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Comptroller General
of the United States

Accessible Version

April 13, 2020

The Honorable Michael R. Pompeo
Secretary of State
U.S. Department of State
2201 C Street, NW
Washington, D.C. 20520

Priority Open Recommendations: Department of State

Dear Mr. Secretary:

The purpose of this letter is to provide an update on the overall status of the U.S. Department of the State's (State) implementation of GAO's recommendations and to call your personal attention to areas where open recommendations should be given high priority.¹ In November 2019, we reported that on a government-wide basis, 77 percent of our recommendations made 4 years ago were implemented.² State's recommendation implementation rate was 71 percent. As of April 2020, State had 81 open recommendations.³ Fully implementing all open recommendations could significantly improve State's operations.

Since our April 2019 letter, State has implemented 11 of our 18 open priority recommendations. We believe these efforts have (1) improved the security and safety of diplomatic personnel and facilities overseas, including residences and soft targets such as schools, by developing new security procedures and guidance and by clarifying existing requirements; (2) mitigated concerns regarding obsolete information technology investments by identifying such technologies and developing a plan to replace them; and (3) addressed some data quality concerns by assessing the completeness of other agencies' data submissions for ForeignAssistance.gov and developing targeted assistance to support these other agencies, among other government improvements. Fully implementing all of our open priority recommendations would further improve State's human rights vetting process, assistance-related data quality, embassy construction planning efforts, and hardship pay payment process.

State has seven priority recommendations remaining from those we identified in the 2019 letter. We ask for your continued attention on those remaining priority recommendations. We also are adding five new recommendations related to improving cybersecurity, implementing agency

¹Priority recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operation, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or duplication issue.

²GAO, *Performance and Accountability Report: Fiscal Year 2019*, [GAO-20-1SP](#) (Washington, D.C.: Nov. 15, 2019).

³Sensitive and classified recommendations are tracked separately.

reform efforts, and complying with Congressional reporting requirements, bringing the total number of priority recommendations to 12. (See enclosure for the list of recommendations).

State's 12 open priority recommendations fall into the following seven major areas.

Improving the security assistance vetting process:

By fully implementing one priority recommendation, State could provide a more reasonable level of assurance that equipment is not transferred to foreign security forces when there is credible information that a unit within those forces has committed a gross violation of human rights. Every year, the United States provides billions of dollars in assistance to other nations in the form of security equipment and other assistance. To help ensure that U.S. assistance is not used to support human rights violators, Congress prohibits the provision of certain types of assistance to foreign security forces implicated in human rights abuses.⁴ However, State does not have policies or procedures specifically requiring vetting of security forces receiving U.S.-funded equipment. As such, we recommended in April 2016 that State develop time frames for establishing policies and procedures for vetting recipients of equipment. State concurred with this recommendation and reported that it drafted standard operating procedures for conducting equipment vetting globally. These procedures are being reviewed internally and have not yet been finalized.

Improving data quality:

By fully implementing two priority recommendations, State could improve the quality of foreign assistance data for reporting purposes. First, we recommended in August 2016 that State develop additional guidance for agencies updating ForeignAssistance.gov with verified data. The goal of ForeignAssistance.gov is to enable stakeholders, including Congress and U.S. citizens, to research and track U.S. government foreign assistance investments. However, these stakeholders did not have access to complete data: we found that the data on ForeignAssistance.gov were incomplete and did not report over \$10 billion in disbursements and about \$6 billion in obligations. State concurred with this recommendation and is working with the U.S. Agency for International Development (USAID) on a plan to consolidate their respective federal websites for reporting foreign assistance spending—ForeignAssistance.gov and Foreign Aid Explorer. As part of this effort, State officials said that State and USAID will establish a governance framework that will guide data collection and validation. This recommendation will be fully implemented once State finalizes the new data collection and verification framework.

Second, we recommended in December 2017 that the Secretary of State direct the Bureau of International Narcotics and Law Enforcement Affairs (INL) to identify and address factors that affect the reliability of its democracy assistance data, such as miscoded or missing data. Without reliable data, INL cannot accurately report required democracy assistance data to Congress.⁵ Although State reported that it established new processes to improve data reliability,

⁴22 U.S.C. § 2378d; 10 U.S.C. § 2249e. Prior to the passage of the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015, the DOD Leahy law was contained in annual appropriations acts. Prior to January 2014, the DOD Leahy law applied only to training. In January 2014, with the passage of the Consolidated Appropriations Act, 2014, the DOD Leahy law was expanded to cover training, equipment, and other assistance. Pub. L. No. 113-76, § 8057, Jan. 17, 2014.

⁵In 2012, the Office of Management and Budget issued Bulletin No. 12-01, "Guidance on Collection of U.S. Foreign Assistance Data," to provide guidance on its requirement for agencies to publicly report data on their foreign

State needs to demonstrate that INL's enhanced accounting system addresses data reliability issues related to missing data.

Improving Foreign Service management:

By fully implementing two priority recommendations, State could improve the management and cost-effectiveness of hardship pay calculations. Specifically, we made two recommendations in September 2017 that State (1) assess the cost-effectiveness of its policies and procedures for stopping and starting hardship pay and (2) analyze available data to identify posts at risk of improper payments for hardship pay, identify any improper payments, and take steps to recover and prevent them. State concurred with the recommendations and reported that it is reviewing all costs associated with the processing of hardship pay and is planning to use the Overseas Personnel System to centrally collect and analyze arrival and departure data. To fully address these recommendations, State needs to provide documentation showing that the efforts are complete and that the actions have enabled the department to more easily identify and prevent improper payments.

Improving embassy construction planning:

By fully implementing two priority recommendations, State could improve budgetary decision-making as well as better align Bureau of Overseas Buildings Operations (OBO) staffing levels and capacity with workforce needs for its Capital Security Construction Program (CSCP). In September 2018, we recommended that State determine the estimated effects of cost inflation on planned CSCP embassy construction capacity and time frames, and update this information for stakeholders, such as Congress, on a regular basis. In addition, we found that staffing workload and contractor collaboration have affected OBO's project delivery. To address this concern, we recommended that State analyze the entire OBO workforce to assess staffing levels and workload capacity needed to carry out the full range of OBO's mission goals, to include the CSCP. State concurred with the recommendations and described several actions planned or under way to address these issues. To fully implement these recommendations, State needs to (1) ensure information regarding the worldwide construction inflation rate is updated for stakeholders on a regular basis, and (2) complete the OBO-wide workforce analysis.

Improving cybersecurity:

By fully implementing two new priority recommendations, State could improve efforts to identify critical information technology (IT) and cyber-related workforce needs and better protect against cyber threats. In March 2019, we found that State had not completed assigning appropriate codes in the IT management occupational series for IT, cybersecurity, and cyber-related functions, in accordance with requirements in the Federal Cybersecurity Workforce Assessment Act of 2015. Assigning work roles that are inconsistent with IT, cybersecurity, and cyber-related positions diminishes the reliability of the information State needs to improve workforce planning. To address this concern, we recommended that State take steps to review the assignment of any positions in the IT management occupational series, assign the appropriate National Initiative for Cybersecurity Education (NICE) framework work role codes, and assess the accuracy of position descriptions. State concurred with the recommendation and is reviewing

assistance activities for ForeignAssistance.gov. The bulletin directed executive branch departments and agencies to provide foreign assistance data from all U.S. government agencies, and identified State as the lead agency responsible for collecting and publishing data from 22 U.S. agencies on ForeignAssistance.gov.

position descriptions in the IT management occupational series to ensure that they were assigned the appropriate codes.

In addition, we reported in July 2019 that State had not fully established a process for coordinating between its cybersecurity risk management and enterprise risk management functions, a practice that helps agencies address cyber-based incidents that threaten national security and personal privacy. Although State said that coordination occurs between these functions, it did not provide evidence or specific details of this coordination. As such, we recommended that State establish and document a process for coordination between cybersecurity risk management and enterprise risk management functions. State concurred with this recommendation and is working to update the relevant policies and procedures.

Implementing agency reform efforts:

By fully implementing two new priority recommendations, State could strengthen and advance the department's operational effectiveness. In August 2019, we found that State's reform efforts lacked leadership focus. We recommended that State identify which of the unimplemented reform projects included in its fiscal year 2019 Congressional Budget Justification, if any, should be implemented and establish a dedicated team to manage the implementation of all such reform efforts. State concurred with these recommendations and stated that it plans to implement all 16 of its unimplemented reform projects. In addition, State reported that the Under Secretary for Management had established a working group to implement 15 of the reform projects and to coordinate with the Office of U.S. Foreign Assistance Resources as it implements the other reform project. State has communicated this information to its personnel and plans to communicate this to Congress. Once State provides documentation of this communication with Congress, the first recommendation will be fully implemented. To fully implement the second recommendation, State must provide documentation that the working group is taking concrete actions to implement the 16 reform projects.

Complying with congressional reporting requirements:

By fully implementing one new priority recommendation, State could ensure that it meets Congressional reporting requirements regarding the allocation of U.S. foreign assistance funds to foreign countries and international organizations. In September 2019, we found that State did not submit its reports—required under Section 653(a) of the Foreign Assistance Act of 1961—within the 30-day mandated time frame during fiscal years 2015-2018. Because the data developed for the Section 653(a) report play a critical role in the obligation of tens of billions of dollars in foreign assistance funds appropriated annually, we recommended that State review the Section 653(a) process to identify process steps that can be streamlined or eliminated and determine the time frame needed to prepare the annual Section 653(a) report. As part of this recommendation, we also noted that if State determines that the time frame exceeds 30 days, the office should coordinate with other appropriate officials to submit a legislative proposal to Congress to extend the mandated time frame for submitting Section 653(a) reports. State concurred with this recommendation and said they would determine a reasonable time frame for completing the report and will coordinate with appropriate officials regarding a potential legislative proposal to Congress.

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As you know, in March 2019 we issued our biennial update to our [high-risk program](#), which identifies government operations with greater vulnerabilities to fraud, waste, abuse, and

mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges.⁶ Our [high-risk program](#) has served to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical service to the public.

Several government-wide high-risk areas have direct implications for State and its operations, including (1) [ensuring the cybersecurity of the nation](#), (2) [improving the management of IT acquisitions and operations](#), (3) [strategic human capital management](#), (4) [managing federal real property](#), and (5) [government-wide security clearance process](#).⁷ We urge your attention to these government-wide issues as they relate to State. Progress on high-risk issues has been possible through the concerted actions and efforts of Congress, the Office of Management and Budget, and the leadership and staff in agencies, including State.

Copies of this report are being sent to the Director of the Office of Management and Budget and appropriate congressional committees including the Committees on Appropriations, Budget, and Homeland Security and Governmental Affairs, United States Senate; and the Committees on Appropriations, Budget, and Oversight and Reform, House of Representatives. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

I appreciate State's continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in the letter, please do not hesitate to contact me or Jason Bair, Director, International Affairs and Trade, at bairj@gao.gov or (202) 512-6881. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Our teams will continue to coordinate with your staff on all of the 81 open recommendations. Thank you for your attention to these matters.

Sincerely yours,



Gene L. Dodaro

Comptroller General

of the United States

Enclosure – 1

cc: Brian Bulatao, Under Secretary of State for Management

Kirsten D. Madison, Assistant Secretary, Bureau of International Narcotics and Law Enforcement Affairs

⁶GAO, *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, [GAO-19-157SP](#) (Washington, D.C.: Mar. 6, 2019).

⁷[GAO-19-157SP](#). See pages 178-184 for Ensuring the Cybersecurity of the Nation, pages 123-127 for Improving the Management of IT Acquisitions and Operations, pages 75-77 for Strategic Human Capital Management, pages 78-85 for Managing Federal Real Property, and pages 170-177 for Government-wide Personnel Security Clearance Process.

Addison Davis IV, Director, Bureau of Overseas Buildings Operations

James L. Richardson, Director, Office of U.S. Foreign Assistance Resources

Enclosure

Priority Open Recommendations to the Department of State

Improving the Security Assistance Vetting Process

Security Assistance: U.S. Government Should Strengthen End-Use Monitoring and Human Rights Vetting for Egypt. [GAO-16-435](#). Washington, D.C.: April 12, 2016.

Recommendation: To strengthen compliance with the Leahy laws and implementation of State's human rights vetting process and to help ensure that U.S. funded assistance is not provided to Egyptian security forces that have committed gross violations of human rights, as State works to implement a revised version of the International Vetting and Security Tracking system (INVEST) that is expected to help facilitate equipment vetting, the Secretary of State should develop time frames for establishing corresponding policies and procedures to implement a vetting process to help enable the U.S. government to provide a more reasonable level of assurance that equipment is not transferred to foreign security forces, including those in Egypt, when there is credible information that a unit has committed a gross violation of human rights.

Actions Needed: State concurred with this recommendation. In response, State developed draft standard operating procedures for conducting equipment vetting. In February 2020, State reported that the operating procedures were being reviewed internally and were expected to be finalized later in the year. To fully implement this recommendation, State needs to finalize and share these operating procedures with all U.S. missions overseas.

Director: Chelsa Gurkin

Contact information: gurkinc@gao.gov or (202) 512-2964

Improving Data Quality

Foreign Assistance: Actions Needed to Improve Transparency and Quality of Data on ForeignAssistance.gov. [GAO-16-768](#). Washington, D.C.: August 24, 2016.

Recommendation: To improve the quality of the data published on ForeignAssistance.gov and help ensure consistency in published information, the Secretary of State should, in consultation with the Director of OMB and the USAID Administrator, develop additional guidance that takes into consideration current challenges to updating ForeignAssistance.gov with verified data.

Actions Needed: State concurred with this recommendation. State is working with the U.S. Agency for International Development (USAID) on a plan to consolidate their respective federal websites for reporting foreign assistance spending—ForeignAssistance.gov and Foreign Aid Explorer. As part of this effort, State officials said that State and USAID will establish a governance framework that will guide data collection and validation. This recommendation will be fully implemented once State finalizes the new data collection and verification framework.

Director: David B. Gootnick

Contact information: gootnickd@gao.gov or (202) 512-3149

Democracy Assistance: State Should Improve Accountability Over Funding; USAID Should Assess Whether New Processes Have Improved Award Documentation. GAO-18-136. Washington, D.C.: December 14, 2017.

Recommendation: The Secretary of State should direct the Bureau of International Narcotics and Law Enforcement Affairs (INL) to identify and address factors that affect the reliability of its democracy assistance data, such as miscoded or missing data.

Actions Needed: State concurred with this recommendation, and in response, reported that it established new processes to improve data reliability. To fully implement the recommendation, State needs to demonstrate that INL's enhanced accounting system addresses data reliability issues, such as missing data.

Director: David B. Gootnick

Contact information: gootnickd@gao.gov or (202) 512-3149

Improving Foreign Service Management

Overseas Allowances: State Should Assess the Cost-Effectiveness of Its Hardship Pay Policies. GAO-17-715. Washington, D.C.: September 13, 2017.

Recommendation: The Undersecretary of Management should assess the cost-effectiveness of State's policies and procedures for stopping and starting hardship pay for employees who temporarily leave their assigned overseas posts.

Actions Needed: State concurred with this recommendation, and reported that the department is assessing the cost-effectiveness of the current policy and working to identify changes in policy or execution that would result in greater efficiencies. This effort will incorporate findings from meetings held in 2019 with Foreign Service Officers. To fully implement the recommendation, State needs to provide documentation showing that it has completed this effort.

Recommendation: The department's Comptroller should analyze available diplomatic cable data from overseas posts to identify posts at risk of improper payments for hardship pay, identify any improper payments, and take steps to recover and prevent them.

Actions Needed: State concurred with this recommendation. According to State, it continues to identify and seek repayment of improper payments and communicate the importance of timely actions to the regional bureaus and posts to ensure improper payments do not occur. In addition, the Bureau of the Comptroller and Global Financial Services (CGFS) supports the roll out of the Overseas Personnel System, which will centralize the collection of arrival and departure data for the calculation of improper payment notification and risk analysis. To fully implement the recommendation, the Bureau of Human Resources needs to finalize the roll out of the Overseas Personnel System, and CGFS needs to provide documentation that the system allows it to more easily identify and prevent improper payments.

Director: Jason Bair

Contact information: bairj@gao.gov or (202) 512-6881

Improving Embassy Construction Planning

Embassy Construction: Pace Is Slower Than Projected, and State Could Make Program Improvements. [GAO-18-653](#). Washington, D.C.: September 25, 2018.

Recommendation: The Secretary of State should determine the estimated effects of cost inflation on planned Capital Security Construction Program (CSCP) embassy construction capacity and time frames and update this information for stakeholders on a regular basis, such as through the annual budgeting process.

Actions Needed: State concurred with this recommendation. As of March 2020, State' Bureau of Overseas Buildings Operations (OBO) had developed a worldwide construction inflation rate and had integrated this rate into its internal bureau budget request for fiscal year 2021. According to OBO officials, OBO is working to update its budget guidance to ensure the inflation rate is updated and integrated into future bureau budget requests on a regular basis. To fully implement the recommendation, State needs to provide documentation that this information will be updated and shared with stakeholders, such as Congress, on a regular basis in the future.

Recommendation: The Secretary of State should ensure that the Director of the Bureau of Overseas Buildings Operations (OBO) conducts an OBO-wide workforce analysis to assess staffing levels and workload capacity needed to carry out the full range of OBO's mission goals, to include the CSCP. Such an assessment could provide a basis for broader stakeholder discussion of OBO's human capital needs and potential prioritization of activities.

Actions Needed: State concurred with this recommendation. According to State, it is working with the Institute for Defense Analysis to conduct an OBO-wide workforce analysis, with initial findings and recommendations planned for early 2020. To fully implement this recommendation, State needs to complete the analysis and provide evidence that the analysis includes an assessment of staffing levels and workload capacity needed to carry out the full range of OBO's mission goals.

Director: Jason Bair

Contact information: bairj@gao.gov or (202) 512-6881

Improving Cybersecurity

Cybersecurity Workforce: Agencies Need to Accurately Categorize Positions to Effectively Identify Critical Staffing Needs. [GAO-19-144](#). Washington, D.C.: March 12, 2019.

Recommendation: To complete the appropriate assignment of codes to their positions performing IT, cybersecurity, or cyber-related functions, in accordance with the requirements of the Federal Cybersecurity Workforce Assessment Act of 2015, the Secretary of State should take steps to review the assignment of the "000" code to any positions in the department in the 2210 IT management occupational series, assign the appropriate NICE framework work role codes, and assess the accuracy of position descriptions.

Actions Needed: State concurred with this recommendation. In January 2020, we confirmed that State had assigned NICE framework work role codes to its positions in the 2210 IT management occupational series. However, the department has not yet provided sufficient evidence to demonstrate that it has completed its efforts to assess the accuracy of position

descriptions. To fully implement this recommendation, State will need to provide evidence that it has assessed the accuracy of position descriptions.

High-Risk area: [Ensuring the Cybersecurity of the Nation](#)

Director: Carol C. Harris

Contact Information: HarrisCC@gao.gov or (202) 512-4456

Cybersecurity: Agencies Need to Fully Establish Risk Management Programs and Address Challenges. [GAO-19-384](#). Washington, D.C.: July 25, 2019.

Recommendation: The Secretary of State should establish and document a process for coordination between cybersecurity risk management and enterprise risk management functions.

Actions Needed: State concurred with this recommendation. As of January 2020, the department stated that it is actively working to update the relevant policies and procedures. To fully implement this recommendation, State must provide evidence that it has finalized such policies and procedures for coordination between cybersecurity risk management and enterprise risk management functions.

High-Risk area: [Ensuring the Cybersecurity of the Nation](#)

Director: Nicholas Marinos

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Implementing Agency Reform Efforts

State Department: Leadership Focus Needed to Guide Agency Reform Efforts. [GAO-19-450](#). Washington, D.C.: August 1, 2019.

Recommendation: The Secretary of State should determine which of the unimplemented reform projects included in its fiscal year 2019 Congressional Budget Justification, if any, should be implemented and communicate this determination to Congress and appropriate State personnel.

Actions Needed: State concurred with this recommendation and stated that it plans to implement all 16 of its unimplemented reform projects. State has communicated this information to its personnel and plans to communicate this to Congress. Once State provides documentation of this communication with Congress, this recommendation will be fully implemented.

Recommendation: The Secretary of State should establish a single dedicated team to manage the implementation of all reform efforts that the Secretary decides to pursue.

Actions Needed: State concurred with this recommendation. State reported that the Under Secretary for Management had established a working group to implement 15 of the reform projects and to coordinate with the Office of U.S. Foreign Assistance Resources as it implements the other reform project. To fully implement this recommendation, State must

provide documentation that the working group is taking concrete actions to implement the 16 reform projects.

Director: Jason Bair

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Complying With Congressional Reporting Requirements

Foreign Assistance: State Department Should Take Steps to Improve Timeliness of Required Budgetary Reporting. [GAO-19-600](#). Washington, D.C.: September 9, 2019.

Recommendation: The Secretary of State should ensure that the Director of State's Office of U.S. Foreign Assistance Resources conducts a review of the Section 653(a) process to identify process steps that can be streamlined or eliminated and determine the time frame needed to prepare the annual Section 653(a) report. If State determines that the time frame exceeds 30 days, the office should coordinate with other appropriate officials to submit a legislative proposal to Congress to extend the mandated time frame for submitting Section 653(a) reports.

Actions Needed: State concurred with this recommendation and reported that the Department will determine a reasonable time frame for completing the report and will coordinate with appropriate officials regarding a potential legislative proposal to Congress. State must complete both of these actions to fully implement this recommendation.

Director: Jason Bair

Contact information: bairj@gao.gov or (202) 512-6881

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