

RELEASE IN FULL

From: Mills, Cheryl D <MillsCD@state.gov>
Sent: Saturday, October 24, 2009 7:41 AM
To: Pally, Maura M
Subject: RE: IG report press coverage

Maura:

This has really been great work. Thanks for keeping everyone focused and organized and together during the storm, especially after Miller left, and for providing the leadership to start implementing the changes before the report was done to create such a good outcome.

In short – thanks for stepping up and being you.

Help is on the way though she likely won't be confirmed for a bit but you've done such a great job as Acting through this process that it will be a piece of cake to stand on your head until the A/S arrives.

cdm

From: Pally, Maura M
Sent: Friday, October 23, 2009 7:05 PM
To: Mills, Cheryl D
Subject: IG report press coverage

I am happy to report that thus far the press on the IG report has been as good as I could have hoped. Last night CNN.com and two PA papers (Phili Inquirer and Times Tribune) did quick same day stories. CNN.com did a surprisingly mild piece and used an old PJ quote. Today the AP ran a story after interviewing me and it turned out well –focus on importance of the program, steps we have/will take, and acknowledgement that problems needed fixing. Sen. Casey also put out a press release giving the Department credit for taking action adding that more action is needed and he is encouraged “by the new leadership of U/S McHale” (that made me a little sad dog, but not enough to dampen my huge relief that this is so boring to everyone!).

State Dept IG: Exchange programs need closer watch

Oct 23 04:27 PM US/Eastern

By *MICHAEL RUBINKAM*

Associated Press Writer

SCRANTON, Pa. (AP) - The nation's foreign exchange student programs need better federal oversight, the State Department's internal watchdog concludes in a new report following a scandal in which students were placed in shoddy homes in Pennsylvania.

Acting Inspector General Harold Geisel said in the report, released this week, the department's Bureau of Educational and Cultural Affairs has largely abdicated its responsibility to ensure the well-being of thousands of exchange students who come to the United States each year.

Instead, the sponsoring organizations themselves have been left to monitor their own programs and self-report problems to federal regulators, the report said.

"There are insufficient dedicated resources at ECA to conduct effective oversight of youth exchange programs," the report said.

The inspector general began its review in July, following allegations that an employee of a San Francisco-based exchange program placed students in filthy homes around Scranton in northeastern Pennsylvania. Edna Burgette was fired from Aspect Foundation after being charged in July with five felony counts of criminal negligence.

Aspect said it deplored Burgette's actions and had no prior knowledge of the neglect, but the agency was penalized by the State Department.

"We're absolutely committed to strengthening our programs, making them the best they can be and ensuring that all students have safe and rewarding experiences," Maura Pally, acting assistant secretary of state for educational and cultural affairs, told The Associated Press on Friday.

In the wake of the Scranton case, the bureau added staff, established a separate unit to conduct site visits, e-mailed current students to inquire about how their experiences are going, and set up a database to track problems, among other fixes meant to improve oversight.

Also, proposed federal regulations would tighten requirements for host families and set up more rigorous background checks.

"We acknowledge there were serious problems with our monitoring and oversight, and we agree with the IG's assessment that things needed to change," Pally said. "The way things were operating was just not acceptable, and we began making changes even before the report was released."

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CNN.com

Report calls for more oversight of student exchange programs

- **STORY HIGHLIGHTS**

- Inspector general's report cites programs receiving State Department grants
- Report calls for stronger monitoring of youth placement groups
- Report comes after some foreign students complained of neglect, abuse
- Report: Establish requirements for criminal history checks of host families

WASHINGTON (CNN) -- Youth exchange programs receiving U.S. State Department grants are suffering from insufficient oversight and attention from the federal government, according to an inspector general's report released Thursday.



An inspector general's report calls for more oversight of student exchange programs.

The report calls for stronger monitoring of youth placement groups that receive federal grants to sponsor exchange students. It finds that the department has been "relying instead on the coordinator to self-monitor." Participants in the exchange programs are typically 15 to 18 and are among "the most vulnerable," according to the report.

In 2008, the State Department gave 17 such groups \$39.4 million in taxpayer funds to manage programs involving exchange students.

One of those groups, Aspect Foundation, received \$1.08 million of those funds. However, Aspect came under fire this year after students from Europe, Africa and South America -- whom the California-based foundation had placed in Scranton, Pennsylvania -- came forward with allegations of mistreatment and abandonment.

CNN aired a detailed report on the case in July, after which the State Department said it would set up a toll-free telephone number that foreign exchange students could use to report problems and tighten its oversight of government-funded exchange student programs.

The inspector general's report notes that previous audits of the State Department's Bureau of Educational and Cultural Affairs (ECA), which also found deficiencies in program oversight, found the department slow to make changes.

"The incidents in Northeastern Pennsylvania were allowed to happen, in part, because of a lack of clear regulations that allowed sponsor organizations to interpret the rules in a manner that ultimately endangered these students," said Sen. Bob Casey, D-Pennsylvania, on Thursday.

In May, Casey pushed for an investigation into the Department of State's oversight of youth exchange programs following reports out of Scranton.

One student was placed in a Scranton home with a person who had been convicted of a drug-related felony, Lackawanna County, Pennsylvania, District Attorney Andrew Jarbola has told CNN. Some students were so malnourished that one was treated in a hospital for dehydration; another was put up in a home that was later condemned by the city, he said.

The families that housed the students say the allegations are untrue. The Aspect Foundation first denied any problems existed, then said it had corrected them and fired those responsible.

The State Department sanctioned Aspect by reducing the number of students it can bring over for the 2010-2011 school year, a penalty that amounted to a loss of revenue of about \$540,000, according to the department.

"We at the Department of State recognize [because we] are responsible for this program we have to make sure we are aggressively overseeing this program and make sure children are well-suited," said State Department spokesman P.J. Crowley at the time.

The inspector general's report released Thursday does not specifically mention Aspect. It does review four State Department programs, including Youth Exchange Study (YES) and the Future Leaders Exchange (FLEX), both of which have given grants to the foundation.

The report calls on the Bureau of Educational and Cultural Affairs, which oversees the grant programs, to establish requirements for criminal history checks of host families and put more resources into site visits at placement groups.

"The Department of State has taken action to rectify its failure in the oversight and monitoring of exchange programs," Casey said. "However, the real measure of progress will be what specific steps are taken to prevent this problem from happening again."