

U.S. Department
of Transportation

United States
Coast Guard



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United States Coast Guard

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COMDTINST 16721.1
7 JAN 2000

COMMANDANT INSTRUCTION 16721.1

Subj: STANDARDS FOR OVERSIGHT OF LICENSING AND SEAMAN'S CERTIFICATION
ACTIVITIES

1. PURPOSE. The purpose of this Instruction is to formally promulgate existing policy and more clearly delineate the standards and reporting requirements for conducting oversight of Coast Guard approved courses and non-governmental parties that perform services related to the issuance of merchant marine licenses, certificates of registry, and merchant mariner's documents.
2. ACTION. Area and district commanders, and commanding officers of units with marine safety program responsibilities shall be guided by the provisions of this Instruction.
3. DIRECTIVES AFFECTED. None.
4. DISCUSSION.
 - a. The Coast Guard's oversight program ensures that persons and agencies acting in lieu of the Coast Guard by performing functions related to the issuance of mariners' credentials are performing their duties in a manner that meets all regulatory and policy standards. Oversight of training programs ensures compliance with the course's approval letter and ensures that

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seafarers are provided training that meets the requirements. Oversight audits verify that stipulations in the Coast Guard's approval letter and the requirements of 46 CFR 10.303 are followed, that only qualified instructors teach the approved course, and that only designated examiners (i.e., qualified assessors) conduct performance evaluations of skills and abilities.

- b. Enclosure (1) is a detailed description of the audit program.
5. FORMS/REPORT. This Instruction requires that an annual report of oversight activities be submitted to the National Maritime Center (NMC). The report control number is RCN-16721-1 . The report shall be submitted by 31 January and contain information concerning the oversight activities of the previous calendar year. The report's format is contained in enclosure (2) and may be reproduced locally.

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Encl: (1) Oversight procedures
(2) Annual Report of Oversight

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C:m National Maritime Center (1)(ONLY)

1. DISCUSSION.

Effective oversight is an essential element of verifying that a Coast Guard approved party is maintaining the standards that led to the original approval. While courses are the most frequently approved item requiring oversight, other parties will be approved to evaluate applications, assess professional knowledge (either through examinations or practical demonstrations), and perform other functions related to the mariner training and the issuance of mariner's credentials. Any party approved or accepted to perform these functions will be subject to Coast Guard oversight.

2. TYPES OF OVERSIGHT ACTION.

- a. **ANNOUNCED ADMINISTRATIVE AUDIT.** This audit is a periodic, in-depth, review of all aspects of the party being audited.
- b. **UNANNOUNCED ADMINISTRATIVE AUDIT.** This audit is conducted in response to complaints received or information from any source indicating that an approved/accepted entity is not performing in accordance with standards. This audit is similar to the announced administrative audit.
- c. **INFORMAL VISIT.** This is a routine visit of shorter duration than an announced administrative audit and may be announced or unannounced. It provides a continuing Coast Guard presence at a facility.
- d. **OVER-THE-COUNTER CUSTOMER SURVEY.** This survey usually consists of informal questions about a mariner's impression of, and satisfaction with, a course. This is a mechanism to determine from mariners who have attended a course their opinions and recommendations about the course. Usually, it will be conducted at an REC when a person applies for a credential. When applications are received by mail, it may also be done by telephone. If continual negative comments are received about the same specific course or about a training organization in general, enhanced oversight may be warranted.
- e. **SURVEY TESTS.** This oversight mechanism consists of administering a special test module(s) to an applicant during an over-the-counter transaction. Modules are prepared by NMC and will be distributed to RECs on request. The purpose of the test is to determine the course's performance. These results shall not be used to justify denial of a mariner's credential. The test answer sheet should identify the date of the test, date(s) of the course, name of course, training institution, and instructor. The RECs may provide feedback to training institutions about the results of survey testing, especially downward trends of success at meeting learning objectives; however, the name(s) of those that were tested will not be revealed.
- f. **OFF-SITE INSPECTION.** These inspections verify that the location where a course will be taught meets the standards for space and comfort of the students and is conducive to learning. These inspections are conducted for courses taught in locations remote from the home location of the training institution.
- g. **COVERT AUDIT.** This is an audit conducted in such a manner that the entity being audited does not know of the audit. It is usually conducted to determine if discrepancies exist in the performance of a private entity.

3. CLASSIFICATION OF APPROVED PARTIES.

- a. LEVEL I. These entities are a course approved in lieu of a Coast Guard examination, a quality standards system administrator, a course with a history of non-compliance, and an independent assessor of a mariners' performance such as a designated examiner.
- b. LEVEL II. These are courses that grant 30 or more days sea-service credit or courses required by regulation (other than CPR and first aid).
- c. LEVEL III. This level includes first aid courses, CPR courses, locally approved courses, and courses granting 29 days or less of sea-service equivalency.
- d. OTHER. The above classifications include the types of activities known to require oversight at the time of writing. It is believed that other activities or entities will arise in the future that will also require oversight. These may include private organizations that evaluate a mariner's qualifications for issuance of a license or MMD, organizations approved to offer CG examinations, and Coast Guard approved Quality Standards Systems. Appropriate classifications of those organizations or functions will be assigned as the need develops.

4. FREQUENCY OF OVERSIGHT.

- a. LEVEL I. An announced administrative audit shall be held annually. Informal visits should be held quarterly.
- b. LEVEL II. An announced administrative audit shall be held biennially with semi-annual, informal visits.
- c. LEVEL III. Audits are at the discretion of the Officer in Charge, Marine Inspection (OCMI).
- d. The RECs that frequently receive applications for licenses where the applicants have attended a course approved in lieu of a test, should do survey testing on at least 10% of the applicants. Cumulative test results may be shared with the training institution in order to provide feedback on the training institution's performance. Where there are several training institutions in direct competition, the scores of applicants from one course when compared to scores from applicants from another course provide a good basis for decisions about a course's performance. The scores from one training institution or course must not be divulged to any other training institution or course.
- e. Informal visits should be randomly scheduled to preclude predictability.
- f. Over-the-counter surveys, survey tests, and the results of announced administrative audits and informal audits provide information about a course's performance. If these audits raise concerns about either a course or a training institution, more intensive oversight is appropriate. This may consist of more frequent administrative audits, informal audits, or a covert audit.

- g. Covert audits should be used by the cognizant OCMI as a last resort for positive verification that a course is not conforming to acceptable standards.

5. COAST GUARD ORGANIZATION FOR OVERSIGHT.

- a. The OCMI of each field unit with an REC should assign one staff member to serve as the person in charge of oversight operations under the direction of the chief of the REC. If this is a civilian member, these duties should be reflected in the position descriptions and core competencies. These duties include maintenance of case files, scheduling oversight operations, preparation of post-oversight reports, and preparation of the annual report.
- b. Each REC shall maintain a case file on each approved course controlled from within the geographic area covered by the REC's operations. The case file should contain a copy of the course's syllabus and other details as approved by the NMC, a copy of the approval letter, designated examiners, and assessors approved for the course.
- c. Because an REC's customer base does not cover the same geographic area as the parent marine safety unit, an REC may have interests in marine personnel actions being conducted within the area of responsibility of another OCMI. Close liaison between the REC and the other marine safety unit is essential. Jurisdictional questions that cannot be resolved at the local level, should be forwarded to the District Commander for resolution. If the jurisdiction overlaps a district's boundaries, the decision may be referred to the National Maritime Center for resolution.
- d. The RECs that maintain a case file on a course actually taught in another OCMI's zone, shall coordinate oversight operations with the OCMI in whose zone the course lies. The actual oversight should be performed by a member of the OCMI in whose zone the course is given if qualified personnel are available. Otherwise, the oversight may be performed by personnel from the REC acting for the OCMI in whose zone the course is given.
- e. The REC shall develop a schedule for carrying out the oversight as directed herein.

6. CONDUCT OF OVERSIGHT VISITS.

a. ADMINISTRATIVE AUDITS.

- (1) Before conducting an administrative audit, the case file for the course must be studied to determine the requirements for the course. The auditor should be familiar with requirements for necessary training aids and simulators, the name(s) of the instructor(s), type(s) of test(s) administered, other required assessments of practical demonstrations, and class schedules.

- (2) Persons performing audits of courses are not required to be experts in the field of the subject(s) being taught, though that would be of benefit. As a minimum, the auditor should have a general understanding of the subject area. Field units are encouraged to make appropriate, creative use of Team Coast Guard by using Auxiliarists, Reserve personnel, and personnel from other CG units. If Auxiliarists or Reserve personnel perform oversight, ensure that there are no conflicts of interest based on their civilian occupations or interests. Personnel who assist or work for competitive courses or training institutions may not participate in oversight activities and should not have access to the case files on courses.
- (3) An announced or unannounced administrative audit should include:
 - (a) Review of course attendance records;
 - (b) Review of written examinations. Rescoring of answer sheets has shown scoring errors by the instructors. Also the examinations should be reviewed to determine that they are current and are not being continually reused;
 - (c) Testing of simulators and training aids to determine that they are in good working order and that the training aids and simulators in use correspond to those that have been approved for the course;
 - (d) Attendance at all or part of a course to review the instructor's techniques and professionalism. If the auditor is an expert in the field of the course's instruction, constructive suggestions concerning course content may be offered;
 - (e) Informal discussions with attendees of the course to determine their level of progress and knowledge about the subject matter as well as their evaluations of the course and the staff;
 - (f) Course feedback provided by students should be reviewed to determine the extent that students were satisfied with the course. Determine that any applicable discrepancies noted by the students were corrected; and
 - (g) Verification that the course was taught by approved instructors.
- b. INFORMAL VISIT. The scope of an informal visit may include, but is not limited to, a brief records review; informal discussions with managers; audits of courses in progress; monitoring of examinations and assessments; and discussions with attendees.
- c. COVERT AUDIT.
 - (1) A covert audit is used to determine if a course is being conducted in an acceptable manner without the training institution being aware of the audit. In most cases, a Coast Guard member posing as a merchant mariner and attending the course will conduct this audit. There is the possibility of the training institution becoming aware of Coast Guard's representative attending the course with the remote, but possible, threat of harm. Consideration should be given to requesting CG Intelligence assistance for these audits.

- (2) Covert audits must be well planned and the auditor must be briefed on his/her conduct while attending the course. The person selected to attend the course should have an in-depth knowledge of the area(s) covered in the course. The auditor should not attempt to entrap the training institution or instructor(s). The auditor should pose as someone having difficulty in passing an assessment or comprehending the course material and determine the responses to such behavior by the supervising instructor.
- (3) If discrepancies are noted, the auditor should complete an in-depth report indicating the nature of the discrepancies, his/her actions during the course, and the responses by the instructors or training institution to those actions. The report may be used in court proceedings or administrative hearings.
- (4) Covert audits are expensive because the Coast Guard must pay course registration fees. The NMC has limited funds available to pay registration fees, but travel and per diem, if any, are the responsibility of the unit performing the oversight.
- (5) The NMC must be contacted before a covert audit is conducted.

7. POST AUDIT ACTION.

- a. Post audit action may consist of:

<i>Action Type</i>	<i>Authority for Action</i>
Letter report of audit	OCMI
Suspension	OCMI/NMC
Withdrawal	NMC

- b. As soon as possible after an administrative or informal audit, the REC should send a letter to the organization stating the results of the oversight. Preferably the letter should be sent within two weeks of the audit. If discrepancies were noted, a date for corrective action should be specified. If no discrepancies were noted, the letter should include appropriate congratulatory language.
- c. Should an audit of an approved course reveal discrepancies of a serious nature, such as, but not limited to a failure to teach a course in accordance with approved procedures, allowing absence from class, making unauthorized changes to the course, failure to maintain records, or use of non-approved instructors the training institution may be subject to suspension or withdrawal. Such discrepancies must be well documented. Serious discrepancies that would warrant suspension or withdrawal of a course's approval should be reported to the NMC immediately upon completion of an audit.
- d. An annual report, due 31 January and covering the oversight activities of the past calendar year, shall be submitted to the NMC via the District Commander. A report's format is shown in enclosure (2).
- e. The RECs shall maintain records of all oversight activities, and copies of letter reports shall be forwarded to the NMC. If desired, RECs may batch letters and forward a batch at the end of a calendar month.

8. ACTION ON MINOR DISCREPANCIES.

- a. Minor discrepancies (i.e., incomplete student course evaluation forms, information missing from student files, the inability to produce required administrative files for an inspection within a reasonable period of time, continually reusing the same written examinations) must be discussed with the administrators of the training organization. The problem(s) should be reviewed, appropriate remedial actions(s) determined, and a reasonable time frame established in which to correct the discrepancies, usually not to exceed 30 days.
- b. Failure of an instructor to professionally conduct a course is also a discrepancy and should be noted in a discrepancy letter. If an auditor evaluates an instructor as being ineffective, the auditor's evaluation should be compared to the opinions of the students attending the course. If students' critiques substantiate an auditor's appraisal, the training organization and the instructor must be provided the opportunity to modify the individual's instructional technique for re-evaluation at the next course presentation. A serious breach of an instructor's responsibility may result in the suspension or withdrawal of a course's approval until that instructor's name is removed from the list of instructors approved to teach the course.

9. SUSPENSION.

- a. Suspension entails the temporary removal of the approval of a course. Because of the serious implications, the basis for imposing a suspension must be well documented. The OCMI in whose area of responsibility a course is being offered has the authority to suspend an approval if one or more major discrepancies are discovered. In the rulemaking on the issue, the Coast Guard indicated that it would allow time for correction of a discrepancy. The OCMI should notify the training organization in writing of his or her intention to suspend the approval, the reasons for the proposed suspension, and set forth an appropriate period of time to correct the deficiencies. However, in an instance of a flagrant or egregious discrepancy, the suspension may be imposed immediately even if the course is still in progress. If the training organization fails to correct the discrepancies within the allotted time, the course's approval will be suspended and the matter referred to the NMC. The NMC will review the information presented by the OCMI and will contact the training organization about the period of suspension and corrective action on the discrepancies. The NMC may grant the training organization up to 60 days to correct the deficiency and may withdraw the course's approval if not corrected.
- b. Suspension is the appropriate response to multiple and/or frequent discrepancies that would normally warrant only a letter of notification. Suspension is also an appropriate response for the following violations:
 - (1) Failure to comply with the provisions of the course's approval such as failure to provide required training aids or facilities;
 - (2) Receipt of three letters of notification of minor discrepancies during any three-year period may render the course liable for suspension for not less than 30 days or until the discrepancies are corrected, which ever is longer;

- (3) Use of an unauthorized instructor;
- (4) Failure to adhere to the approved class schedule or length of course;
- (5) Presentation of the course in a manner that is not conducive to learning, such as inadequate or substandard facilities;
- (6) Failure to give an adequate end-of-course test, i.e., continued reuse of the same test module(s), use of a test that doesn't adequately examine the applicant, use of an exam that has previously been used in the course for the final exam, or use of an exam in which the majority of the questions were used in previous exams;
- (7) Use of an oral exam when that use has not been authorized by the OCMI; or
- (8) Allowing a student to join a course after the course has begun.

10. WITHDRAWAL.

- a. Only the Commanding Officer, National Maritime Center, may withdraw a course's approval. Withdrawal is appropriate when:
 - (1) A course has been suspended for a second time during any three-year period;
 - (2) A combination of three suspensions of courses offered by one training institution has occurred during any three-year period. The approval of each of the affected courses will be withdrawn; or,
 - (3) Grave discrepancies have been revealed, including, but not limited to:
 - (a) Actions contributing to the falsification of student documents or inappropriate issuance of a course completion certificate;
 - (b) Unauthorized modifications of a course;
 - (c) Prompting students during an examination or coaching students to correctly perform a demonstration during a performance-based assessment; or,
 - (d) Deceptive practices such as advertising or conducting a non-approved course as an approved course, or issuing a completion certificate stating that a non-approved course was approved may result in withdrawal of all approvals issued to the training institution.
- b. A course with a withdrawn approval must be resubmitted for evaluation to consider reinstatement of the approval. Since withdrawal indicates an unacceptable managerial system, the resubmittal must include documentation establishing methods to prevent recurrence of the discrepancies that led to the withdrawal.

ANNUAL REPORT OF OVERSIGHT

Unit _____ Date _____

1. WORKLOAD.

At the end of calendar year _____, this unit was responsible for oversight of:

- a. _____ Level I courses _____ Level II courses _____ Level III courses
- b. _____ other providers requiring oversight.
(For b. only - Indicate type and number of each in this space, i.e., 3 Testing facilities, 1 Quality standards system provider, or, 4 Designated examiners)

2. AUDITS.

The following audits were completed during the past calendar year:

- a. Announced Administrative audits _ (a) _____ Number required by policy _ (b) _____
Percentage of completion _____ [(a) / (b) X 100 = %]
- b. Unannounced Administrative Audits _____
- c. Informal Visits _ (a) _____ Number required by policy _ (b) _____ Percentage of
completion _____ [(a) / (b) X 100 = %]
- d. Over-the-counter surveys _____
- e. Survey tests administered _____
- f. Off-site inspections _____
- g. Covert Audits _____

3. RESULTS.

Actions taken as a result of the above findings:

- a. Letters of congratulations issued where there were no discrepancies _____
- b. Letters of notification _____
- c. Immediate suspensions _____
- d. Recommendations for suspension _____
- e. Recommendations for revocation _____