

March 30, 2015

Ms. Lisa M. Farrell
Office of Risk Analysis and Management
U.S. Department of State
2201 C Street, NW
Washington, DC 20520

Re: Risk Analysis and Management
Federal Register Notice of January 28, 2015
Docket Number: DOS-2015-0004

BY ELECTRONIC MAIL to Farrelllm1@state.gov

Dear Ms. Farrell:

This letter responds to a Department of State notice published in the Federal Register on January 28, 2015 seeking to extend a currently approved information collection for a pilot program to vet potential contractors and grantees, using Form DS-4184.

Inside NGO is a membership organization comprised of more than 300 non-governmental organizations that operate humanitarian relief, economic development, health promotion and civil society programs worldwide. Most member organizations receive financial assistance awards (grants and cooperative agreements) from the U.S. State Department (DOS) and the U.S. Agency for International Development (USAID). Some also receive contract awards from those agencies. Accordingly, they are vitally interested in policies and practices that affect the award, administration, and audit of these instruments.

Since July, 2007, Inside NGO and its members have been fully engaged regarding the proposals first made by USAID, under what it referred to as its "Partner Vetting System" and subsequently by DOS under the term "Risk Analysis and Management." In the intervening period, we have commented on each notice published by either agency concerning the various iterations of this vetting program, regardless of the title used by the proposing agencies. We have continued to express doubt about the necessity for such a program and objections to the way that the pilot has been undertaken. Our assertions in those comments have been and continue to be:

- (1) **The screening procedure related to this information collection is neither required nor necessary.** In FY 2010, Congress prohibited DOS and USAID from establishing a comprehensive program and authorized but did not require the establishment of a pilot program. In the intervening period, DOS and USAID have shown no evidence that existing screening and information collection procedures involving the Excluded Parties List System (EPLS), the Special Designated Nationals (SDN) list, and reporting under regulations under the Federal Funding Accountability and Transparency Act (2 CFR 25 and 2 CFR 170) are failing to identify national security risks. Despite operating the pilot program for several

years, we have not seen any conclusions drawn by DOS about the program's necessity or results. In effect, this is demonstrated by the requirement contained in PL 113-235 that still anticipates a report to Congress, upon conclusion of the pilot (not yet defined by date), which would contain criteria for evaluation about possible expansion.

- (2) **The accuracy of the State Department's estimates of the burden of the proposed collection remains very unclear.** At no time has the Department documented the basis for the number of respondents, the number of responses, or the average amount of time needed for a response in this latest notice. And we believe it is instructive that, in its information collection request submission to the Office of Management and Budget in 2012, the Department identified 1250 respondents, with 5 responses each, and an average of 75 minutes per response. That contrasts significantly to the current notice which identifies 800 respondents, 800 responses, and 75 minutes per response. There is no evidence cited from the experience gained under the pilot that these data are more credible than those used three years ago. The absence of any data about how many responses would come from direct grantees and contractors versus subgrantees and subcontractors is particularly telling. If the Department of State is serious about the need for this program, it should be serious about the accuracy of the tools it is using to attempt to implement it.
- (3) **The regulations (5 CFR 1320) issued pursuant to the Paperwork Reduction Act strongly suggest that avoiding duplicate information collection is a significant objective of that statute.** Yet there has been no apparent attempt to acknowledge the other information collections being pursued under requirements cited above and to attempt to use them. We understand that the RAM procedures, taken together, have almost certainly had a chilling effect on the willingness of some perfectly legitimate organizations to respond to agency solicitations and thus to participate in federal assistance and acquisition programs.

Inside NGO and its members have no interest in seeing U.S. government resources purposely or inadvertently provide support to entities or individuals who conduct or support terrorism or who pose national security risks. We understand the harm that would be done to the U.S. Government's foreign assistance program and to affected non-governmental organizations if that were to happen. However, we believe that the approach being pursued in connection with the subject information collection is not well conceived. We submit that, if it were, DOS, USAID, and ultimately the Congress would have been able to judge by now whether it should be expanded or curtailed.

Sincerely,



Alison N. Smith
President and Chief Executive Officer