Guide* (page 13).

Finally, Mission officials raised concerns about the participant training activities that were not specifically related to the audit objectives. Their issues included concerns about the length of time required under the new participant training visa process to obtain J-1 visas, the utility of requiring J-1 visas for all trainees without exception, and the Mission's role in processing visa applications for centrally-funded programs (page 13).

We made four recommendations to address the items discussed in this report. Recommendations included that USAID/Dominican Republic ensure that participant trainees travel on J-1 visas (page 8); obtain insurance, medical eligibility, English proficiency, and tax identification numbers (page 10); ensure that participants sign training commitment forms (page 10), and limit access to visa application processing systems (page 13).

In responding to our draft report, USAID/Dominican Republic either presented steps being taken to address each recommendation or notified us why they believed the recommendation was not realistic. The Mission’s comments are included in their entirety in Appendix II (page 17).

Although the Mission believed that Recommendation No. 1 was not realistic, final action was taken because it established a policy to use J-1 visas (page 14). The Mission agreed with Recommendation Nos. 3 and 4, and final action was taken on them (page 14). A management decision was not made on Recommendation No. 2, because the Mission did not agree to ensure English proficiency of all participants (page 14).

Background

USAID’s participant training program is used for transferring knowledge, skills, and attitudes to foreign nationals overseas. These training activities may include academic degree and non-degree programs, technical training, study tours, observational tours, and conferences. Training can be conducted in the United States, in host countries, or in third countries. This audit only covered participants who attended training in the United States.

USAID/Dominican Republic administers and monitors two types of participant training activities. One type allowed students to go to the United States to study under Georgetown University’s Cooperative Association of States for Scholarship (CASS) program. Under the CASS program, high school students competed for scholarships to community colleges in the United States to study agricultural administration, rural health services, quality control, electromechanical technology, nutritional science, or telecommunications. Additionally, the program offered training at community colleges in the United States to experienced school teachers and nurses. The other type (non-CASS) allowed individuals to attend seminars and observational tours, typically lasting less than 30 days, related to USAID/Dominican Republic’s strategic objectives.

Beginning with fiscal year 2000, USAID/Dominican Republic provided the following statistics related to the numbers of participant trainees of each type.

Fiscal Year	Non-CASS	CASS	Total
2000	48	43	91
2001	42	35	77
2002	39	47	86
2003	0	0	0
Total	129	125	254

Participant training is of interest to the Office of Inspector General because of the attention directed toward foreign students and visitors to the United States after the September 11th terrorist attacks. Consequently, the Immigration and Naturalization Service of the Department of Justice (now the Department of Homeland Security) and the Department of State implemented new requirements that affected visa application processes for all foreign students and visitors. The new requirements obliged USAID to make changes in several decentralized processes used to manage its participant training programs.

The participant training activities we analyzed included seminars, observational tours, and scholarship programs from October 1, 1999 through March 31, 2003.

Audit Objectives

The Regional Inspector General/San Salvador included an audit in its fiscal year 2003 audit plan to answer the following questions:

1. Has USAID/Dominican Republic complied with selected requirements for administering participant training conducted in the United States?
2. What have been the non-returnee rates for overseas participants from the Dominican Republic who trained in the United States and did USAID/Dominican Republic take appropriate action when participants failed to return?
3. What additional actions should USAID/Dominican Republic take to meet new requirements for selecting, monitoring, and reporting on participants training in the United States?

Appendix I describes the audit's scope and methodology.

Audit Findings

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

In administering participant training conducted in the United States, USAID/Dominican Republic complied with a requirement to establish roles for personnel entering data, verifying data, and approving participant training applications; however, it did not comply with the other following requirements selected for review:

- Trainees did not exclusively travel with J-1 visas to participant training events.
- Participant training files were not complete.

-
- Conditions of Training forms were not completed.
 - The monitoring database TraiNet was not complete.

In April 2003, USAID published a document titled *USAID Visa Compliance – The Complete Guide*. The guide defined the roles that needed to be filled by Mission personnel to administer participant training events. There were three roles defined in the guide that were applicable to the Mission – data entry, data verification, and participant training application approval. At USAID/Dominican Republic, staff members were identified for and assigned to each of those roles.

In addition to reviewing whether roles were assigned, the audit considered whether participant trainees traveled to the United States using J-1 visas, whether files were complete, whether Conditions of Training forms were used, and whether the monitoring data base was complete. The Mission did not comply with its responsibilities in those areas.

Trainees did not Exclusively Travel with J-1 Visas

USAID policy in the Automated Directives System (ADS) section 253.5.6(a) requires any foreign national attending a training activity in the United States, who is sponsored fully or in part with U.S. Government funds, to enter the United States on a J-1 visa (non-immigrant student visa for formally sponsored students/participants). We reviewed a sample of 41 out of 86 participant trainees from fiscal year 2002. Of the 41 in the sample, 31 participants traveled with J-1 visas and 10 did not. J-1 visas were not used in all instances because USAID/Dominican Republic adopted a practice of allowing prominent government officials or businessmen to use other types of visas if the trainee already had a valid visa of another type for other purposes. As a result, the federal government may not have tracked all participant trainees traveling or studying in the United States and trainees did not become subject to the two-year residency requirement, associated with J-1 visas, to reside in the Dominican Republic after returning from training. Consequently, we are making the following recommendation.

Recommendation No. 1: We recommend that USAID/Dominican Republic comply with USAID regulations regarding the issuance of J-1 visas to all participants traveling to the United States for training.

Participant Training Files were not Complete

For some of the 41 participant trainee files sampled, the following documentation was missing:

-
- Health and accident coverage.
 - Certificates of medical eligibility.
 - Evidence of English proficiency.
 - Taxpayer identification numbers.

The participant training files at the Mission were used only as repositories for information instead of as an active monitoring tool. Although the mission filed documentation received, it did not maintain all documentation required by USAID policies. As a result, the mission cannot be certain that health and accident coverage, a certificate of medical eligibility, evidence of English proficiency, and an individual tax identification number were obtained for each participant sponsored by the mission.

Lack of Evidence of Health and Accident Coverage – Health and accident coverage is required for all U.S.-based participants (ADS 253.5.6(b)). Of the 41 participant training files sampled, 31 files did not contain documentation of health and accident coverage. According to mission officials the coverage may have been provided by the contractors or grantees that coordinated the training event. However, the mission did not ensure that coverage was obtained. Ensuring that trainees have health and accident coverage is vital in that participants traveling without insurance could incur unmanageable health care costs in the United States. Even though the medical costs would not be a liability to USAID, it would burden the trainee.

Certificates of Medical Eligibility – Certification of medical eligibility for admission to the United States on a J-1 visa is required unless the sponsoring unit has purchased from a health and accident coverage contractor special insurance coverage for short programs of 30 days or less (ADS 253.5.6(b)). One file reviewed did not have a certificate of medical eligibility as required. According to a Mission official, the certification may have been misplaced. A participant who is not medically eligible may not be able to complete the training due to health reasons.

Participant Trainees are not Tested for English Proficiency – Proficiency in English is required for participant trainees traveling with a J-1 visa, unless an interpreter accompanies the participant (ADS 253.5.6(c)). Mission officials did not comply with this requirement because they believed that participants had the needed language skills or could acquire the language skills during training. The proficiency requirement applied to 30 trainees of the 41 examined in the audit sample. Of those 30 trainees, none had evidence of proficiency in English. As a result, language difficulties could have minimized the effectiveness of training sessions.

No Evidence of Individual Taxpayer Identification Numbers – Sponsoring units or their contractors, grantees, and cooperating partners must ensure that an individual taxpayer identification number (ITIN) is obtained for each participant that is expected to incur a tax liability (ADS E253.5.2(b)). Of the 41 trainees in the sample, the ITIN requirement applied to the 23 trainees studying under Georgetown University’s Cooperative Association of States for Scholarship (CASS) program. None of the files for those participants contained ITINs. According to a CASS official, procuring ITINs was not a responsibility of the local CASS office. If they were procured by CASS in Washington, copies were not sent to the Mission. As a result, USAID cannot be certain that participant trainees received ITINs.

Based on the preceding, we are making the following recommendation:

Recommendation No. 2: We recommend that USAID/Dominican Republic establish procedures to ensure that training files contain evidence of health and accident coverage, medical eligibility, evidence of English proficiency, and tax identification numbers.

Conditions of Training Forms were not Completed

ADS 253.5.2 stipulates that participant trainees should complete a Conditions of Training form (Form AID 1381-6). This form outlines commitments that the trainee makes by accepting training from USAID. Some of the commitments the participant trainee makes include the following:

- Return home immediately following training and remain for two years before attempting to immigrate to or work in the United States.
- Travel on a J-1 visa.
- Limit USAID’s liability for medical costs.

USAID/Dominican Republic used the form in connection with participant trainees traveling to the United States under the CASS program but did not use the required form in the cases of trainees involved in seminars or observational tours lasting less than a few weeks. For these trainees, using the form seemed too bureaucratic. As a result, participants traveling to seminars may not be aware of the commitments related to their training.

Recommendation No. 3: We recommend that USAID/Dominican Republic implement a procedure to ensure that all participants sign the required Conditions of Training form.

Monitoring Database was not Complete

ADS 253.5.2 (e) identifies TraiNet as USAID's database management system for monitoring participant training. Essential information was not entered into the system in all cases. Of the 41 participant training files sampled, no data for one individual was entered into TraiNet. Of the 40 individuals with data included in TraiNet, several were missing information. Twelve trainees in the TraiNet database were missing passport numbers, the type of visa issued, and the visa expiration date. Data were missing because data entry was performed after the fact and was not subject to verification and systematic data integrity checks. Consequently, data may not provide useful or accurate information about a training program.

We are not making a formal recommendation to improve the data entry and verification process for TraiNet because the Mission was already in the process of implementing new procedures and a new version of TraiNet that includes data entry and verification steps.

What have been the non-returnee rates for overseas participants from the Dominican Republic who trained in the United States and did USAID/Dominican Republic take appropriate action when participants failed to return?

The non-returnee rate for overseas participants from the Dominican Republic who trained in the United States between fiscal year 2000 and the middle of fiscal year 2003 was 1 out of 254 participants or 0.39 percent. We could not determine whether actions taken by the Mission were appropriate when this participant failed to return to the Dominican Republic.

The non-returnee rate figure was based on data provided by the Mission. USAID/Dominican Republic provided a listing of individuals who participated in training in the United States from the beginning of fiscal year 2000 through the middle of fiscal year 2003. We did not independently confirm that the other participants returned to the Dominican Republic because evidence to verify participants' return was not available at the Mission.

ADS E253.5.2 requires that missions or their partners report participants that do not return from training to the USAID bureau in Washington that oversees participant training activities. As mentioned previously, USAID/Dominican Republic reported only one instance of a participant failing to return from training since the beginning of fiscal year 2000. Mission officials could not recall if notice was sent to Washington that the participant failed to return home after training, and the Mission could not provide evidence of having done so. To follow up on the instance, a Mission official with responsibility over the program reported that he attempted to locate the non-returning participant by seeking information from the participant's employer. Nevertheless, he was not able to

locate the trainee, and the Mission was not able to attempt to recover the cost of training (approximately \$1,300).

We did not make a determination about whether the Mission took appropriate action to locate the non-returning participant because the actions taken were either not documented or were not available at the Mission. Trying to make an assessment solely on the recollection of individuals regarding actions taken three years ago did not seem reasonable. Since participants failing to return has been an infrequent problem (according to the non-returnee statistics provided by the Mission), we are not making any recommendations related to the adequacy of actions taken by the Mission in the instance as noted above. Likewise, we are not making a recommendation related to the lack of documentation. We would like to remind the Mission of the need to document events such as this, but a formal recommendation is not considered necessary.

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

USAID/Dominican Republic should take action to meet new requirements for selecting, monitoring, and reporting on participants training in the United States by assigning access to visa processing systems consistent with responsibilities defined in USAID's visa compliance guide.

Inappropriate Information Systems Access

As mentioned previously in the report, *The USAID Visa Compliance – The Complete Guide* defines the responsibilities that people should have under the participant training visa process (see page 8). Mission officials involved in the process should have the ability to perform only data entry, data verification, or visa application approval. According to the guide, the three responsibilities should be filled by three separate individuals.

At USAID/Dominican Republic, three distinct individuals were identified to fill each of the three roles; however, access within the computer system had been enabled to allow two of those individuals to perform both data entry and data verification tasks. According to Mission officials, this was done intentionally in order to ensure that visa applications could be processed even if one of the people with primary responsibilities for entering or verifying data happened to be away from the office. Unfortunately, allowing a single individual access to data entry and data verification tasks within the system could result in data entry errors.

To bring the Mission into conformity with the *USAID Visa Compliance – The Complete Guide*, we make the following recommendation:

Recommendation No. 4: We recommend that USAID/Dominican Republic limit access to visa processing systems in accordance with *USAID Visa Compliance – The Complete Guide*.

Other Matters

During the course of the audit, officials at USAID/Dominican Republic voiced concerns about certain issues related to the participant training program that were not specifically related to the audit objectives. Officials were concerned about the following:

- The length of time required to obtain J-1 visas for participant training travel.
- The utility in requiring all participant trainees to travel on J-1 visas.
- The apparent lack of TraiNet access in Washington for USAID personnel stationed there to input participant trainee visa information.

Under the visa application process, *USAID Visa Compliance – The Complete Guide* states that a minimum of eight weeks will be needed to obtain a J-1 visa for trainees. Although Mission officials attempt to plan their training events with sufficient lead time, there could be instances when officials may not become aware of an event eight weeks prior to the event or alternate participants may need to be sent as a result of changes to personal schedules. Mission officials were concerned that important training events could be missed because of the eight week period required to obtain visas.

According to Mission officials, a significant number of people who travel to the United States to attend seminars or other short training events already have some type of valid visa to enter the United States other than a J-1 visa. Requiring individuals who already have a visa to obtain a second visa was seen as inefficient and at times offensive to Dominican Republic government officials or prominent business leaders. The issue is exacerbated by the fact that immigration law, according to the Regional Legal Advisor and the U.S. Consulate in the Dominican Republic, does not stipulate the use of the J-1 visa, without exception.

A final concern of the Mission's participant training staff resulted from a request for assistance from a USAID/Washington official. The official in Washington was involved in a centrally funded activity that needed to obtain visas for two individuals living in the Dominican Republic. Because this official did not have access to TraiNet in Washington, the official requested that Mission personnel input the visa application information into the system. From the Mission's point of view the problem was that it had no involvement with the program and no familiarity with the participants. The Mission was concerned that it may not be

proper for Mission employees to assume responsibility for data entry, verification, and authorization over trainees from other programs.

Management Comments and Our Evaluation

In responding to our draft report, USAID/Dominican Republic either presented steps being taken to address each recommendation, or notified us why they believed the recommendation is not valid or actionable. Its comments are included in their entirety in Appendix II.

Regarding Recommendation No. 1, although the Mission disagreed with the reasonableness of the Automated Directives System (ADS) requirement, the Mission approved a new Participant Training Mission Order which stipulated that a J-1 visa is required for each participant traveling to the United States. Therefore, final action has been taken on this recommendation.

Regarding Recommendation No. 2, the Mission approved a new Participant Training Mission Order to ensure that training files contain evidence of health and accident coverage, medical eligibility, and evidence of English proficiency. Furthermore, the Mission Order anticipates that individual tax identification numbers (ITIN) will be communicated through TraiNet. However, regarding procedures to ensure that participants become proficient in English, USAID/Dominican Republic stated that it “has no way of knowing what the participant’s English ability is *after* the completion of the CASS English training, and before participants start their actual scholarships.” Whereas it is understandable that participants studying under the CASS program typically are not proficient when they begin the program; that does not negate the need to ensure that students attain proficiency in English before continuing with their studies. A procedure to monitor students’ proficiency after English training but before beginning scholarship is critical to ensure that the student can successfully complete the program. Consequently, for this recommendation, a management decision has not been made with respect to English proficiency.

Regarding Recommendation No. 3, the Mission agreed with the reported finding and has already implemented a new Participant Training Mission Order requiring that all participants sign a Conditions of Training Form. Therefore, final action has been taken on this recommendation.

Regarding Recommendation No. 4, the Mission agreed with the reported finding and has already limited access to visa processing systems in accordance with *USAID Visa Compliance – The Complete Guide*. Therefore, final action has been taken on this recommendation.

**Scope and
Methodology****Scope**

We audited participant training activities at USAID/Dominican Republic in accordance with generally accepted government auditing standards.

We conducted the audit at USAID/Dominican Republic. The participant training activities we analyzed included seminars, observational tours, and scholarship programs in the United States from October 1, 1999 through March 31, 2003.

To answer the audit objectives, we conducted interviews with Mission officials, the regional legal advisor in the Dominican Republic, strategic objective team leaders, U.S. embassy officials, and funding recipients.

In conducting our audit, we assessed the effectiveness of USAID/Dominican Republic's management controls with respect to participant training activities. We identified management controls as:

- Maintenance of participant training files.
- Maintenance of data in the participant training database TraiNet.
- Use of J-1 visas.
- Collaboration between strategic objective teams, contractors and grantees, and Dominican Republic government counterparts in selecting training events and participants.
- Definition of participant training roles.

Methodology

Related to our first audit objective, we tested whether the Mission used J-1 visas and documented that participants obtained health and accident coverage, medical eligibility certification, English proficiency tests, tax identification numbers, and Conditions of Training forms as required in USAID's Automated Directives System section 253. To do so, we selected participant training files for fiscal year 2002 using statistical sampling techniques. Although the population included 87 participant trainees, one participant who was selected as part of the sample did not actually leave for training because of health reasons. As a result, the population of trainees who traveled was 86. Assuming a 5 percent error rate, we designed the sample to provide 95 percent confidence with 4 percent precision. The

Appendix I

resulting sample size was 42 trainees. As mentioned one of those did not travel, so we examined 41 participant trainee files for evidence of health and accident coverage, medical eligibility, English proficiency tests, tax identification numbers, and Conditions of Training forms.

To determine the significance of our findings related to the testing done under the first audit objective, we set the threshold for a qualified opinion at 5 percent error rate for the sample tested. We set the threshold for an adverse opinion at 10 percent.

For our second objective, we calculated the non-returnee rate based on information provided by USAID/Dominican Republic. We did not test whether the individuals listed in the Mission's records actually returned to the Dominican Republic as indicated by Mission officials because the necessary evidence, such as a copy of a passport page with an entry stamp, was not available at the Mission.

For the third objective, we interviewed Mission officials with duties described in *USAID Visa Compliance – The Complete Guide*.

Setting significance thresholds for the second and third objectives was not necessary as they were descriptive in nature.

**Management
Comments**

**UNITED STATES AGENCY FOR INTERNATIONAL
DEVELOPMENT
SANTO DOMINGO, DOMINICAN REPUBLIC
UNITED STATES GOVERNMENT
MEMORANDUM**

To: Christine M. Byrne, CPA
Audit Manager, USAID Regional Inspector General,
San Salvador, El Salvador

From: David Delgado, Acting Mission Director
USAID/Santo Domingo

Subject: Mission Response to Participant Training Audit

Date: August 18, 2003

USAID/DR provides the following response to the audit of USAID/Dominican Republic Participant Training Activities, conducted by RIG, San Salvador in April 2003 in Santo Domingo.

Summary: USAID/DR appreciates the time and thoroughness of the Regional Inspector General auditors. The resultant recommendations will help ensure that the Mission is in compliance with ADS guidelines and the new Visa Compliance System. Our responses note that the Mission anticipates possible changes to the ADS with respect to J-1 visas, and we welcome comments on our interpretation of this requirement. The Mission also would like to highlight the difficulty in maintaining completed files for participant trainees that are managed through the centrally-funded Cooperative Association of States for Scholarship (CASS) program between USAID/W and Georgetown University. The audit enabled the Mission to engage the Latin America and Caribbean (LAC) Bureau and Georgetown University in a useful email dialogue about how best to comply with all of the ADS requirements, Visa Compliance System (VCS) procedures, and Trainet database. It became clear that not all of these functions are the primary responsibility of the Mission. We believe that this dialogue should continue, as it will prove helpful to all Latin American USAID Missions that participate in the CASS program (as well as other cases where

centrally-funded training programs are managed by field Missions). More importantly, the results of this dialogue should be solidified through appropriate policy changes to the ADS.

Recommendation No. 1: We recommend that USAID/Dominican Republic comply with USAID regulations regarding the issuance of J-1 visas to all participants traveling to the United States for training.

Mission's Response: USAID/DR believes that we are complying with USAID regulations regarding the issuance of visas. The Mission has worked closely with the Consular Section of the U.S. Embassy in Santo Domingo to ensure that the visas issued to individuals traveling to the United States with USAID funding were legally sufficient and were in the best interest of all the parties involved.

There is no statutory or regulatory requirement that all individuals who travel to the United States with U.S. government funding travel with a J-1 visa. Rather, as a matter of policy, USAID has concluded that the Agency has a strong interest in having individuals travel with J-1 visas so that (1) the people who the Agency sends to the U.S. for training return to their home countries for at least two years to share the development knowledge acquired in the U.S.; and (2) these individuals can be tracked in accordance with the SEVIS regulations, which helps the USG better control our borders.

Nevertheless, in certain situations, an individual who USAID is funding for travel to the U.S. may already have a visa or the J-1 visa may not seem to make sense for that individual. An example of this would be when USAID wishes to send a prominent business person to the U.S. to participate in a short trade seminar. First, that individual already may have a B-1 visa. Second, that individual may later choose to expand operations to the U.S. (which is in the U.S.'s interest of creating jobs and creating economic growth domestically) and that individual may be eligible for an L-1 visa (or some other type of investor's visa) in the future. Requiring this individual to get a J-1 visa might not make sense.

Another example would be sending a high level government official, such as a Supreme Court Justice, who already has a diplomatic (A visa) to the United States to participate in a short conference. It is highly unlikely that such an official would jeopardize his or her diplomatic status by overstaying his or her visa, and the individual may not wish to travel to the United States if it means jeopardizing the individual's current visa. In such a case, it would be *against* the U.S. government's interest to require that individual to travel with a J-1 visa.

For these reasons, the Mission believes that the ADS should be revised and new guidance issued that makes it clear that it is USAID policy, not U.S. law, which states that individuals travel only on J-1 visas. Mission Directors should also be given authority to deviate from this policy. USAID/Washington may choose to reserve approval of any deviation from this policy.

For these reasons, USAID/DR does not feel that this is a valid recommendation or one that can arrive at a management decision with final action to be taken. The Mission

requests that the Regional Inspector General for Audit review this recommendation based on our discussion above to consider whether the recommendation is valid, or whether it can be modified into something more concrete to arrive at a management decision where final action can be taken. In the meantime USAID/DR has increased attention to assure compliance with regulations in this area; continues to work closely with the Consular Section of the U.S. Embassy to assure compliance with USG laws; and is providing input to the ADS revision based on actual cases.

Recommendation No. 2: We recommend that USAID/ Dominican Republic establish procedures to ensure that training files contain evidence of health and accident coverage, medical eligibility, evidence of English proficiency, and tax identification numbers.

Mission's Response: A new Participant Training Mission Order was approved by the Acting Mission Director on August 18, 2003. The Mission anticipates 100% compliance with the required documentation for health and accident coverage, medical eligibility, and evidence of English proficiency or an exemption waiver signed by the CTO or appropriate Mission official (per ADS 253.5.6(c)). These documents may be housed at the USAID Mission or with a USAID contractor or grantee.

In the case of individual tax identification numbers (ITIN) for participant trainees who will incur a tax liability, the applicable trainees in the USAID/DR audit were all CASS participants. The CASS central program is responsible for obtaining ITIN and sending verification of ITIN to the Mission through Trainet. The Mission, therefore, cannot control the issuance of ITIN for CASS scholars. Additionally, because CASS participants receive English training upon arrival in the U.S., the Mission will sign exemption waivers for the English proficiency requirement for all future CASS participants, as the Mission has no way of knowing what the participant's English ability is *after* the completion of the CASS English training, and before participants start their actual scholarships. Because of the unique nature of the CASS program, perhaps the ADS should be revised with discrete paragraphs on responsibilities for ITIN and English proficiency with respect to CASS participant trainees.

Based on the above discussion, and the issuance of the new Participant Training Mission Order No. 253 – approved by the Acting Mission Director on August 18, 2003 (copy attached) – USAID/DR requests a determination that a management decision has been reached and that final action has been taken.

Recommendation No. 3: We recommend that USAID/Dominican Republic implement a procedure to ensure that all participants sign the required Conditions of Training form.

Mission's Response: The newly-approved USAID/DR Mission Order on Participant Training requires full compliance with this recommendation and will be duly implemented. Based on the issuance of the new Participant Training Mission Order No.

253, USAID/DR requests a determination that a management decision has been reached and that final action has been taken.

Recommendation No. 4: We recommend that USAID/Dominican Republic limit access to visa processing systems in accordance with USAID Visa Compliance – The Complete Guide.

Mission's Response: The Mission complied with this recommendation on August 1, 2003. Please see attached email [Not included in Report] to from EGAT/HCD for confirmation that Sonia Richiez's role as a "Verifier" was removed from the VCS system. Based on this action, USAID/DR requests a determination that a management decision has been reached and that final action has been taken.