



Accessible Version

April 5, 2019

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 Secretary Pompeo:

The purpose of this letter is to provide an update on the overall status of the Department of State's (State) implementation of GAO's recommendations and to call your personal attention to open recommendations that should be given high priority.¹ In November 2018, we reported on a government-wide basis that 77 percent of our recommendations made in fiscal year 2014 had been closed as implemented.² State's recommendation implementation rate for the same time frame was 91 percent. As of March 2019, State had 101 open recommendations.³ Fully implementing these open recommendations could significantly improve State's operations.

Since our February 2018 letter, State has implemented 10 of our 20 open priority recommendations. We believe these efforts have improved the security and safety of diplomatic personnel and facilities overseas, improved State's ability to track Antiterrorism Assistance trainees' return to home countries and their use of delivered training, and mitigated the risk of staff fraud by employees of refugee resettlement support centers.

State has 10 open priority recommendations remaining from those we identified in our February 2018 letter. We ask your continued attention on these remaining recommendations. We are adding eight new recommendations as priorities this year related to data quality, the administration of hardship pay, and embassy construction. This brings the total number of open priority recommendations to 18. (See the enclosure for details on each.)

State's 18 open priority recommendations fall into the following six major areas.

Security of Overseas Personnel and Facilities:

Of the 18 open priority recommendations, eight are related to the security and safety of personnel serving overseas. State concurred with these eight recommendations and reported some steps taken to address them.

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 operations, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or fragmentation, overlap, or duplication issue.

²GAO, *Performance and Accountability Report: Fiscal Year 2018*, [GAO-19-1SP](#) (Washington, D.C.: November 2018).

³Sensitive and classified recommendations are tracked separately.

Fully implementing our two priority recommendations on personnel security could help ensure State personnel are prepared to operate in dangerous situations. In March 2014, we recommended that State take steps to ensure that U.S. civilian personnel are in compliance with the Foreign Affairs Counter Threat (FACT) training requirements. State has taken action to clarify agency responsibilities and plans to verify FACT compliance. To fully implement these recommendations, State needs to complete and carry out its plans to monitor and verify compliance with the FACT training requirement for permanent and temporary personnel.

Fully implementing our three priority recommendations on physical security at overseas posts could improve the safety and security of personnel serving overseas, particularly in high-threat locations. For example, in July 2015, we recommended that State take steps to clarify existing standards and security-related guidance for diplomatic residences. Although State has conducted a review of existing security standards for diplomatic residences, State needs to complete its efforts to update these standards and take several additional actions to improve its ability to identify and mitigate risks and enhance security policies.

Fully implementing our three recommendations related to transportation security, such as those related to armored vehicles, could improve State's efforts to manage transportation-related security risks overseas. In October 2016, we recommended that State take steps to enhance its efforts to manage such security risks, including by improving its related guidance and developing monitoring procedures. Although State implemented a shared site for reporting and monitoring each post's armored vehicle fleet, State needs to create consolidated guidance that specifies transportation security requirements to ensure that posts comply with State's armored vehicle policy.

Security Assistance:

Every year the United States provides billions of dollars in assistance to other nations in the form of security equipment and technical assistance. In April 2016, we recommended that State develop time frames for establishing policies and procedures to help the U.S. government provide a more reasonable level of assurance that equipment is not transferred to foreign security forces when there is credible information that a unit has committed a gross violation of human rights. State concurred with this recommendation and reported that it drafted standard operating procedures for conducting equipment vetting globally. To fully implement this recommendation, State needs to finalize its revised guidance for overseas posts that are responsible for vetting foreign security forces prior to transferring equipment to them.

Information Technology:

One open priority recommendation, if fully implemented, could improve information technology at State. In May 2016, we found that State spent approximately 80 percent of its information technology budget on operating and maintaining older systems. For example, three of State's visa systems were more than 20 years old. The software for one of these systems was no longer supported by the vendor, creating challenges related to information security. We recommended that State identify and plan to modernize or replace legacy systems. State concurred with the recommendation. According to State, it is developing a plan for modernizing and migrating each eligible system to the cloud by the end of fiscal year 2019.

Data Quality:

By fully implementing three priority recommendations we are adding this year, State could improve the quality of foreign assistance data, including data on democracy assistance, and ensure consistency in published information.

In August 2016, 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 provided by the 10

reporting agencies. We made two recommendations that State undertake a review of efforts to ensure data quality and develop additional guidance for agencies updating ForeignAssistance.gov with verified data. State concurred with these recommendations and is working with the U.S. Agency for International Development (USAID) to consolidate data collection efforts and discuss data quality and reporting requirements. State needs to continue its coordination with USAID and OMB to (1) determine next steps for consolidating processes and data collection efforts to maximize efficiencies and (2) develop additional guidance that considers current challenges to updating ForeignAssistance.gov with verified data.

By fully implementing the third data-related priority recommendation, State could improve the ability of the Bureau of International Narcotics and Law Enforcement Affairs (INL) to reliably report democracy assistance data to Congress. In December 2017, we found that democracy assistance data from this bureau were miscoded or incomplete in some cases. State concurred with this recommendation. Although State reported that INL enhanced the accounting system of record and established new processes to improve data reliability, State needs to demonstrate that INL's enhanced accounting system addresses data reliability issues, such as miscoding and missing data.

Administration of Hardship Pay:

When fully implemented, two priority recommendations could improve State's administration of hardship pay and its ability to identify and recover improper payments related to hardship pay. In September 2017, we recommended that State assess the cost-effectiveness of its policies and procedures for stopping and starting hardship pay and analyze available data to identify posts at risk of improper payments for hardship pay, among other things. State concurred with the recommendations and reported that it is working to identify changes in policy that would result in greater efficiencies and is planning to utilize the Overseas Personnel System to centrally collect and analyze arrival and departure data. To fully address these recommendations, State needs to provide documentation that the efforts are complete and that the actions have enabled the department to more easily identify and prevent improper payments.

Embassy Construction:

By fully implementing three 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 on a regular basis, such as through the annual budgeting process. We also recommended State provide an analysis for stakeholders identifying those embassies that still need to be replaced to meet State's security standards and estimating total CSCP costs and projected time frames needed to complete those projects. In addition, we recommended State conduct 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. 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 provide documentation that it has completed these efforts.

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In March, we also issued our biennial update to our high-risk program, which identifies government operations with greater vulnerability to fraud, waste, abuse, and mismanagement or

the need for transformation to address economy, efficiency, or effectiveness challenges.⁴ 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) enhancing the government-wide security clearance process, (2) ensuring the cybersecurity of the nation, (3) improving management of information technology acquisitions and operations, and (4) better managing federal real property. We urge your attention to the government-wide high-risk 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 (OMB), and the leadership and staff in agencies, including within State.

Copies of this report are being sent to the Director of OMB and appropriate congressional committees; the Committees on Appropriations, the Budget, and Homeland Security and Governmental Affairs, United States Senate; and the Committees on Appropriations, the Budget, and Oversight 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 this letter, please do not hesitate to contact me or Jason Bair, Acting 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 101 open recommendations. Thank you for your attention to these matters.

Sincerely yours,



Gene L. Dodaro
Comptroller General
of the United States

Enclosure

cc: Michael T. Evanoff, Assistant Secretary of State, Bureau of Diplomatic Security
Karen E. Mummaw, Acting Chief Information Officer, Bureau of Information Resource Management
Kirsten D. Madison, Assistant Secretary, Bureau of International Narcotics and Law Enforcement Affairs
William E. Todd, Acting Under Secretary for Management and Deputy Under Secretary for Management
Christopher H. Flaggs, Comptroller, Bureau of the Comptroller and Global Financial Services
Addison Davis IV, Director, Bureau of Overseas Buildings Operations

⁴GAO, *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, [GAO-19-157SP](#) (Washington, D.C.: March 2019).

Enclosure -- Priority Open Recommendations to the Department of State

Security of Overseas Personnel and Facilities

Countering Overseas Threats: Gaps in State Department Management of Security Training May Increase Risk to U.S. Personnel. [GAO-14-360](#). Washington, D.C.: March 10, 2014.

Recommendation: To strengthen State's ability to ensure that U.S. civilian personnel are in compliance with the Foreign Affairs Counter Threat (FACT) training requirement, the Secretary of State should take steps to ensure that management personnel responsible for assigning personnel to designated high-threat countries consistently verify that all assigned U.S. civilian personnel under chief-of-mission authority who are required to complete FACT training have completed it before arrival in the designated high-threat countries.

Actions Needed: State concurred with this recommendation. Despite some action to clarify agency responsibilities, to fully implement this recommendation, State still needs to take steps to ensure that U.S. civilian personnel under chief-of-mission authority who are required to complete FACT training have completed it before arrival in designated high-threat countries.

Recommendation: To strengthen State's ability to ensure that U.S. civilian personnel are in compliance with the FACT training requirement, the Secretary of State should monitor or evaluate overall levels of compliance with the FACT training requirement among U.S. civilian personnel under chief-of-mission authority who are subject to the requirement.

Actions Needed: State concurred with this recommendation. In November 2017, officials indicated that State planned to monitor and evaluate overall levels of compliance with the FACT training requirement by generating an annual report to verify assigned personnel's compliance with the requirement. However, State has yet to generate and review such a report.

Acting Director: Jason Bair

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Diplomatic Security: State Department Should Better Manage Risks to Residences and Other Soft Targets Overseas. [GAO-15-700](#). Washington, D.C.: July 9, 2015.

Recommendation: To enhance State's efforts to manage risks to residences, schools, and other soft targets overseas, the Secretary of State should direct the Bureau of Diplomatic Security (DS) to institute procedures to improve posts' compliance with requirements for conducting residential security surveys.

Actions Needed: State concurred with this recommendation. State is developing a global standardized residential survey program that, according to officials, will give DS officials at State headquarters and security officers at posts the ability to access and audit security surveys for all residential holdings. To fully implement this recommendation, DS needs to finalize and start using the global standardized residential survey program.

Recommendation: To enhance State's efforts to manage risks to residences, schools, and other soft targets overseas, the Secretary of State should direct DS to take steps to clarify existing standards and security-related guidance for residences. For example, DS could conduct a comprehensive review of its various standards and security-related guidance for residences and take steps to identify and eliminate gaps and inconsistencies.

Actions Needed: State concurred with this recommendation. To fully implement this recommendation, State needs to complete the process of updating the standards and guidance to address identified gaps and inconsistencies.

Recommendation: To enhance State's efforts to manage risks to residences, schools, and other soft targets overseas, the Secretary of State should direct DS to develop procedures for ensuring that all residences at posts overseas either meet applicable standards or have required exceptions on file.

Actions Needed: State concurred with this recommendation. State is developing (1) a global standardized residential survey program that, according to officials, will give DS officials at State headquarters and security officers at posts the ability to access and audit security surveys for all residential holdings and (2) a system to track exception requests and approvals. To fully implement the recommendation, State needs to complete these two systems and start using them.

Acting Director: Jason Bair

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Diplomatic Security: State Should Enhance Its Management of Transportation-Related Risks to Overseas U.S. Personnel. GAO-17-124. Washington, D.C.: October 4, 2016.

Recommendation: To enhance State's efforts to manage transportation-related security risks overseas, the Secretary of State should direct DS to clarify whether or not the Foreign Affairs Handbook's (FAH) armored vehicle policy for overseas posts is that every post must have sufficient armored vehicles, and if DS determines that the policy does not apply to all posts, articulate the conditions under which it does not apply.

Actions Needed: State concurred with this recommendation. State is currently revising this policy and expects to publish the updated version in the FAH by the end of 2019.

Recommendation: To enhance State's efforts to manage transportation-related security risks overseas, the Secretary of State should direct DS to develop monitoring procedures to ensure that all posts comply with the FAH's armored vehicle policy for overseas posts once the policy is clarified.

Actions Needed: State concurred with this recommendation. State reported in April 2017 that it implemented a shared site for reporting and monitoring information about each post's armored vehicle fleet. Once State's armored vehicle policy for overseas posts is clarified, State can use this reporting system to ensure that all posts comply with the armored vehicle policy requirements.

Recommendation: To enhance State's efforts to manage transportation-related security risks overseas, the Secretary of State should direct DS to improve guidance for Regional Security Officers, in coordination with other relevant State offices and non-State agencies as appropriate, on how to promote timely communication of threat information to post personnel and timely receipt of such information by post personnel.

Actions Needed: State concurred with this recommendation. State is currently developing a communications system to share emergency and threat information with all post personnel. State expects the system to be deployed to all posts by the end of 2019.

Acting Director: Jason Bair

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Security Assistance

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 provided revised guidance for equipment vetting in Egypt and developed draft standard operating procedures for conducting equipment vetting globally. In September 2018, State reported that the operating procedures were being reviewed internally and were expected to be finalized in early 2019. To fully implement this recommendation, State needs to finalize and share these operating procedures with all U.S. missions overseas.

Acting Director: Brian Mazanec

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Information Technology

Information Technology: Federal Agencies Need to Address Aging Legacy Systems. [GAO-16-468](#). Washington, D.C.: May 25, 2016.

Recommendation: To address obsolete information technology investments in need of modernization or replacement, the Secretary of State should direct the Chief Information Officer to identify and plan to modernize or replace legacy systems as needed and consistent with the Office of Management and Budget's (OMB) draft guidance, including time frames, activities to be performed, and functions to be replaced or enhanced.

Actions Needed: State concurred with this recommendation and stated that it planned to work with OMB upon the publication of OMB's guidance to identify opportunities for modernization. In February 2019, State said that the department would approve a plan for modernizing and migrating each eligible system to the cloud by the end of fiscal year 2019. State cannot fully implement this recommendation until it finalizes such a plan.

High-Risk Area: Ensuring the Cybersecurity of the Nation.

Director: Carol Harris

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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 U.S. Agency for International Development (USAID) Administrator, undertake a review of the efforts to date on ensuring data quality.

Actions Needed: State concurred with this recommendation. In response, State met with USAID and completed a joint report in 2018 on efforts to consolidate processes and data collection efforts to maximize efficiencies. OMB is currently reviewing this report. However, to fully implement this recommendation, State will need to finalize the review process and ensure that the quality of the data published on ForeignAssistance.gov has improved.

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 co-hosted an interagency meeting with OMB and USAID in 2017 to discuss data quality and reporting requirements. However, to fully implement this recommendation, State needs to develop additional guidance that would take into consideration current challenges to updating ForeignAssistance.gov with verified data.

Director: David B. Gootnick

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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 INL enhanced the accounting system of record and 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 miscoding and missing data.

Director: David B. Gootnick

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Administration of Hardship Pay

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. To fully implement the recommendation, State needs to provide documentation 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.

Acting Director: Jason Bair

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Embassy 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 this recommendation. State reported in December 2018 that it is developing an estimate and that it plans to update this information through the annual budgeting process. To fully implement the recommendation, State needs to provide documentation that it has completed this effort.

Recommendation: The Secretary of State should provide an analysis for stakeholders identifying those embassies that still need to be replaced to meet State's security standards and estimating total CSCP costs and projected time frames needed to complete those projects.

Actions Needed: State concurred with this recommendation. In December 2018, State reported that it is planning to develop a cost estimate and projected timeline for constructing the remaining 161 facilities that do not have a new embassy or consulate compound. To fully implement the recommendation, State needs to provide documentation that it has completed this effort.

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. In December 2018, State reported that it is developing a statement of work and determining available contracting options to conduct an OBO-wide workforce analysis to address GAO's recommendation. To fully

implement the recommendation, State needs to provide documentation that it has completed this effort.

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