STATUS REPORT

Partner Vetting System (PVS) Pilot Program

Overview

The U.S. Department of State (State) and the U.S. Agency for International Development (USAID) are implementing a coordinated Partner Vetting System (PVS) pilot program consistent with the relevant language in the FY 2010 Appropriations Act, made applicable to FY 2011 activities pursuant to the FY 2011 Continuing Resolution.

USAID's and State's experience in conducting other vetting programs, in particular the USAID program in West Bank/Gaza, which vets foreign nationals, has helped to inform the design of the PVS pilot program. This vetting system screens key contract and grant personnel and organizations against national security databases.

Status

- Both agencies have assembled project teams to define the parameters for the pilot program and to share resources.

- State and USAID have agreed to conduct the pilot in the following countries:
  - Guatemala
  - Kenya
  - Lebanon
  - Philippines
  - Ukraine
    - Note: Countries selected for the pilots represent a range of terrorist threat risks from critical to low, reflect geographic diversity, and are located where both Agencies have comparable programs.

- To date $2.5 million has been spent on USAID's vetting systems for West Bank/Gaza and other ongoing and future vetting programs.

- USAID and State have conducted joint briefings for Congressional staff on the House and Senate Appropriations Subcommittees on Foreign Operations, as well as the Senate Foreign Relations Committee and the House Foreign Affairs Committee.

- Testing of the Secure Portal for the PVS database is expected to be completed in October, 2011. The Secure Portal will allow implementing partners to submit their organization's information directly into the PVS database. This functionality will further support the security and processing of vetting data.

Objective

- The pilot program will test a risk-based model in order to assess the potential that U.S. Government (USG) funds, awarded in the form of contracts and grants, might be diverted to entities or individuals associated with terrorism. Data from the pilot program will inform State and USAID decisions regarding implementation of any expanded PVS program.

Expected Outcomes

- Through the pilot program, State and USAID will gather information regarding the costs and benefits of expanding PVS as a further means to prevent funding of terrorists or terrorism.

- Projected outcomes include:
    - Validation of risk-based model;
    - Determination of systems and process efficiency; and
    - Collection of data on:
        - The number of grants and contracts impacted by vetting; and
        - Financial information to conduct a cost/benefit analysis.

Regulatory Requirements

- Regulatory actions may affect the formal beginning of vetting; however pilot activities are expected to commence in the first quarter of FY2012.

- The initial comment period for the USAID Partner Information Form (PIF) renewal closed on August 17, 2011. USAID is currently submitting responses to public comments to the Office of Information and Regulatory Affairs for final clearance. The PIF is the form used by USAID to collect information from implementing partners on the recipient organization and their key personnel.

- USAID expects to publish the Final Rule: Partner Vetting in USAID Acquisitions and the Proposed Rule: Partner Vetting in Grants in September.

- State expects to publish the System of Records Notice and Privacy Impact Assessment in September.