



441 G St. N.W.  
Washington, DC 20548

Comptroller General  
of the United States

## Accessible Version

May 11, 2022

The Honorable Antony J. Blinken  
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 State's implementation of GAO's recommendations and to call your continued attention to areas where open recommendations should be given high priority.<sup>1</sup> In November 2021, we reported that, on a government-wide basis, 76 percent of our recommendations made 4 years ago were implemented.<sup>2</sup> State's recommendation implementation rate was 94 percent. As of April 2022, State had 82 open recommendations.<sup>3</sup> Fully implementing these open recommendations could significantly improve agency operations.

Since our May 2021 letter, State has implemented four of our 11 open priority recommendations.

- In July 2021, State issued supplemental guidance describing steps that posts should take to vet recipients of U.S. security equipment and other nontraining assistance. With the issuance of this guidance and its earlier actions, State has taken sufficient action to implement our April 2016 recommendation in our report focused on U.S. assistance to Egypt.
- State and the U.S. Agency for International Development (USAID) implemented our August 2016 recommendation by launching a consolidated ForeignAssistance.gov website that presents a single picture of U.S. foreign assistance and by issuing guidance on how State and USAID will aggregate and validate foreign assistance data.
- In June 2021, after comprehensively reviewing costs associated with the processing of hardship pay, State adopted a simplified rule for stopping and starting hardship pay that aims to increase compliance, apply the allowance equitably, and reduce the heavy

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<sup>1</sup>Priority 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.

<sup>2</sup>GAO, *Performance and Accountability Report: Fiscal Year 2021*, [GAO-22-4SP](#) (Washington, D.C.: Nov. 15, 2021).

<sup>3</sup>Sensitive and classified recommendations are tracked separately.

administrative burden of tracking arrivals and departures from posts, in response to our September 2017 recommendation. While State expects to see an increase in hardship pay due to this rule, it also expects to see a reduction in administrative costs associated with processing hardship pay that will offset those costs and increase fairness.

- In May 2021, State reported to Congress that it launched four Barrier Analysis Working Groups to identify diversity issues that could indicate potential barriers to the advancement and retention of underrepresented groups in its workforce. Additionally, in June 2021, State created a task force with representation from 45 bureaus and offices and 16 employee affinity groups, which was responsible for updating the department's Diversity and Inclusion Strategic Plan, fully implementing our January 2020 recommendation.

We ask for your continued attention to the remaining priority recommendations. We are also adding six new recommendations related to strengthening emergency preparedness, enhancing training efforts, improving data quality, and improving overseas property maintenance. This brings the total number of priority recommendations to 13. (See the enclosure for the list of recommendations and actions needed to implement them.)

State's 13 open priority recommendations fall into the following six major areas.

- 1. Strengthening emergency preparedness: According to State, the U.S. government has no higher priority than protecting American citizens. During the first 6 months of the COVID-19 pandemic, State carried out a historic effort to repatriate more than 100,000 U.S. citizens and permanent residents from 137 countries. Implementing two recommendations in this area could help State strengthen its preparedness for future crises.**
- 2. Enhancing training efforts: Supporting U.S. global competitiveness is a long-standing area of U.S. government interest. Increased globalization and recent economic and financial crises have heightened concerns that U.S. businesses may be at a disadvantage in foreign markets. By fully implementing two priority recommendations, State could enhance its training efforts related to economic and commercial diplomacy.**
- 3. Improving data quality: Federal decision makers need data of sufficient quality to assess whether federal programs achieve intended results. By fully implementing three priority recommendations, State could improve the quality of data for reporting, analysis, and oversight purposes.**
- 4. Improving overseas property maintenance and construction: State operates and maintains nearly 8,500 owned and 280 capital-leased real property assets—including buildings and other structures—at more than 270 U.S. embassies, consulates, and other posts overseas. Implementing two recommendations regarding overseas property maintenance and construction would improve budgetary decision-making.**
- 5. Improving cybersecurity: In March 2021, we reported that the federal government needs to urgently pursue critical actions to address the nation's major cybersecurity challenges, including fully implementing a national cyber**

**strategy and clearly defining a central role for leading the implementation of the national strategy.<sup>4</sup> Recent high-profile cyberattacks targeting the public and private sectors further highlight the urgent need to take these critical actions, including by addressing weaknesses in federal cybersecurity programs. By fully implementing three priority recommendations, State could improve efforts to identify critical information technology (IT) and cyber-related workforce needs and better protect against cyber threats.**

- 6. Complying with congressional reporting requirements: Congress appropriates tens of billions of dollars for foreign assistance annually and mandates that the President notify Congress as to how the U.S. government will allocate funds for foreign countries and international organizations, by category of assistance, within 30 days of the enactment of any law appropriating funds to carry out any provision of the Foreign Assistance Act or the Arms Export Control Act.<sup>5</sup> By fully implementing one 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.**

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In March 2021, we issued our biennial update to our [High-Risk List](#), 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.<sup>6</sup>

Several government-wide high-risk areas have direct implications for State and its operations. These include (1) [improving the management of IT acquisitions and operations](#), (2) [strategic human capital management](#), (3) [managing federal real property](#), (4) [ensuring the cybersecurity of the nation](#),<sup>7</sup> and (5) [government-wide personnel security clearance process](#). 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 within State. In March 2022, we issued a report on key practices to successfully address high-risk areas, which can be a helpful resource as your agency continues to make progress to address high-risk issues.<sup>8</sup>

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,

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<sup>4</sup>GAO, *High-Risk Series: Federal Government Needs to Urgently Pursue Critical Actions to Address Major Cybersecurity Challenges*, [GAO-21-288](#) (Washington, D.C.: Mar. 24, 2021).

<sup>5</sup>22 U.S.C. § 2413. This requirement does not apply to sections 2261 or 2397 of Title 22 of the U.S. Code.

<sup>6</sup>GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, [GAO-21-119SP](#) (Washington, D.C.: Mar. 2, 2021).

<sup>7</sup>With regard to cybersecurity, we also urge you to use foundational information and communications technology supply chain risk management practices set forth in our December 2020 report: GAO, *Information Technology: Federal Agencies Need to Take Urgent Action to Manage Supply Chain Risks*, [GAO-21-171](#) (Washington, D.C.: Dec. 15, 2020).

<sup>8</sup>GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

Foreign Relations, and Homeland Security and Governmental Affairs, United States Senate, and the Committees on Appropriations, Budget, Foreign Affairs, and Oversight and Reform, House of Representatives. In addition, the report will be available 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 this letter, please do not hesitate to contact me or Thomas Melito, Managing Director, International Affairs and Trade, at [melitot@gao.gov](mailto:melitot@gao.gov) or (202) 512-4128. 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 82 open recommendations. Thank you for your attention to these matters.

Sincerely yours,

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Gene L. Dodaro  
Comptroller General  
of the United States

Enclosure – 1

cc: The Honorable Shalanda Young, Director, Office of Management and Budget  
John Bass, Under Secretary of State for Management  
Ambassador Victoria Nuland, Under Secretary for Political Affairs  
Dr. Angeli Achrekar, Acting U.S. Global AIDS Coordinator and Special Representative for Global Health Diplomacy  
Todd D. Robinson, Assistant Secretary, Bureau of International Narcotics and Law Enforcement Affairs  
Ambassador William H. Moser, Director, Bureau of Overseas Buildings Operations  
Dr. Dafna H. Rand, Director, Office of Foreign Assistance  
Jeffrey C. Mounts, Comptroller for the Department of State and Acting Chief Financial Officer

## Enclosure -- Priority Open Recommendations to the Department of State

### Strengthening emergency preparedness

**COVID-19: State Carried Out Historic Repatriation Effort but Should Strengthen Its Preparedness for Future Crises. [GAO-22-104354](#). Washington, D.C.: November 2, 2021.**

#### **Recommendations:**

1. The Secretary of State should ensure that the Executive Secretary, the Under Secretary for Management (M), and the Under Secretary for Political Affairs work with the regional bureaus to develop a mechanism for ensuring that each post completes, and documents completion of, required emergency preparedness drills.
2. The Secretary of State should ensure that the relevant bureaus and offices establish a mechanism to systematically assess overseas posts' preparedness to respond to crises such as the COVID-19 pandemic.

**Actions Needed:** State concurred with these recommendations and said that it is assessing existing policies and practices that are already mandated with a focus on how to improve compliance. To fully implement these recommendations, State must provide documentation showing that it has developed a mechanism for ensuring that each post completes required emergency preparedness drills and that relevant bureaus and offices have established a mechanism to systematically assess overseas posts' preparedness to respond to crises. Implementing these priority recommendations would strengthen State's assurance that they are ready for future crises.

**Director:** Jason Bair

**Contact information:** [bairj@gao.gov](mailto:bairj@gao.gov) or (202) 512-6881

### Enhancing training efforts

**Economic and Commercial Diplomacy: State and Commerce Implement a Range of Activities, but State Should Enhance Its Training Efforts. [GAO-22-104181](#). Washington, D.C.: December 13, 2021.**

#### **Recommendations:**

1. The Secretary of State should ensure that the Foreign Service Institute develops and implements a process to conduct periodic, comprehensive assessments of training needs across the economic and commercial diplomacy issue area.
2. The Secretary of State should ensure that the Foreign Service Institute establishes a mechanism to periodically consult with external stakeholders, including the U.S. Department of Commerce, private sector entities, and industry groups, about whether State's training programs in economic and commercial diplomacy are achieving the desired impact.

**Actions Needed:** State concurred with these recommendations and said that, among other things, it had taken steps to initiate a regular process to assess training needs for its economic

and commercial diplomacy training and was establishing a stakeholder advisory group through which it planned to engage with private sector and industry groups. To fully implement these recommendations, State needs to provide documentation showing that it has (1) developed and implemented a process for conducting periodic, comprehensive assessments of economic and commercial diplomacy training needs and (2) established a mechanism for periodic consultation with external stakeholders.

Implementing these priority recommendations would provide State reasonable assurance that (1) it has an adequate strategic approach for prioritizing training across the economic and commercial diplomacy issue area, and (2) it obtained appropriate stakeholder perspectives and feedback on whether it is equipping staff with the necessary training and competencies to support U.S. businesses overseas.

**Director:** Kim Gianopoulos

**Contact information:** [gianopoulosk@gao.gov](mailto:gianopoulosk@gao.gov) or (202) 512-4128

### Improving data quality

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

**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 and reported that it is planning to use the Overseas Personnel System to centrally collect and analyze arrival and departure data for the calculation of improper payment notification and risk analysis. To fully implement this recommendation, State needs to provide documentation showing that it deployed and integrated the system, and that the system enables the department to more easily identify and prevent improper payments. Without implementing this priority recommendation, State may be missing an opportunity to identify, recover, and prevent improper payments related to hardship pay with the potential to produce cost savings for the U.S. government.

**Director:** Jason Bair

**Contact information:** [bairj@gao.gov](mailto:bairj@gao.gov) or (202) 512-6881

***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 reported that it established new processes to improve data reliability. To fully implement the recommendation, State needs to demonstrate that INL's enhanced financial system addresses data reliability issues related to missing or miscoded data in order to fully address this recommendation. Without reliable data, INL cannot accurately report required democracy assistance data externally.

**Director:** Chelsa L. Kenney

**Contact information:** [kenneyc@gao.gov](mailto:kenneyc@gao.gov) or (202) 512-2964

**President's Emergency Plan for AIDS Relief: State Should Improve Data Quality and Assess Long-term Resource Needs. [GAO-21-374](#). Washington, D.C.: May 20, 2021.**

**Recommendation:** The Secretary of State should ensure the U.S. Global AIDS Coordinator establishes standard, documented procedures to fully track and verify President's Emergency Plan for AIDS Relief (PEPFAR) program-level budget data, including data used for reporting to Congress, to ensure that these data are complete and accurate.

**Actions Needed:** State concurred with our recommendation and stated that it made improvements in establishing standards and procedures, and improving systems, to track and verify program-level budget data. To fully implement this recommendation, State must provide documentation of its procedures to fully track and verify PEPFAR program-level budget data and ensure these data are complete and accurate. Implementing this priority recommendation would help improve the completeness and accuracy of PEPFAR program-level budget data, improve the reliability of the data used for congressional reporting, and allow for a resource trends analysis needed to inform future programming.

**Director:** Jason Bair

**Contact information:** [bairj@gao.gov](mailto:bairj@gao.gov) or (202) 512-6881

**Improving overseas property maintenance and construction**

***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 the recommendation and its Bureau of Overseas Buildings Operations took steps to develop and integrate a worldwide inflation rate into its fiscal year 2021 and subsequent bureau-level budget requests. However, as of March 2022, State had not included any language regarding construction inflation in any of its Congressional Budget Justifications to Congress. To fully implement this recommendation, State must provide support that information regarding worldwide construction inflation has been communicated to congressional stakeholders. A lack of such information may affect stakeholders' ability to make informed budget decisions.

**Director:** Jason Bair

**Contact information:** [bairj@gao.gov](mailto:bairj@gao.gov) or (202) 512-6881

**Overseas Real Property: Prioritizing Key Assets and Developing a Plan Could Help State Manage Its Estimated \$3 Billion Maintenance Backlog. [GAO-21-497](#). Washington, D.C.: September 15, 2021.**

**Recommendation:** The Secretary of State should ensure that the Director of the Bureau of Overseas Buildings Operations develops a plan to address State’s deferred maintenance and repair backlog, and specifically identifies the funding and time frames needed to reduce it in congressional budget requests, related reports to decision makers, or both.

**Actions Needed:** State concurred with this recommendation and is in the final stages of implementing a framework to help prioritize maintenance funding according to the most urgent needs, among other things. To fully implement the recommendation, State needs to complete its plan and share the funding and time frames needed to address it with key decision makers, including Congress. Implementing this priority recommendation would help decision makers better understand how funding levels affect backlog reduction.

**Director:** Jason Bair

**Contact information:** [bairj@gao.gov](mailto: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 the recommendation and, in January 2020, we confirmed that State had assigned NICE framework work role codes to its positions in the identified IT management occupational series (2210 series). However, as of March 2022, the department had 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. 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.

**High-Risk area:** Ensuring the Cybersecurity of the Nation

**Director:** Dave Hinchman

**Contact Information:** [Hinchmand@gao.gov](mailto:Hinchmand@gao.gov) or (214) 777-5719



**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 and is working to update the relevant policies and procedures. To fully implement this recommendation, State needs to provide documentation of its process for coordinating between its cybersecurity and enterprise risk management functions. Without such coordination, senior leadership responsible for enterprise risk management functions may not be fully aware of significant cybersecurity risks and, thus, may not be positioned to address them in the context of other risks and their potential impacts on the mission of the agency.

**High-Risk area:** Ensuring the Cybersecurity of the Nation

**Director:** Marisol Cruz Cain

**Contact information:** [cruzcaim@gao.gov](mailto:cruzcaim@gao.gov) or (202) 512-5017

**Cyber Diplomacy: State Has Not Involved Relevant Federal Agencies in the Development of Its Plan to Establish the Cyberspace Security and Emerging Technologies Bureau. GAO-20-607R. Washington, D.C.: September 22, 2020.**

**Recommendation:** The Secretary of State should ensure that State involves federal agencies that contribute to cyber diplomacy to obtain their views and identify any risks, such as unnecessary fragmentation, overlap, and duplication of these efforts, as it implements its plan to establish the Bureau of Cyberspace and Digital Policy.

**Actions Needed:** State did not concur with this recommendation, noting that other agencies are not stakeholders in an internal State reform, and that it was unaware of these agencies having consulted with State before reorganizing their own cyberspace security organizations.

We stand by this recommendation and maintain that State's agency partners are key stakeholders, as they work closely with State on a range of cyber diplomacy efforts. Further, as State is the leader of U.S. government international efforts to advance U.S. interests in cyberspace, it is important for State to incorporate leading practices to ensure the successful implementation of its reorganization effort. State's new Bureau of Cyberspace and Digital Policy commenced operations in April 2022. State officials noted that the creation of this bureau resulted from a multi-month review that included numerous consultations with interagency colleagues, and that the interagency consultation will continue as State implements its plans.

To implement this recommendation, as State moves forward with the creation of the new Bureau of Cyberspace and Digital Policy, it needs to take action to involve federal agencies that contribute to cyber diplomacy to obtain their views and identify any risks. We will continue to monitor any action that State may take to involve federal agencies that contribute to cyber diplomacy in this process.

**High-Risk area:** Ensuring the Cybersecurity of the Nation

**Director:** Brian Mazanec

**Contact information:** [mazaneceb@gao.gov](mailto:mazaneceb@gao.gov) or (202) 512-5130

## 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. While State provided documentation showing that it reviewed the Section 653(a) process and determined that the time frame needed to prepare the report exceeded 30 days, we are awaiting confirmation that State submitted a legislative proposal to Congress to extend the mandated time frame for submitting Section 653(a) reports, which it must do to fully implement this recommendation. Without implementing this priority recommendation, State will likely continue to be in violation of its legal mandate for submitting Section 653(a) reports to Congress.

**Director:** Jason Bair

**Contact information:** [bairj@gao.gov](mailto:bairj@gao.gov) or (202) 512-6881

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