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Accessible Version

May 19, 2021

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 personal attention to areas where open recommendations should be given high priority.¹ In November 2020, 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 79 percent. As of April 2021, State had 89 open recommendations.³ Fully implementing these open recommendations could significantly improve agency operations.

Since our April 2020 letter, State has implemented three of our 12 open priority recommendations. We believe that these efforts have improved State's embassy construction planning efforts, by carrying out an organizational review and workforce assessment for strategic building goals and priorities; and improved State's implementation of agency reform efforts by clearly communicating the department's decision to implement all of its unimplemented reform projects, and by establishing a working group to manage the implementation of reform efforts. Fully implementing all of our open priority recommendations would further improve State's security assistance vetting process; assistance-related data quality; and workforce, building, and operations management.

State has nine priority recommendations remaining from those we identified in the 2020 letter. We ask your continued attention to the remaining priority recommendations. We are also adding two new recommendations related to improving workforce management and cybersecurity, bringing the total number of priority recommendations to 11. (See enclosure for the list of recommendations).

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 2020*, [GAO-20-4-SP](#) (Washington, D.C.: Nov. 16, 2020).

³Sensitive and classified recommendations are tracked separately.

State's 11 open priority recommendations fall into the following six 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 U.S. 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. Therefore, 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 within State 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, State needs to demonstrate that INL's enhanced accounting system addresses data reliability issues related to missing data.

⁴22 U.S.C. § 2378d; 10 U.S.C. § 2249e.

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 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.

Improving workforce management:

By fully implementing three priority recommendations, State could enhance the department's ability to detect and remove barriers to equal participation in its workforce, and improve the management and cost-effectiveness of hardship pay calculations. Specifically, we recommended in January 2020 that the Secretary of State take additional steps to identify diversity issues that could indicate potential barriers to equal opportunity in its workforce.

State concurred with this recommendation and has expressed a commitment to maintaining a workforce that reflects the diverse composition of the United States. EEOC requires some federal agencies, including State, to systematically identify, examine, and remove barriers to equal participation at all levels of their workforce and to report on such barriers annually. We found that although State had identified some barriers to equal opportunity, the department had not identified other potential barriers that our review identified in its analysis, such as discrepancies in midcareer promotion of racial or ethnic minorities. To fully address this new priority recommendation, State needs to provide evidence that it has taken additional steps to identify such diversity issues, such as by conducting additional analyses of workforce data and of employee groups' feedback.

We also 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 one priority recommendation, State could improve budgetary decision-making 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. State concurred with the recommendation and took steps to develop and integrate a worldwide inflation rate into its fiscal year 2021 budget request. According to State officials, State is in the process of updating its budget guidance to help ensure that the inflation rate is updated and integrated into future budget requests on a regular basis. To fully implement this recommendation, State should provide support that information regarding worldwide construction inflation has been communicated to congressional stakeholders.

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 by fully implementing a national cyber strategy and clearly defining a central role for leading the implementation of the

national strategy.⁶ 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. In September 2020, we found that State coordinates with other federal agencies to advance U.S. interests in cyberspace, but it has not involved these agencies in the development of its plan to establish a new cyber diplomacy bureau. We recommended that the Secretary of State 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 Security and Emerging Technologies.

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 new priority 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 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. In January 2021, State announced that it was moving forward with the creation of the bureau. We will continue to monitor any action that State may take to involve federal agencies that contribute to cyber diplomacy to obtain their views and identify any risks as it conducts this review.

In addition, 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, 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). To fully implement this recommendation, State needs to provide evidence that it has assessed the accuracy of position descriptions.

We also 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. Therefore, 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. To fully

⁶GAO, *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).

implement this recommendation, State needs to provide documentation of its process for coordinating between its cybersecurity and enterprise risk management functions.

Complying with congressional reporting requirements:

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. 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 would coordinate with appropriate officials regarding a legislative proposal to Congress. To fully implement this recommendation, State needs to provide evidence that it has reviewed the time frame for completing the report, and submitted a legislative proposal to Congress.

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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.⁷ 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](#), 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 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, 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>.

⁷GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, [GAO-21-119SP](#) (Washington, D.C.: Mar. 2, 2021).

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 Thomas Melito, Managing Director, International Affairs and Trade, at melitot@gao.gov or (202) 512-9601. 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 89 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, Acting Director, Office of Management and Budget
Carol Z. Perez, Acting Under Secretary of State for Management
James A. Walsh, Acting Assistant Secretary, Bureau of International Narcotics and Law Enforcement Affairs
Henry V. Jardine, Acting Director of Overseas Building Operations
Tracy M. Carson, Acting Director of Office of U.S. Foreign Assistance

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 March 2021, State reported that the operating procedures were being reviewed internally but had not yet been finalized. To fully implement this recommendation, State needs to finalize and share these operating procedures with all U.S. missions overseas.

Director: Jason Bair

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

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 award data are reliable, coded correctly, and complete.

Director: David B. Gootnick

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

Improving Workforce 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

State Department: Additional Steps Are Needed to Identify Potential Barriers to Diversity. GAO-20-237. Washington, D.C.: January 27, 2020.

Recommendation: The Secretary of State should take additional steps to identify diversity issues that could indicate potential barriers to equal opportunity in its workforce. For example, State could conduct additional analyses of workforce data and of employee groups' feedback.

Actions Needed: State concurred with this recommendation and said that it would take steps to implement it. To fully implement the recommendation, State needs to provide evidence that it has taken additional steps to identify such diversity issues, such as by conducting additional analyses of workforce data and of employee groups' feedback.

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 support that information regarding worldwide construction inflation has been communicated to congressional stakeholders.

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, as of March 2021, 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: Dave Hinchman

Contact Information: 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. As of February 2021, the department stated that it is actively working to update the relevant policies and procedures, and they are undergoing internal review. 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 Marinis

Contact information: marinosn@gao.gov or (202) 512-9342

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 Security and Emerging Technologies.

Actions Needed: State did not concur with this recommendation, noting that other agencies are not stakeholders in an internal State reform. 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. To implement this recommendation, as State moves forward with the creation of the bureau, it needs to take action to involve federal agencies that contribute to cyber diplomacy to obtain their views and identify any risks.

High-Risk area: Ensuring the Cybersecurity of the Nation

Director: Brian Mazanec

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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 would determine a reasonable time frame for completing the report and would 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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