



Office of Inspector General  
United States Department of State

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Office of Evaluations and Special Projects

September 2024

**Special Review of the Department of State's  
Handling of the Security Clearance  
Suspension of the Special Envoy for Iran**



## Office of Inspector General United States Department of State

~~SENSITIVE BUT UNCLASSIFIED~~

September 17, 2024

### MEMORANDUM

TO: Assistant Secretary Alaina B. Teplitz

FROM: Assistant Inspector General, Evaluations and Special Projects, Jeffrey D. McDermott 

SUBJECT: OIG's Special Review of the Department of State's Handling of the Security Clearance Suspension of the Special Envoy for Iran

The Office of Inspector General (OIG) has completed its review of the Department of State's handling of the suspension of the security clearance of the Special Envoy for Iran. The final report is attached. Consistent with OIG's statutory obligations, OIG will distribute a version of this report to Congress and post a version of this report on OIG's public website within 2 business days.

As noted in the agency response, the Department instructed OIG to redact certain information in this report related to the adjudicative guidelines under which the Special Envoy's clearance was suspended. According to the Department, information about security clearance actions is law enforcement sensitive and subject to an executive branch confidentiality interest and privilege such that it may not be disclosed to Congress.

While OIG favors the release of information to the greatest extent possible and questions the Department's assertion that information about security clearances cannot be shared with Congress, the privileged information belongs to the Department, not OIG. Accordingly, the version of the report provided to Congress has the Department's redactions applied.

The OIG notes the Department has stated its willingness to engage directly in discussions with Congress to accommodate its interest in the underlying redacted information.

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# HIGHLIGHTS

Office of Inspector General  
United States Department of State

ESP-24-01

## What OIG Reviewed

At the request of several U.S. Senators, the Office of Inspector General (OIG) reviewed whether Department of State (Department) officials complied with all relevant laws and regulations regarding the suspension of the security clearance of Special Envoy for Iran Robert Malley and whether the Department followed standard practices following the suspension of the clearance.

## What OIG Recommends

OIG made three recommendations to the Bureau of Diplomatic Security to ensure prompt notification of security clearance actions, to amend its guidance on Information Facilities and Access Restrictions, and to consider whether guidance is needed regarding notice to supervisors and colleagues when an employee's security clearance is suspended. OIG made one recommendation to the Bureau of Diplomatic Security and Global Talent Management to develop standard procedures for when a political appointee's security clearance is suspended. Finally, OIG recommended that the Under Secretary for Management send periodic reminders of the requirement to report allegations of serious or criminal misconduct to OIG.

September 2024

OFFICE OF EVALUATIONS AND SPECIAL PROJECTS

## Special Review of the Department of State's Handling of the Security Clearance Suspension of the Special Envoy for Iran

### What OIG Found

Department officials generally followed standard procedures in the suspension of Special Envoy Robert Malley's security clearance. The Bureau of Diplomatic Security immediately assessed and acted upon the adverse information it received regarding Mr. Malley. The Department deviated from the way that suspensions are typically delivered by delaying notification to Mr. Malley until senior Department officials were apprised of his suspension. The delay allowed him the opportunity to participate in a classified conference call after the suspension was approved, but before he was notified. Also, Department officials restored his access to Sensitive But Unclassified information systems, although such access is usually restricted for individuals in circumstances similar to Mr. Malley. A key justification for the restoration of access was concern that, if Special Envoy Malley was restricted from accessing his Department email account, he might use a personal email account as his primary means of conducting government business, which is explicitly prohibited by Department policy.

OIG also found that the lack of standard policies for political appointees and the lack of supervision of Special Envoy Malley led to significant confusion as to what work Mr. Malley was authorized to do following the suspension. The Department failed to consistently notify employees who regularly interacted with Mr. Malley that he was no longer allowed to access classified information. These conditions likely led to Special Envoy Malley engaging on issues outside the limited scope of issues on which he was authorized to work. Finally, OIG found that the Department did not report the allegations against Mr. Malley to OIG, as required by the Department of State Authorities Act.

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## PURPOSE, SCOPE, AND METHODOLOGY

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On June 29, 2023, U.S. news media reported that the U.S. Department of State (Department) had suspended the security clearance of the Special Envoy for Iran, Robert Malley. Shortly thereafter, on July 13, 2023, members of the U.S. Senate requested that the Department's Office of Inspector General (OIG) examine whether Department officials complied with all relevant laws and regulations pursuant to a security clearance suspension and determine whether Special Envoy Malley maintained access to classified information. In August 2023, OIG began preliminary work on the Department's actions following the suspension, and in September 2023, OIG opened a special review of this matter.<sup>1</sup> For this review, OIG interviewed 20 Department officials, including the former Deputy Secretary of State, the Chief of Staff, the Under Secretary for Management, the former Executive Secretary, the Principal Deputy Assistant Secretary for Diplomatic Security, officials in the Office of the Legal Adviser, and other personnel. OIG also reviewed numerous internal communications, standard operating procedures, protocols, federal law, and relevant sections from the Foreign Affairs Manual (FAM), which is a single, comprehensive, and authoritative source for the Department's organization structures, policies, and procedures. The review focused solely on the actions taken by Department officials after Special Envoy Malley's security clearance was suspended and whether those actions adhered to relevant laws, policies, and procedures by allowing him continued access to Department information and information systems after his security clearance was suspended. OIG did not review the bases for the suspension.

This report was prepared in accordance with OIG's standards for conducting special reviews contained in the Office of Evaluations and Special Projects Handbook (updated July 2022).

## OVERVIEW

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On April 25, 2021, Robert Malley became Special Envoy for Iran, leading the Department's Iran Action Group (S/IAG) after having served on the Department's transition team following the change of administrations in 2021.<sup>2</sup> As Special Envoy in S/IAG, Mr. Malley was a Non-Career

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<sup>1</sup> OIG conducts a "special review" – a hybrid evaluative and investigative product used by many Offices of Inspector General – when there are allegations of misconduct or serious negligence that are systemic in nature and/or involve senior Department officials, particularly when there is a public interest in reporting on OIG's findings. Unlike an investigation, a special review allows OIG to publish its findings and to issue recommendations to the Department.

<sup>2</sup> The Department uses the terms Iran Action Group (S/IAG) and the Office of the Special Envoy for Iran (S/IRAN) interchangeably.

Senior Executive who reported directly to the Secretary of State.<sup>3</sup> The Special Envoy for Iran is designated as a critically-sensitive position for national security purposes and requires a security clearance. Mr. Malley was granted a Top Secret clearance.

On April 20, 2023, the Director of the Department's Office of Personnel Security and Suitability (DS/SI/PSS), an office within the Bureau of Diplomatic Security (DS), received a referral proposing the suspension of Special Envoy Malley's Top Secret security clearance pending an investigation due to adverse information received by DS/SI/PSS. On the morning of April 21, 2023, the Director signed a memorandum suspending his clearance and a notification letter to Mr. Malley, which DS/SI/PSS had intended to deliver on that date.

However, due to a delay, DS/SI/PSS did not deliver the letter to Special Envoy Malley until the following day, April 22. [REDACTED]

<sup>4</sup>

On April 22, the Department also issued an Information and Facility Access Restriction (IFAR) regarding Special Envoy Malley. An IFAR is a document that explains the effects of a security clearance suspension. Due to the suspension of Special Envoy Malley's security clearance, as well as to the nature of the allegations against him, the IFAR restricted Special Envoy Malley from all classified information systems, denied unescorted access to all classified spaces, and restricted him from accessing the Department's Sensitive But Unclassified information system, OpenNet.

On April 25, senior Department officials, via an email from the former Executive Secretary to the Principal Deputy Assistant Secretary (PDAS) for DS, requested that DS restore Special Envoy Malley's unclassified access. On April 26, DS granted the request and thereafter Mr. Malley's access to OpenNet was restored.

At approximately the same time, the former Executive Secretary and the Office of the Legal Adviser discussed Special Envoy Malley's status at the Department.

While there are separate established processes for handling career Civil Service and Foreign Service employees, Department officials concluded that Mr. Malley did not technically fall within either category of employee because he was a political appointee. Generally, Civil Service and Foreign Service employees who have had their security clearances suspended may be

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<sup>3</sup> Members of the Senior Executive Service (SES) operate in key positions below the top Presidential appointees. There are four SES categories, career, non-career, limited term appointments, and limited emergency appointments. Non-career SES appointments are made without time limitation, but appointees serve at the pleasure of the appointing authority. They are not covered by standard civil service removal procedures and have no right of appeal and may be asked to resign or be dismissed at any time.

<sup>4</sup>

permitted to remain in their position and perform duties involving unclassified matters.<sup>5</sup> As such, Department officials concluded that it was permissible for Special Envoy Malley to continue to work as long as the work dealt only with unclassified matters.

Special Envoy Malley continued working until June 29, 2023, when he was placed on leave without pay and told to cease all Department work.<sup>6</sup> On June 29, 2023, the former Executive Secretary sent him a letter stating that without a security clearance, Special Envoy Malley ceased to meet a condition of his employment and could not perform his duties. Department officials told OIG that after two months, they realized that Special Envoy Malley's suspension was unlikely to be resolved quickly, so the original solution of him performing only unclassified work was untenable and he was placed in an indefinite suspension.

As of the publication of this report, Mr. Malley's employment and security clearance remain in a suspended status but he continues to hold the title of Special Envoy for Iran and will do so until he resigns or is removed by the Department if his security clearance is revoked.<sup>7</sup>

## BACKGROUND

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### Position of Special Envoy for Iran

The Office of the Special Envoy for Iran (S/IRAN) was originally established in 2018 as the Iran Action Group by Secretary of State Michael Pompeo, following the United States' withdrawal from the Iran nuclear deal.<sup>8</sup> The Special Envoy reports directly to the Secretary of State (Secretary), serves as the principal advisor to the Secretary on Iran-related matters, and is responsible for coordinating, integrating, and synchronizing the President's Iran strategy across the U.S. government. Given the nature of the Special Envoy's work, the position is designated as critically-sensitive for national security purposes and requires a security clearance.

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<sup>5</sup> According to the Chief of the Bureau of Global Talent Management (GTM) Conduct, Suitability, and Discipline Division (GTM/ER/CSD), the employee's bureau may request and be granted permission for the employee to continue working in their position without a clearance. The GTM/ER/CSD Division Chief told OIG that such requests are rarely made and difficult to grant, because doing so would imply that the employee's position was originally overclassified.

<sup>6</sup> Mr. Malley was allowed to use some of his accumulated annual leave, which the Department notes is a common procedure.

<sup>7</sup> A "revoked" security clearance is not synonymous with a "suspended" security clearance. A security clearance suspension is an "interim measure" taken while DS investigates the adverse information it received. A security clearance may be revoked if DS concludes, after its investigation, that reinstating the suspended security clearance "is not clearly consistent with the national security interests of the United States." 12 FAM 233.4; 12 FAM 234.1.

<sup>8</sup> Michael R. Pompeo, "Remarks on the Creation of the Iran Action Group," August 16, 2018. During the Trump Administration, the position title was "Special Representative for Iran."

As noted above, Mr. Malley was appointed as Special Envoy for Iran on April 25, 2021. Mr. Malley was a direct report to Secretary Blinken, as are several other Special Envoys and Representatives, although the Secretary did not oversee his day-to-day activities.

The Office of the Secretary provides administrative support for the Special Envoy and S/IRAN staff. This assistance was primarily provided by the Office of the Executive Secretariat (S/ES), which manages the Department's internal coordination and is comprised of the Executive Secretary, four Deputy Executive Secretaries, and supporting staff. S/ES currently has nearly 50 offices under its jurisdiction and is also responsible for supporting the Deputy Secretary and Under Secretaries.

## **Security Clearance Requirements**

Federal employees, and candidates for appointment or employment, whose positions require access to classified national security information must be granted and maintain a security clearance. They must undergo a background investigation, the extent of which varies by clearance level, and subsequent adjudication to determine their eligibility to access classified national security information (national security eligibility).<sup>9</sup> The Department is one of 21 federal government agencies that is authorized to conduct background investigations and adjudicate national security eligibility.

According to the FAM, all Department positions "must be designated in terms of their national security sensitivity."<sup>10</sup> The Special Envoy is designated as a "critical-sensitive" position and requires a Top Secret security clearance due to the potential that the incumbent could cause "exceptionally grave damage" to United States national security due to the information that is available to the official.<sup>11</sup> Critical-sensitive is the highest designation a position can receive, followed by "noncritical-sensitive" and "nonsensitive."<sup>12</sup>

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<sup>9</sup> The Foreign Affairs Manual, 12 FAM 233.1, "Standards for Eligibility," defines national security eligibility as "eligibility for initial or continued access to classified information or initial or continued eligibility to hold a sensitive position." A "sensitive position" is one "in which the occupant could bring about, by virtue of the nature of the position, a material adverse effect on the national security . . ." ODNI, SEAD 4: National Security Adjudicative Guidelines (2017).

<sup>10</sup> 3 FAM 2222.1-1.

<sup>11</sup> See 3 FAM 2222.2. Critical-sensitive positions are those that involve: (1) Access to Top Secret national security information; (2) Development or approval of foreign policy, including plans or operations relevant to such policy, or war plans, plans or particulars of future or major or special operations of war, or critical and extremely important items of war; (3) Development or approval of plans, policies or programs which affect the overall operations of the Department; that is, policy-making or policy-determining positions; (4) Investigative duties, the issuance of personnel security clearances, or duty on personnel security or suitability boards; or (5) Fiduciary, public contact, or other duties demanding the highest degree of public trust. 3 FAM 2222.3-3.

<sup>12</sup> 3 FAM 2222.3.

## OpenNet and ClassNet

OpenNet is the Department's Sensitive But Unclassified (SBU) information network that provides access to all unclassified information, including word-processing, email, internet browsing, and Department software and database management systems.<sup>13</sup> Some Department information is also labeled SBU, meaning it is not classified for national security reasons, but warrants/requires administrative control and protection from public or other unauthorized disclosure for other reasons.<sup>14</sup> Categories of SBU information include interagency internal deliberative processes and law enforcement sensitive information, among others.

ClassNet is the Department's classified system and provides a network for email correspondence and other information classified up to the Secret level for national security reasons.<sup>15</sup>

## Bureau of Diplomatic Security's Role in Security Clearance Investigations and Adjudications

The Bureau of Diplomatic Security (DS) is the Department's chief law enforcement bureau, charged with maintaining the safety and security of Department facilities and personnel.<sup>16</sup>

Within DS, there are multiple entities with discrete responsibilities related to security. The Directorate of the Senior Coordinator for Security Infrastructure (DS/SI) is responsible for, among other duties, managing "all matters relating to . . . personnel security and suitability."<sup>17</sup> Housed within SI is the Office of Personnel Security and Suitability (DS/SI/PSS), which investigates and adjudicates national security eligibility, and the Office of Information Security (DS/SI/IS), which is responsible for overseeing information security.<sup>18</sup>

DS/SI/PSS is managed by an office director (PSS Director) who oversees four divisions: (1) Operations; (2) Investigations; (3) Adjudications; and (4) Adverse Actions (DS/PSS/AA).<sup>19</sup> It is the PSS Director who makes the determination to suspend an employee's national security eligibility and security clearance, and DS/PSS/AA prepares the suspension package and notifies the employee.

One of three divisions in DS/SI/IS is the Program Applications Division (DS/IS/APD), responsible for administering the Department's information protection program. After the employee is notified about a security clearance suspension, DS/IS/APD is required to draft and issue an

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<sup>13</sup> 5 FAM 871.2.

<sup>14</sup> 12 FAM 541.

<sup>15</sup> 5 FAM 871.1.

<sup>16</sup> 1 FAM 260 *et seq.*

<sup>17</sup> 1 FAM 262.7.

<sup>18</sup> 1 FAM 261.3; 1 FAM 262.7-1, 262.7-2; 12 FAM 232.1.

<sup>19</sup> 1 FAM 262.7-2(A)-(D).

Information and Facility Access Restriction (IFAR) memorandum signed by the APD Division Chief that explains the suspension-related restrictions on the employee's access to Department facilities and information.

## **Security Clearance Suspension Process**

The suspension of a Department employee's security clearance has several steps, as explained below and summarized in Figure 1:

### ***Step 1: Determination of Interim Suspension***

After the PSS Director determines that an interim security clearance suspension is in the interests of national security, DS/PSS/AA drafts a suspension package, consisting of an action memorandum and notification letter.<sup>20</sup> The action memorandum is a document recording the suspension and lists the ground(s) for the suspension, while the notification letter provides the employee with a written notice of their suspended clearance. The suspension package is then reviewed by the PSS Director and if the Director approves, the security clearance suspension takes effect upon their signature.

### ***Step 2: Prenotification***

Prior to the affected employee receiving notice of the suspension, the senior adjudicator within DS/PSS/AA assigned to the case sends prenotification to relevant Department offices and personnel to alert them to the suspension. The distribution list includes the executive director (EX)<sup>21</sup> and bureau security officer (BSO)<sup>22</sup> of the affected employee's bureau, and offices within DS, the Bureau of Global Talent Management (GTM), and the Bureau of Intelligence and Research (INR). The prenotification email includes a copy of the notification letter, an explicit warning that the employee has not yet been notified, and that the pre-notified office or individual must not inform the employee of their suspended clearance. The employee's supervisors and colleagues do not receive prenotification, but EX may choose to brief them on a need-to-know basis.

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<sup>20</sup> 12 FAM 233.4.

<sup>21</sup> Each bureau has an executive director responsible for providing overall direction to all administrative and management activities for the bureau and for associated posts and developing and executing programs for the bureau in support of substantive policy decisions. *See, e.g.*, 1 FAM 116 (defining the general responsibilities of a regional bureau executive director).

<sup>22</sup> Bureau executive directors may submit a request to DS to assign a bureau BSO to serve as a principal security advisor to the bureau's assistant secretary; the BSO serves as a subject matter expert to the assigned bureau on all matters that pertain to safeguarding classified and SBU material. 12 FAM 563.1.

**Step 3: Informing the Employee**

After the prenotification has occurred, DS/PSS/AA will contact and inform the employee of the security clearance suspension.<sup>23</sup> For employees posted domestically, the standard operating procedures (SOPs) for security clearance suspensions recommend that the senior adjudicator send an email to establish initial contact. When the employee responds, the senior adjudicator will coordinate a date and time for the employee to travel to the DS/PSS/AA office to meet and receive the notification letter. The notification letter does not provide details or specifics regarding the adverse information that triggered the clearance suspension, only the implicated National Security Adjudicative Guidelines (Adjudicative Guidelines).<sup>24</sup> The letter informs the employee that their national security eligibility and security clearance is suspended because of the adverse information received. It further states that the employee must surrender any Department credentials and diplomatic passport, and that DS/SI/PSS will assist the employee in obtaining a non-sensitive (S-0) badge. An S-0 badge indicates that the holder does not have a security clearance and allows for access to select Department annexes and the Department's headquarters, the Harry S. Truman Building (HST). An S-0 badge holder must be escorted while in any classified area.

**Step 4: Post-Suspension Logical and Physical Access**

Upon receiving prenotification, DS/IS/APD is required to draft an IFAR memorandum signed by the DS/IS/APD Division Chief and addressed to EX.<sup>25</sup> The IFAR is meant to explain the effect of a security clearance suspension on the employee's ability to access Department facilities and networks.<sup>26</sup> There are two types of IFARs: "Typical" and "No Systems Access."<sup>27</sup> A "Typical" IFAR is less restrictive, allowing the employee to have access to unclassified and SBU information, including OpenNet, until a decision is made whether to reinstate their national security eligibility.

A "No Systems Access" IFAR does not allow the employee to have access to any Department information systems or networks of any kind until a reinstatement decision is made. If the DS/IS/APD Division Chief does not specify which type of IFAR to draft, the IFAR SOPs provide that the "Typical" IFAR template should be used. [REDACTED]

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<sup>23</sup> The FAM requires that the employee be notified in writing that their clearance is suspended. 12 FAM 233.4.

<sup>24</sup> ODNI, SEAD 4: National Security Adjudicative Guidelines (2017); *see also* 12 FAM 233.2 (incorporating ODNI's Adjudicative Guidelines into DS's procedures for determining national security eligibility).

<sup>25</sup> DS/IS/APD Consolidated Standard Operating Procedures, July 2023. The IFAR is also sent to INR, the DS/PSS/AA Division Chief, DS/IS/APD Chief, and the employee's BSO. DS/PSS/AA Suspension Coordination Process, October 2023.

<sup>26</sup> DS/IS/APD Consolidated Standard Operating Procedures, July 2023.

<sup>27</sup> There are four templates total: one "Typical" and "No Systems Access" template each for Civil Service (CS) employees, and one of each for Foreign Service (FS) employees. The only material difference between the CS and FS templates is the bureau EX for which the IFAR is addressed. There are no IFAR templates specifically for political appointees.

[REDACTED] Regardless of IFAR type, the employee must be escorted while in any classified space, and their workspace must be designated as an unclassified space.<sup>28</sup>

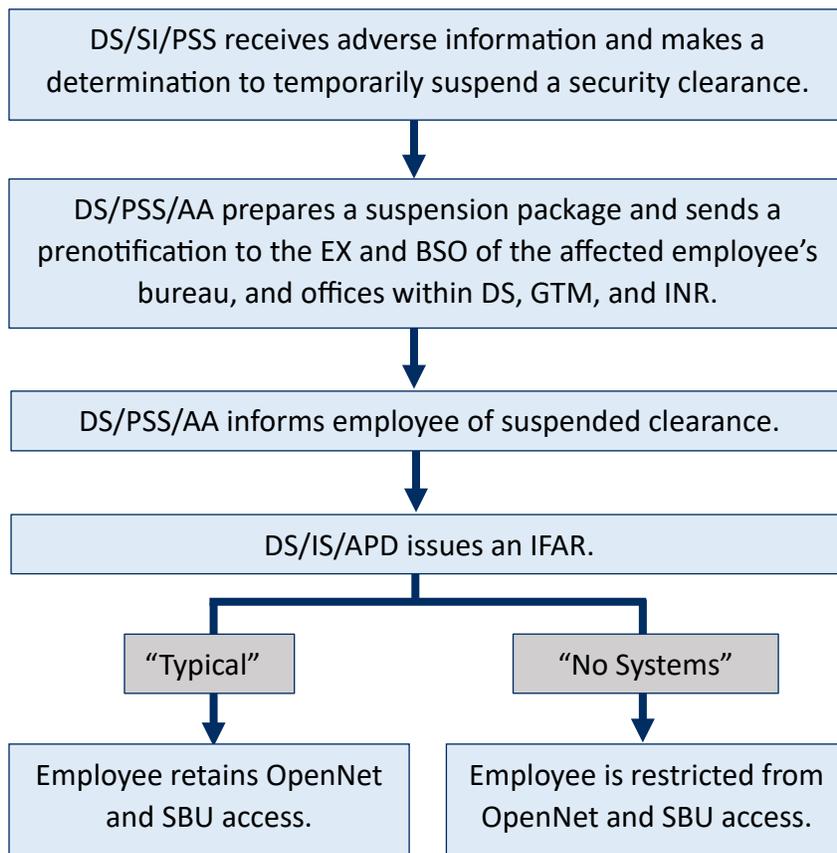
The IFAR templates also provide EX with “additional actions to ensure the employee is not intentionally or inadvertently exposed” to classified information, such as ensuring all combinations to classified storage containers known to the employee are changed within 24 hours and that the employee’s supervisor and coworkers are “discreetly” briefed on the employee’s clearance suspension. DS/IS/APD cannot issue the IFAR to EX until the notification letter has been delivered to the employee.<sup>29</sup>

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<sup>28</sup> Specifically, the employee cannot occupy office space in an area designated as Domestic Controlled Access Area, Sensitive Compartmented Information Facility, Secure Work Area, temporary secure work area, pen storage area, or domestic strong room.

<sup>29</sup> DS/IS/APD Consolidated Standard Operating Procedures, July 2023.

**Figure 1: Security Clearance Suspension Process**



**Source:** OIG-generated based on analysis of DS procedures.

## FINDINGS

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### **The Department Generally Followed Standard Procedures in the Suspension of Special Envoy Malley's Security Clearance, But Deviated in Two Key Instances**

After determining to suspend Special Envoy Malley's security clearance, the Department generally followed the processes typically used in such suspensions. However, due to Special Envoy Malley's position as a political appointee who directly reported to Secretary Blinken, the Department deviated from standard procedures on two occasions. The deviations consisted of a

delayed clearance suspension notification to Special Envoy Malley and a reinstatement of OpenNet access.<sup>30</sup>

### ***Notification Delay***

Upon receiving adverse information about Special Envoy Malley in late March or early April of 2023, DS/SI/PSS immediately began the process of assessing the information using the Adjudicative Guidelines. On April 21, 2023, the PSS Director signed the security clearance suspension notification letter addressed to Special Envoy Malley, which was intended to be delivered that day. However, due to Mr. Malley's status as a Special Envoy and direct report to the Secretary, and upon consultation with senior Department officials, DS officials decided to send the DS/PSS/AA official to meet Mr. Malley in person at HST and deliver the letter, which the PSS Director stated was not the typical procedure. Typically, when a clearance is suspended, an email asking the employee to contact the DS/PSS/AA official is sent as soon as possible. After contact is made, the employee is directed to meet the DS/PSS/AA official at DS headquarters in Rosslyn, VA, to be escorted to the badging office, which is located in a different building.<sup>31</sup> DS officials said the process can be awkward for the employee as it is obvious to other employees what it is occurring. In Special Envoy Malley's case, the PSS Director told OIG that if the DS/PSS/AA official met him in person at HST and then accompanied him to the badging office without the intermediate step of going to DS headquarters, he would avoid being recognized and be spared potential embarrassment.

On Friday, April 21, 2023, the DS/PSS/AA Branch Chief, accompanied by the Special Assistant to the DS PDAS, prepared to deliver the notification letter at HST. The Branch Chief was instructed by the PDAS, Carlos Matus, to delay the delivery pending notification of Special Envoy Malley's suspended clearance to senior Department officials.

The Branch Chief and Special Assistant waited all day for PDAS Matus to give them approval to deliver the letter to Special Envoy Malley, but it did not occur. Eventually, at the urging of the Branch Chief, DS officials arranged to meet Special Envoy Malley at HST on Saturday, April 22, 2023, to deliver the notification letter. At that time, Special Envoy Malley received the letter and

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<sup>30</sup> The DS PDAS has the necessary authority to override the IFAR and made the decision to restore Mr. Malley's OpenNet access at the Executive Secretary's request. However, DS officials told OIG that restoration requests are not commonly granted, as they present a liability to the employee's bureau. Also, typically, the DS/IS/APD Division Chief will not grant a restoration request unless the issues that led to the clearance suspension have been resolved or mitigated.

<sup>31</sup> DS/PSS/AA's security clearance suspension notification SOP provides that "[i]n-person meetings can be conducted in a conference room at [DS headquarters], in the [Regional Security Officer's] office overseas, at a domestic field office, or another location, as needed.

handed in his diplomatic passport and the Department badge that allowed him access to sensitive spaces within Department facilities.

The notification delay allowed Special Envoy Malley the opportunity to participate in a secure telephone call with White House officials on Friday, April 21, which occurred after his clearance was suspended but before he was notified. At approximately 3:10 p.m. on April 21, Special Envoy Malley's deputy received an email from a White House official regarding a secure telephone call scheduled for 3:15 p.m. The Deputy Special Envoy responded at 3:14 p.m. with "Thanks Rob will call in," with Special Envoy Malley carbon copied on the email.

OIG did not interview Special Envoy Malley and could not confirm that he actually participated on the call, but the Deputy Special Envoy said that Special Envoy Malley usually would have participated in calls like this one.<sup>32</sup> OIG reviewed the use of Special Envoy Malley's building access badge for entering and exiting HST on April 21 and verified that he was in the building at the time of the call and exited for the day at 4:53 p.m. According to his badge access swipe, at 1:58 p.m. Special Envoy Malley accessed the controlled office where the call would have occurred.<sup>33</sup>

#### ***Reversing IFAR Restriction and Restoring OpenNet Access***

On April 22, 2023, DS/IS/APD issued a "No Systems Access" IFAR for Special Envoy Malley. As noted above, all IFAR types formally restrict access to sensitive Department spaces, while "No Systems Access" further restricts the employee's access to OpenNet. OIG was told that most IFARs do not contain this provision, and the employee retains access to OpenNet during their clearance suspension. However, for employees whose clearance is suspended on a similar basis as Special Envoy Malley's, the more restrictive IFAR is used, as it was initially for Mr. Malley.

On April 25, the then-Executive Secretary, Ambassador Kamala Lakhdir, emailed PDAS Matus and requested that Special Envoy Malley's OpenNet access be restored, "in particular to use [his] state.gov" email. She noted that restoring his Department email would permit him to communicate with his "team, USG colleagues and counterparts in other governments that he is on leave." Ambassador Lakhdir told OIG that she was concerned that if Special Envoy Malley continued to perform some work, such as communicating with family members of Americans detained in Iran, she wanted him to be able to do so using official accounts and did not want him to conduct government business on a personal email account. Under Secretary (U/S) for

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<sup>32</sup> OIG did not interview Robert Malley because he was not the subject of this review. As mentioned in the "Purpose, Scope and Methodology" section of this report, OIG scoped this review based on a request from members of Congress to focus on the Department of State and its compliance with appropriate laws, regulations, policies and procedures in its handling of the suspension of Special Envoy Malley's security clearance. In addition, OIG sought to avoid interfering with other investigations.

<sup>33</sup> OIG sought confirmation from the National Security Council and the Department about Special Envoy Malley's presence on the call but neither group had records of the participants.

Management John Bass also told OIG that this was an important consideration in the request to restore Mr. Malley's OpenNet access.

On April 26, the following day, PDAS Matus granted the request and noted "DS has no objection to Mr. Malley having access to OpenNet in order to support Department operations and to communicate with his team, USG colleagues and counterparts in other governments at the unclassified level. Please let me know if this is sufficient to allow access." PDAS Matus said he consulted with other Department officials, including the PSS Director, the DS/IS/APD Division Chief, attorneys in the Office of the Legal Adviser, U/S Bass, and Chief of Staff (CoS) to the Secretary Suzy George before overturning the "No Systems Access" IFAR. U/S Bass told OIG that he believed restoring Special Envoy Malley's access presented a low risk as he would primarily be communicating with nongovernmental entities and the families of detainees. PDAS Matus said he agreed to the request because he too believed it was low risk and believed that Special Envoy Malley would not have access to any classified information. He also cited the concern that without access to OpenNet, Mr. Malley might resort to using personal email to conduct official business. Although Department officials were concerned about this possibility, the routine use of unofficial email accounts as the primary means to conduct official business is prohibited by Department policies.<sup>34</sup>

According to a DS/IS/APD official, under normal circumstances, if a request for OpenNet restoration is made for an individual whose clearance is suspended but the adverse information that led to the clearance suspension has not been resolved or mitigated, DS will usually deny the request and OpenNet access will not be restored. Alternatively, PDAS Matus told OIG it is not uncommon for employees with suspended clearances to have their access restored, but he also stated that he generally does not get involved in the decision to restore access and did so in this case due to Special Envoy Malley's high-profile position in the Department.

OIG did not find evidence that the OpenNet restoration allowed Special Envoy Malley to access classified information. However, the DS decision to overturn the "No Systems Access" IFAR allowed Special Envoy Malley to maintain access to OpenNet and, with it, access to a substantial amount of SBU information. While OpenNet does not contain classified information, it is designated as an SBU network and contains SBU-level information. PDAS Matus told OIG he did not consider access to SBU information when he restored Mr. Malley's access to OpenNet.

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<sup>34</sup> See, e.g., 5 FAM 431; 5 FAM 434; 12 FAM 544.3. In its comments to this report, the Department disagrees with OIG's statement that primary use of personal email is prohibited. However, OIG notes that the FAM states that "The use of non-Department/official accounts, applications, or platforms, including personal email accounts or non-Government messaging applications should never be the primary means of conducting Department business." 5 FAM 431(d). See also, OIG, *Office of the Secretary: Evaluation of Email Records Management and Cybersecurity Requirements* (ESP-16-03, May 2016).

Nonetheless, restoration of his access to SBU information could have placed the security of this information at risk.

## **The Department's Lack of Policies for Security Clearance Suspensions of Political Appointees Led to Confusion and a Lack of Oversight**

The Department does not have established procedures, nor any recent precedent, to use as guidance when a political appointee's security clearance is suspended, and the absence of guidance resulted in confusion and a lack of oversight. The lack of any standard procedures resulted in Department officials making ad hoc determinations regarding Special Envoy Malley that were generally inconsistent with processes for other employees and that led to confusion amongst Department officials and employees.<sup>35</sup> The fact that Special Envoy Malley did not have a genuine supervisor exacerbated the confusion regarding his approved activities and resulted in a condition where no Department official had day-to-day supervisory oversight and control regarding his work or his participation in classified discussions.

Prior to the suspension of Special Envoy Malley's security clearance, neither CoS George, nor U/S Bass had ever experienced a political appointee's security clearance being suspended, particularly a political appointee who was a direct report to the Secretary in a high-profile position. Due to the lack of precedent, there was uncertainty about how to address the situation. The lack of such procedures affected several key decisions regarding Mr. Malley.

### ***Decision to Allow Mr. Malley to Continue Working***

The decision to restore Special Envoy Malley's OpenNet access was preceded by the decision to allow him to continue some of his duties as Special Envoy following the suspension of his security clearance. As a Special Envoy, Mr. Malley did not have a supervisor other than the Secretary (who did not oversee his day-to-day activities) and thus there was no single official with regular, day-to-day supervisory oversight and control regarding Mr. Malley's status and specific activities at the Department. CoS George told OIG that she, U/S Bass, and Ambassador Lakhdhir decided that Special Envoy Malley need not be suspended from work as long as he could continue to perform some tasks that did not require access to classified information, [REDACTED]. U/S Bass told OIG that the decision to allow Special Envoy Malley to keep working was made to avoid disruptions to ongoing U.S. activities and the potential for failure of achieving U.S. objectives, including the potential

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<sup>35</sup> The Department has clear standard procedures and due process protections for handling of security clearance suspensions and revocations involving Foreign Service or career Civil Service employees. However, the Department does not have a standard process to handle the suspension of a political appointee's clearance. Political appointees have few procedural protections and generally can be placed on administrative leave or terminated immediately upon the suspension of their clearance.

release of wrongfully detained Americans if Mr. Malley were to abruptly leave his position. Also, U/S Bass stated to OIG that he had initially believed that the clearance suspension would be short-lived and the matter resolved quickly, which also factored into his decision to allow Special Envoy Malley to continue working. Special Envoy Malley continued to work for approximately 10 weeks before he was placed on leave without pay and directed to cease working on Department business.

***Lack of Supervision and Oversight***

None of the Department officials interviewed by OIG claimed responsibility for determining which tasks Special Envoy Malley could work on, nor did any believe that they were responsible for supervising or monitoring his work. The Chief of Staff believed that former Deputy Secretary Wendy Sherman supervised Special Envoy Malley on a day-to-day basis. Deputy Secretary Sherman told OIG that while she was engaged with his work, he primarily answered to Secretary Blinken and the White House. However, CoS George ensured that the Secretary did not engage with Mr. Malley after his clearance was suspended, because the Secretary wished to recuse himself from engaging on Mr. Malley's situation given their longstanding personal acquaintance.

OIG found that senior officials incorrectly believed that, following the security clearance suspension, another official or combination of officials had assessed Special Envoy Malley's scope of work and determined tasks appropriate for him to work on. For example, CoS George assumed attorneys in the Office of the Legal Adviser, U/S Bass, Deputy Secretary Sherman, or Ambassador Lakhdhir had defined the scope of Mr. Malley's work. U/S Bass believed Deputy Secretary Sherman or CoS George had decided on which issues he could engage. Deputy Secretary Sherman assumed it was CoS George, Secretary Blinken, and DS officials who had made the final decision as to what Special Envoy Malley would focus on while his security clearance was suspended. In reality, OIG could not identify any Department official who decided what Special Envoy Malley could work on or who monitored his work during the period in question. While Mr. Malley had little oversight prior to the suspension of his clearance, the degree of supervision actually decreased following the suspension, which significantly increased the risk that he could participate in discussions inappropriate for someone lacking a security clearance.

Ambassador Lakhdhir believed that Special Envoy Malley's work would focus on interactions with family members of detained Americans in Iran. Other Department officials, including U/S Bass, believed that Special Envoy Malley was just supposed to be working for a few weeks to transition his work to someone else at the Department. However, neither of these assertions proved to be accurate. OIG found evidence that Mr. Malley regularly communicated with White House officials and was kept apprised about secure telephone calls and meetings with a wide

range of agencies, including the Central Intelligence Agency, the Office of Director of National Intelligence, and Departments of Defense, Justice, and Treasury.<sup>36</sup>

On May 25, 2023, Special Envoy Malley was included on an email from then-U/S for Political Affairs Victoria Nuland to provide talking points for Secretary Blinken. Former U/S Nuland said she was unaware of his clearance suspension despite having to work with Special Envoy Malley on Iran issues while filling in for former Deputy Secretary Wendy Sherman. Special Envoy Malley's advice was also regularly sought and provided on issues including media talking points and Congressional testimony.

OIG found no evidence that he was engaged in classified matters following April 22, 2023, but the above examples illustrate that Department officials did not know what work he was performing or who he communicated with, which put people who did not know about the suspension at risk as they could unwittingly discuss classified or highly sensitive information with him.<sup>37</sup> Compounding the risk was the fact that Special Envoy Malley was periodically blind carbon-copied (bcc) on email communications that concealed his inclusion in ongoing email conversations from participants.

#### ***Lack of Clarity regarding Mr. Malley's Absence and Status***

The decision to allow Special Envoy Malley to continue working without providing colleagues with a definitive clarification of his employment status caused confusion regarding that status. Special Envoy Malley did not return in-person to HST after April 22, 2023, but continued conducting duties via email and, despite his intermittent participation in work related to Iran, there was no clear direction from the Department to other employees as to what issues Special Envoy Malley was allowed to be involved in or how he should be included. Multiple Department employees interviewed by OIG stated that they had heard, and believed, that he was just on personal leave. Others were not sure what his status was but believed it was important to include him on communications even if it meant doing so by bcc'ing him on emails.

The Deputy Special Envoy was told of the suspension by Mr. Malley himself but was not originally told officially, nor given any direction as to how to interact with Mr. Malley. He eventually contacted Ambassador Lakhdhir, who consulted with the Office of the Legal Adviser before providing any guidance. The Deputy Special Envoy was instructed not to tell anyone about the suspension due to privacy concerns. This created awkward situations and confusion since Special Envoy Malley was included in some emails and participated in a more limited set

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<sup>36</sup> While Mr. Malley had no way to access these calls, the discussions surrounding them likely involved sensitive information which should not be provided to an individual whose security clearance is suspended.

<sup>37</sup> The Department notes that rules and regulations generally prohibit the discussion of classified information outside of designated spaces, which suggests that the risk of sharing classified information with Special Envoy Malley was low.

of duties and the Deputy Special Envoy could not explain Special Envoy Malley's intermittent exclusion when asked about it by foreign and U.S. government interlocutors. To avoid confusion, the Deputy Special Envoy began to bcc Special Envoy Malley on emails so recipients would not see him included but Special Envoy Malley would still be kept informed.

Ambassador Lakhdhir gave an example of a senior employee who was unaware of Special Envoy Malley's security clearance suspension and happened to mention a classified proposal he was going to raise with Mr. Malley. Ms. Lakhdhir had to inform the employee of the suspension to avoid having him inadvertently disclose classified information.

One employee told OIG that Special Envoy Malley attended a private dinner party that included U.S. government and foreign government officials who later became upset when they learned that his clearance was suspended at the time of the dinner, but they had not been informed. Multiple Department officials and employees, including former U/S Nuland, stated that they learned of the clearance suspension from the news media reports in June and July and that they had never received any formal notification.<sup>38</sup>

Had Special Envoy Malley been a career Civil Service or Foreign Service employee, he would have been placed on administrative leave or placed in overcomplement<sup>39</sup> status, which would have signaled that something had changed regarding his employment status. Instead, Mr. Malley was left in place as the Special Envoy for Iran, a title he still holds, with only a few senior officials knowing the reason for his absence from the office in the weeks following his clearance suspension. This situation presented a serious risk that he would be privy to highly sensitive information that should not have been shared with an employee whose security clearance was suspended.

### **Senior Department Officials Did Not Comply with the Authorities Act in Reporting Allegations to OIG**

On December 16, 2016, Congress amended the Foreign Service Act of 1980 to require the Department to report allegations of criminal activity by a Department employee and serious misconduct committed by senior level officials or law enforcement officers, as well as

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<sup>38</sup> In technical comments to this report, the Department stated that "the Privacy Act, 5 U.S.C. § 552a, and privacy considerations must also be taken into account when the Department considers whether and how to disseminate information regarding a security-clearance suspension." While privacy considerations are important, DS officials told OIG that supervisors are routinely informed of a suspension of a subordinate employee's security clearance as they must ensure that the employee does not access classified information. Other employees, such as an employee's deputy, are also informed in the interests of preventing the inadvertent disclosure of classified information.

<sup>39</sup> Career Foreign Service employees are not placed on administrative leave when their security clearance is suspended. Instead, their bureau must place them in an alternative assignment performing non-sensitive duties while the adverse information is investigated, adjudicated, and a final decision is made regarding their national security eligibility. These assignments are often effectuated by temporarily placing the Foreign Service employee in "overcomplement" status, also known as a Y tour.

allegations of fraud, waste, and abuse, to OIG within a prescribed time period.<sup>40</sup> Such allegations must be reported to OIG no later than 5 business days after the head of a bureau, post, or other office is made aware of the allegation.<sup>41</sup> The law is commonly known as the Department of State Authorities Act (Authorities Act).

OIG found that senior Department officials never reported Special Envoy Malley's security clearance suspension to OIG as required by the Authorities Act. Even after the leadership of DS became aware of the allegations against Special Envoy Malley,<sup>42</sup> they still did not report the matter to OIG. U/S Bass also did not report the suspension or allegations to OIG, telling OIG that he did not report the matter because he believed that the allegations did not rise to the level of serious misconduct. U/S Bass also said he assumed that if such a report needed to be made to OIG, the Office of the Legal Adviser would have told him. While the Department does not have any guidance as to what constitutes "serious misconduct," as OIG recommended in 2022,<sup>43</sup> if the allegations were sufficiently serious to justify the suspension of Mr. Malley's security clearance, it is likely that they constitute serious misconduct. In failing to report such allegations, the Department violated the Authorities Act.

## CONCLUSION

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The Department generally followed its standard procedures in the suspension of Special Envoy Robert Malley's security clearance. DS immediately assessed and acted upon the adverse information it received regarding Mr. Malley. However, the process typically employed deviated in two key areas. First, DS officials delayed the notification of the suspension to Mr. Malley, which allowed him the opportunity to participate in a classified conference call after the suspension was approved, but before he was notified. Second, Department officials restored his access to SBU information systems, which generally is restricted for employees whose clearances are suspended in similar circumstances to Special Envoy Malley. In addition, a key justification for this decision was that there was concern that he might turn to personal email if his Department email access was not restored – a questionable justification given that Department policy prohibits using personal email as the primary means of conducting government business.

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<sup>40</sup> See Department of State Authorities Act, Fiscal Year 2017, Public Law 114-323, 130 Stat. 1905 (2016) (codified as amended at 22 U.S.C. § 3929(c)(6)).

<sup>41</sup> 22 U.S.C. § 3929(c)(6)(B).

<sup>42</sup> As a non-career senior executive, Mr. Malley is considered a senior official for whom allegations of serious misconduct must be reported to OIG. 22 U.S.C. § 3929(c)(6)(A)(ii).

<sup>43</sup> OIG, *Evaluation of the Department of State's Compliance with the Authorities Act* (ESP-22-04, September 2022).

OIG also found that the lack of standard policies for political appointees and the lack of supervision of Mr. Malley led to significant confusion as to what activities Mr. Malley was authorized to engage in post-suspension. In addition, the Department failed to consistently notify employees who regularly interacted with Mr. Malley that he was no longer allowed to access classified information. For example, former U/S Nuland, who supervised some of Mr. Malley's work following personal leave by the former Deputy Secretary, said she was never formally told of the suspension, which she learned from media reports. This confusion and lack of notification likely led to Mr. Malley engaging on issues outside the limited scope of issues on which he was authorized to work.

Finally, OIG found that the Department violated the Department of State Authorities Act in not reporting the allegations against Mr. Malley to OIG.

## RECOMMENDATIONS

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OIG issued the following recommendations to the Department to ensure there are consistent and clear procedures addressing security clearance suspensions. OIG sent a draft of this report to the Department for its review and response to these recommendations on May 23, 2024. The Department requested an extension until June 28 to respond, which OIG granted. However, the Department did not provide its formal response until August 1, 2024. Its complete response is reprinted in the appendix.

In its response, the Department concurred with all of the recommendations. However, the Department took issue with OIG's conclusion that primary use of personal email to conduct official business is prohibited: "This Department reiterates that this is not an accurate characterization of its policy, and refers the Inspector General to 5 FAM 754 ('Personal email accounts are only to be used to conduct official business in limited circumstances, and with the procedures in 5 FAM 443.4, paragraph d.')." OIG disagrees with this assertion and notes that there are numerous Department policies that prohibit use of personal email as the *primary* means of conducting Department business. The Department is correct that there are certain circumstances in which use of personal email is permissible, but Department policy makes clear that such use "is only allowed in extremely limited and exceptional circumstances such as during a Department system outage or when access to Department systems is limited."<sup>44</sup> This standard can also be found in numerous other Department policy and guidance documents.<sup>45</sup>

**Recommendation 1:** The Bureau of Diplomatic Security should adhere to standard notification processes of security clearance suspension without regard to the individual's position in the Department.

**Management Response:** In the August 1, 2024, response, the Department concurred with this recommendation and stated that the Bureau of Diplomatic Security would ensure that the Office of Personnel Security and Suitability continues to adhere to their standard operating procedures. Additionally, the Department noted that that the standard notification process permits notification as soon as possible but does not define a specific timeframe and allows for delivery outside Diplomatic Security headquarters.

**OIG Reply:** As the Department concurred with the recommendation to adhere to already-established standard operating procedures, OIG considers this recommendation closed.

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<sup>44</sup> 18 STATE 11006 (Feb. 5, 2018)

<sup>45</sup> See, e.g., 5 FAM 754, 20 STATE 36796 (April 8, 2020), IRM Bulletin No. IRM2022-006.

**Recommendation 2:** The Bureaus of Global Talent Management and Diplomatic Security should develop standard operating procedures for political appointees whose security clearances are suspended.

**Management Response:** In the August 1, 2024, response, the Department concurred with this recommendation. The Office of Personnel Security and Suitability (DS/SI/PSS) and the Office of Presidential Appointments (GTM/PAS) agreed to develop standard operating procedures for political appointees whose security clearances are suspended, in consultation with the Office of the Legal Adviser.

**OIG Reply:** OIG will consider this recommendation closed when the Department provides documentation that it has established the recommended standard operating procedures.

**Recommendation 3:** The Bureau of Diplomatic Security should amend its guidance regarding the Information Facilities and Access Restriction (IFAR) process to include criteria as to which type of IFAR should be issued and to emphasize that a “Typical” IFAR allows the employee continued access to a substantial amount of Sensitive But Unclassified information.

**Management Response:** In the August 1, 2024, response, the Department concurred with this recommendation. The Bureau of Diplomatic Security agreed to update the Foreign Affairs Manual (FAM), specifically the 12 FAM 500 series, to codify the IFAR process, including a description of “Typical” and more restrictive IFARs, as well as the criteria for issuing each of these. The Bureau stated that the process will include a full collaborative review of all IFAR processes and documentation to ensure greater clarity and transparency moving forward.

**OIG Reply:** OIG will consider this recommendation closed when the Bureau of Diplomatic Security provides documentation that it has updated the FAM in accordance with the OIG recommendation.

**Recommendation 4:** The Bureau of Diplomatic Security should amend its processes to ensure that supervisors and colleagues are notified when an employee’s security clearance is suspended and the employee is permitted to continue working in the same position in order to ensure that classified information is not shared.

**Management Response:** In the August 1, 2024, response, the Department concurred in part with this recommendation, noting that all Department supervisors are already notified when an employee’s security clearance is suspended, as they have a responsibility under 12 FAM 512.1-2 for safeguarding classified information for their area of functional responsibility. However, the response notes that the Privacy Act and other privacy-related considerations must also be taken into account in determining whether and which of an employee’s colleagues should be notified of an employee’s security clearance suspension.

**OIG Reply:** As described in this report, OIG found significant confusion regarding Special Envoy Malley’s status among his colleagues during the period in which he continued to perform work

on behalf of the Department, including on the part of the Under Secretary for Political Affairs, who was his nominal supervisor for a significant period, but was never informed of his suspension. OIG notes that this recommendation only addresses the rare situation when an employee is permitted to continue working in the same position after a security clearance suspension. OIG will consider this recommendation closed when it receives the Department's analysis as to how it will balance the privacy-related considerations with national security interests in these rare circumstances.

**Recommendation 5:** The Under Secretary for Management should issue regular reminders to all Department employees that the law requires them to report allegations of criminal or serious misconduct to OIG.

**Management Response:** In the August 1, 2024, response, the Department concurred with this recommendation, noting that it is already engaged in a process to update guidance in the FAM regarding mandated reporting under the Department of State Authorities Act. The Department also agreed to send an email reminder to employees on an annual basis regarding reporting requirements for allegations of criminal or serious misconduct.

**OIG Reply:** The Deputy Secretary for Management and Resources and the Acting Under Secretary for Management issued a notice on August 7, 2024, so OIG considers this recommendation closed.

## APPENDIX: DEPARTMENT OF STATE RESPONSE

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United States Department of State

Washington, DC 20520

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August 1, 2024

TO: (U) Inspector General Cardell K. Richardson, Sr. (OIG)

FROM: (U) Assistant Secretary Alaina B. Teplitz (M) 

SUBJECT: (U) Management Response to Special Review of the Department of State's Handling of the Security Clearance Suspension of the Special Envoy for Iran

(U) The Department thanks the Inspector General for its review of the Department of State's Handling of the Security Clearance Suspension of the Special Envoy for Iran and the opportunity to respond. The Department respectfully provides the following responses to the Special Review's recommendations. There is a classified portion of this response which will be transmitted separately.

(U) In addition to these responses, the Department also wishes to express a few concerns related to the Special Review. First, the Department has separately provided 12 redactions to the text of the Special Review, in order to protect the Department's attorney-client privileged information and/or law enforcement sensitive information from disclosure. The Department does not consent to the release of this information to Congress, and requests that these redactions be made to the Special Review prior to its release to Congress.

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(U) Finally, footnote 34 notes the Department's concern of the characterization of the use of private email for official business as "prohibited." This Department reiterates that this is not an accurate characterization of its policy, and refers the Inspector General to 5 FAM 754 ("Personal email accounts are only to be used to conduct official business in limited circumstances, and with the procedures in 5 FAM 443.4, paragraph d.")

(U) **Recommendation 1:** The Bureau of Diplomatic Security should adhere to standard notification processes of security clearance suspension without regard to the individual's position in the Department.

(U) **Management Response:** The Bureau of Diplomatic Security concurs with this recommendation and will ensure the Office of Personnel Security and Suitability continues to adhere to their standard operating procedures. The Department notes that the standard notification process permits notification as soon as possible, but does not define a specific timeframe and allows for delivery outside DS headquarters.

(U) **Recommendation 2:** The Bureaus of Global Talent Management and Diplomatic Security should develop standard operating procedures for political appointees whose security clearances are suspended.

(U) **Management Response:** The Bureaus of Global Talent Management and Diplomatic Security concur with this response. The Office of Personnel Security and Suitability and the Office of Presidential Appointments (GTM/PAS) will develop standard operating procedures for political appointees whose security clearances are suspended in consultation with

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the Office of the Legal Advisor (L/EMP). The expected completion date is December 31, 2024.

**(U) Recommendation 3:** The Bureau of Diplomatic Security should amend its guidance regarding the Information Facilities and Access Restriction (IFAR) process to include criteria as to which type of IFAR should be issued and to emphasize that a "Typical" IFAR allows the employee continued access to a substantial amount of SBU information.

**(U) Management Response:** The Bureau of Diplomatic Security concurs with this recommendation. The Bureau of Diplomatic Security will be updating the Foreign Affairs Manual (FAM), specifically the 12 FAM 500 series, to codify the IFAR process, including a description of "Typical" and more restrictive IFARs, as well as the criteria for issuing each of these. This process will include a full collaborative review of all IFAR processes and documentation to ensure greater clarity and transparency moving forward. The expected completion date is December 31, 2024. The Department notes per 12 FAM 540 - Sensitive but Unclassified (SBU) information is information that is *not classified for national security reasons*, but that warrants/requires administrative control and protection from public or other unauthorized disclosure for other reasons. Further, the decision makers in question made their decisions on the basis of the information provided at the time from another government agency, which may not have been all of the information available today. Given this context, it is not unreasonable that the approach to managing the Special Envoy's status and access changed over time as more information and the likely duration of the situation became better known.

**(U) Recommendation 4:** The Bureau of Diplomatic Security should amend its processes to ensure that supervisors and colleagues are notified when an employee's security clearance is suspended and the employee is permitted to continue working in the same position in order to ensure that classified information is not shared.

**(U) Management Response:** The Bureau of Diplomatic Security concurs with this recommendation in part. All Department supervisors are already

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notified when an employee's security clearance is suspended, as they have a responsibility under 12 FAM 512.1-2 for safeguarding classified information for their area of functional responsibility. However, the Privacy Act, 5 U.S.C. 552(a) and other privacy-related considerations must also be taken into account in determining whether and which of an employee's colleagues should be notified of an employee's security clearance suspension.

**(U) Recommendation 5:** The Under Secretary for Management should issue regular reminders to all Department employees that the law requires them to report allegations of criminal or serious misconduct to OIG.

**(U) Management Response:** The Undersecretary for Management concurs with this recommendation. The Department is already engaged in a process to update guidance in the FAM regarding mandated reporting under the Department of State Authorities Act, FY2017. The Undersecretary for Management will also send an email reminder to employees, which will be reiterated annually, in addition to previous workforce messages on reporting to the OIG and whistleblower protections issued in 2021, 2022, and 2023. The expected completion date is August 31, 2024.

Attachment:  
Requested Redactions

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## ABBREVIATIONS AND ACRONYMS

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Authorities Act	Department of State Authorities Act
bcc	Blind carbon copy
BSO	Bureau Security Officer
CoS	Chief of Staff
CS	Civil Service
Department	Department of State
DS	Bureau of Diplomatic Security
DS/IS/APD	Program Applications Division
DS/SI	Directorate of the Senior Coordinator for Security Infrastructure
DS/SI/IS	Office of Information Security
DS/SI/PSS	Office of Personnel Security and Suitability
DS/PSS/AA	Office of Personnel Security and Suitability, Adverse Actions Division
EX	Executive Director
FAM	Foreign Affairs Manual
FS	Foreign Service
GTM	Bureau of Global Talent Management
HST	Harry S. Truman Building
IFAR	Information and Facility Access Restriction
INR	Bureau of Intelligence and Research
ODNI	Office of the Director of National Security
OIG	Office of Inspector General
PDAS	Principal Deputy Assistant Secretary

S/ES	Office of the Executive Secretariat
S/IAG	Iran Action Group
S/IRAN	Office of the Special Envoy for Iran
SBU	Sensitive But Unclassified
SEAD	Security Executive Agent Directive
Secretary	Secretary of State
SES	Senior Executive Service
SOPs	Standard Operating Procedures
U/S	Under Secretary

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[WPEAOmbuds@stateoig.gov](mailto:WPEAOmbuds@stateoig.gov)