

Supporting Statement for Paperwork Reduction Act Submissions

U.S. Agency for International Development (USAID)

Information Collection Request for Partner Vetting System Pilot Program and Other Enhanced Vetting

A. JUSTIFICATION

1. Explanation of necessity

The principal purpose of the Partner Vetting System (PVS) Pilot Program vetting and other enhanced vetting for USAID is to help mitigate the risk that USAID funds and other resources could inadvertently benefit individuals or entities that are terrorists, supporters of terrorists, affiliated with terrorists while also minimizing the impact on USAID programs and USAID's implementing partners. Organizations wishing to contract with or receive grants from USAID that are subject to vetting must submit the organization's key individuals (defined as Principal Officers or Deputy, director, president, vice president, program manager, or other person with significant responsibilities) for vetting.

The authority for this screening is provided in Executive Order 13224; the FY06 Foreign Operations Appropriations Act, Section 559 and subsequent appropriations acts; the FY12 Foreign Operations Appropriations Act, Section 7034(i), and subsequent appropriations acts; 18 USC 2339A and 2339B. EO 13224 and 18 USC 2339A and 2339B apply to all USAID programs, while Section 559 specifically addresses the West Bank/Gaza program, and Section 7034(i) specifically addresses the PVS Pilot Program. Additionally, Homeland Security Presidential Directive-6, "Integration and Screening Information to Protect against Terrorism" (Sept. 16, 2003) specifically provides the authority for information contained in this system to be shared for terrorist screening purposes.

In addition to USAID's existing vetting programs in West Bank/Gaza, Afghanistan, and Syria, USAID conducts vetting in five countries as part of a pilot program: Guatemala, Kenya, Lebanon, Philippines, and Ukraine. The primary objectives of the pilot program include assessing the impact and effectiveness of the pilot program and potential for expansion; defining organizational roles and responsibilities; developing operational policy and procedures; determining the type and amount of organizational resources, including personnel, information technology and budget required to conduct vetting; establishing consistent and effective channels for communicating with Congress, the implementing partner community, and the public; and evaluating the effectiveness of vetting as a way to safeguard USAID funds. Outcomes of the pilot will inform the congressionally mandated report to Congress on the joint USAID/State Department PVS Pilot Program and recommendations related to USAID's future vetting policy and processes.

2. Purpose of collection

Information collected through the Partner Information Form will be used to vet proposed awardees that have applied for USAID funding assistance.

The information will be collected from implementing partners applying for a USAID contract, grant or other funding assistance in addition to their sub-awardees. The vetting information may be collected electronically via a web-based secure portal. However, if the implementing partner does not have access to the portal, USAID will accept paper forms, signed by the prime contractor verifying the accuracy and completeness of the information provided by their sub-recipients to the best of their knowledge.

3. Means of collection

USAID will collect information via the Partner Information Form (PIF), AID 500-13 and OMB 0412-0577, and the Secure Portal. USAID applicants may submit information via the secure portal in an automated, electronic format, unless Internet access is unavailable, in which case a PIF may be submitted to USAID. Information provided to USAID should be the same regardless of whether it is submitted via the portal or the PIF.

4. Timing of collection

In order to reduce impact on implementing partners, the PIF will generally be requested following a determination of the 'best and final' or 'competitive range' of applicants. The vetting process will take place outside of the responsibility determination of the acquisition or grant process and will be conducted as an eligibility determination coordinated by mission leadership and the Office of Security.

5. Impact on small businesses or other small entities

This information collection does not have an impact on small businesses or other small entities.

6. Consequences to the Federal program

If this information collection is not conducted, then USAID cannot avail itself of all means at our disposal to adequately screen applicants for federal funding. As for frequency, the information will be collected at the time of application for USAID funding assistance and will only be collected again if the contract or grant is a multi-year award, in which case it will be collected annually; if the key officials within the implementing partner change (in which case it will be re-collected as soon as possible after the change); or if other unique circumstances warrant.

7. Explanation of special circumstances

There are certain circumstances where information collection and vetting may not be required or may be delayed. The following defines those circumstances:

- a. Inter-agency agreements
- b. Personal service contracts
- c. Contributions and grants to Public International Organizations
- d. Government-to-Government agreements
- e. GSA Schedule Orders
- f. PEPFAR activities
- g. Urgently needed humanitarian assistance (i.e. natural disasters, large scale accidents, etc.), although vetting may commence once the immediate need has been addressed and may also be conducted post-obligation.
- h. Contracts between Awardees or Sub-awardees and vendors for the purchase of commercial items (as such term is defined in FAR 2.101) entered into during the ordinary course of business and for the use of such Awardees or Sub-Awardees, provided, however, that vetting will be required prior to the leasing by Awardees and Sub-awardees of housing and/or office space.
- i. Contracts or awards that already require RSO or SEC security clearance
- j. Donor-to-Donor agreements as described in ADS 351
- k. Government officials, employees, ministries, and other related government staff and constituent components, solely when acting in their official government capacity – if a foreign government official is also a key individual because of an ownership interest in a prime or sub, the official would be vetted because of his relationship with the prime or sub.

8. Solicitation of public comments

Consistent with the Paperwork Reduction Act, USAID submits this iteration of PIF for public comment in the Federal Register for 60 days.

9. Explanation of payment or gift to respondents

USAID does not provide payment or gifts in exchange for a benefit sought.

10. Assurance of confidentiality

The information collected about the key officials of these organizations is protected by the provisions of the Privacy Act of 1974. Any personally identifiable information will be protected in accordance with these provisions. For additional information, please refer to the Privacy Impact Assessment (PIA) or the Systems of Record Notice (SORN) for the Partner Vetting System published in the *Federal Register* on July 23, 2007, (72 FR 40110) described the manner in which PII furnished by respondents would be handled in full compliance with the Privacy Act.

11. Justification for any questions of a sensitive nature

The requested information is for identification purposes only. Additional information requested (i.e., Tribal Affiliation) will assist in identification where varied naming conventions exist among the diverse communities in which USAID conducts development and delivers assistance.

12. Estimate of hour burden

For USAID's pilot and non-pilot vetting programs, we estimate that 3,800 PIFs will be completed in a calendar year. This estimate is based on the number of organizations that submitted PIFs to USAID for vetting in the past year, in addition to an estimated number of assistance awards that may be subject to vetting under the pilot program pending finalization of the PVS Assistance Rule.

Based on feedback from our implementing partners and on our experience implementing vetting programs, we estimate that the additional requirements for partner vetting will add 75 minutes to an USAID acquisition or assistance award application. The estimated annual burden to applicants amounts to 4,750 hours (3,800 forms multiplied by 75 minutes per form, divided by 60 minutes). We calculated this burden estimate under the assumptions that the average form submitted will include information on three key individuals and that it would take approximately 75 minutes to gather the necessary information, complete the form, submit the form to USAID, and respond to requests by USAID for additional information, if necessary. This burden estimate includes the amount of time for applicants to inform proposed sub-grantees of their responsibility to complete and submit the form and for those proposed sub-grantees to complete and submit the form to USAID. However, this burden estimate does not include the amount of time required for an applicant or proposed sub-grantee to provide additional vetting information on new key individuals or new sub-grantees.

USAID estimates the cost per submission to be \$57.30. This amount is based on average direct and indirect labor costs for an administrative support employee, as calculated by the U.S. Department of Labor, Bureau of Labor Statistics, multiplied by the time required for the administrative support employee to collect the information, complete the form, submit the form to USAID, and follow up with USAID on information related to the form (hourly wage rate of \$32.74, multiplied by a loaded wage factor of 1.4 to account for benefits and indirect labor costs, multiplied by 75 minutes per form, divided by 60 minutes).

13. Estimate of cost burden

With the implementation of the partner requested secure portal, USAID has made the completion and modification of the PIF much easier for the implementing partner community. No start-up, capital, or maintenance costs to applicants are anticipated as a result of this collection. The PIF can be forwarded to USAID via mail or electronically; USAID believes access to web connectivity and possible postal charges are negligible. No other costs are attributable to this information collection.

14. Annualized costs to Federal government

a. Estimated Vetting Costs

1. Information Technology Maintenance and Upgrades	\$374,613
2. USAID Office of Security (SEC) Costs	\$1,729,789
3. Mission-Based Costs	\$472,313

b. Total estimated cost burden to USAID \$2,576,715

Estimated information technology maintenance and upgrade costs were calculated based on personnel hours spent on PVS application and portal maintenance and upgrades for a period of one year. USAID/SEC's costs include the estimated salaries, benefits, and indirect labor costs for ten direct-hire and non-direct hire analyst positions.

To the extent that data was available, USAID gathered information on costs related to vetting from Missions participating in the Agency's vetting programs. Our calculation of Mission-based costs includes the estimated salaries, benefits, and indirect labor costs for direct-hire and non-direct hire personnel at these USAID Missions, in addition to related rental payments and other services.

Costs in FY 2015 for the continued implementation of USAID's vetting programs amount to an estimated \$2.6 million as outlined above. It is anticipated that information technology maintenance and upgrades, as well as USAID/SEC costs, will remain consistent with costs incurred in previous years. Future Mission-based vetting costs will be dependent largely on: (1) the outcome of the PVS Pilot Program; and (2) the geographic locations of USAID programs and activities to be vetted and their risk profile. USAID plans to complete the pilot program and consult with its implementing partners and Congress before making decisions on whether and how to extend vetting programs (including their associated procedures and costs) more broadly. Evaluation of USAID's non-pilot and pilot programs will enable the Agency to better estimate the annualized costs of this information collection.

15. Program changes

The form required to collect information from USAID applicants is virtually the same document as previously approved by OIRA for collection. The following fields have been included or amended:

- Name of Parent Company (if any) and Company Website provides analysts with the ability to cross-check key individuals to information provided on website and perform additional background research on the company if necessary.
- Location of Proposed Activity can be an important component in the analysis process because there are regions within countries which are characterized by higher or lower levels of connections with terrorist actors.
- Fax and Email enables greater ability to contact and respond to implementing partners.
- Province/Region - Tribal Affiliation provides analysts greater ability to confirm or deny the identity of key individuals where they more closely identify with these characteristics than identifiers more common according to the Western tradition.
- Professional Licenses are another means by which the identity of key individuals can be confirmed and potentially contributes to the final analysis of eligibility.

The cost burden is calculated taking into consideration the current capital costs associated with software development, labor, hardware and software, and licenses required to deploy and implement the new Partner Vetting System.

16. Published results

USAID does not intend to publish the results from this collection of information.

17. Waiver of display of expiration date

USAID is not requesting a waiver of the display of the expiration date of OMB approval.

18. Exception to the certification statement

USAID does not request an exception to the certification of this information collection.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

USAID will not employ statistical methods for this information collection.

C. CERTIFICATION AND SIGNATURES