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National Security and  
International Affairs Division

B-285699

June 30, 2000

The Honorable Fred Thompson  
Chairman  
The Honorable Joseph I. Lieberman  
Ranking Member  
Committee on Governmental Affairs  
United States Senate

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Subject: Observations on the Department of State's Fiscal Year 1999 Performance Report and Fiscal Year 2001 Performance Plan

As you requested, we have reviewed the fiscal year 1999 performance reports and fiscal year 2001 performance plans of the 24 Chief Financial Officers (CFO) Act agencies required by the Government Performance and Results Act of 1993 (GPRA). In essence, under GPRA annual performance plans are to establish performance goals and measures covering a given fiscal year and provide direct linkage between an agency's longer-term goals and day-to-day activities. Annual performance reports are to subsequently report on the degree to which those performance goals were met. In this report, we provide our observations on State's fiscal year 1999 actual and fiscal year 2001 planned performance on the key outcomes you asked us to examine and State's major management challenges. The key outcomes are (1) eliminated threats from weapons of mass destruction, (2) expanded foreign markets for U.S. products and services, (3) enhanced ability of American citizens to travel and live abroad securely, (4) reduced international crime and availability and/or use of illegal drugs, and (5) reduced international terrorism. Enclosures I and II provide further detail on these issues.

#### RESULTS IN BRIEF

The Department of State's fiscal year 1999 performance report does not adequately demonstrate State's level of success in achieving the desired outcomes or the way in which State's actions actually led to achievement of the desired goals. Although the report's indicators of progress are usually quantifiable, they are generally activity-based measures that are not outcome oriented, which means that it is difficult to track progress in a meaningful way. The narrative section of the report highlights numerous foreign policy accomplishments as they relate to the Department's strategic and performance goals. However, the annex to the report, which should measure State's progress toward the achievement of each performance goal, is based

on the limited selection of performance goals and related measures in its 1999 plan. State reports that no program evaluations of the 1999 performance plan were completed during the year. Further, the report does not describe how unmet goals will be achieved in the future.

State's performance plan for fiscal year 2001 provides more detail on its intended performance compared to prior year plans. The fiscal year 2001 plan uses a new format that attempts to capture more of State's performance goals and measures and provides a clear division of responsibility among State's various geographic and functional bureaus. However, listing individual performance goals and measures by bureau can sometimes make it difficult to obtain an agency wide perspective or sense of priority among the hundreds of target goals listed. Assessing performance against the many targets listed will be time-consuming and likely inconclusive about whether tangible results were achieved. As in prior year plans, there is no discussion of whether State coordinated with the numerous partner agencies listed in the plan, how resources will be used to achieve goals, what data limitations there were, or whether the data used was validated and verified. Since State may have limited influence on the extent to which its strategic objectives and performance goals are achieved, we suggest that State use intermediate indicators (outputs and outcomes) to show progress or contributions toward intended results. Additionally, State should be using program evaluation studies to assess progress toward its objectives.

#### OUTCOME GOALS

- Eliminate the threat from weapons of mass destruction. State made limited progress toward achieving its goal to eliminate the threat to the United States and its allies from weapons of mass destruction. In the narrative section of the fiscal year 1999 performance report, State acknowledges that it was unable to achieve its 1999 strategic arms control objectives because Russia and the United States did not ratify the Strategic Arms Reduction Treaty (START) II treaty or the 1997 protocols. The only measure identified in the report annex was to "increase support from a majority of Newly Independent States of the former Soviet Union countries to adopt nonproliferation export controls," which was not accomplished. While the fiscal year 2001 plan provides a better picture of the Department's intended performance in that it covers a more complete range of activities that State plans to undertake to achieve this goal, some of the performance goals and measures identified do not provide valid measures of progress. For example, one of State's goals for this outcome is to be authoritative, relevant, and timely and to make the best use of technology by using web pages.
- Expand foreign markets for U.S. products and services. State made some progress toward its desired outcome of expanding foreign markets. The total level of U.S. exports was attained, and several bilateral investment treaties were signed or under negotiation. However, treaties were not signed with two targeted countries (Hong Kong and Korea) that are considered important markets to the United States. Most other targets were not fully achieved and, in some cases, no performance information was reported. For example, no actual fiscal year 1999

data was reported for two measures—telecommunications sales and revenues from foreign operations of U.S. telecommunications and related services. In two other cases—new World Trade Organization members and aviation agreements signed—the target numbers of countries were met, but not all the countries specifically targeted were included. Regarding petroleum reserves, State did not meet its goal to get two additional countries to maintain 90-day stocks and explained that the increase in world oil prices created major disincentives for holding oil stocks. However, it is not clear how this indicator relates to State's strategic goal of expanding foreign markets. The fiscal year 2001 performance plan contains many more goals and measures, but some are not relevant to the overarching goal of opening foreign markets, and others are vague, making overall progress difficult to assess.

- Enhance the ability of American citizens to travel and live abroad securely. Due to data limitations, State's progress in meeting this key agency outcome is inconclusive. One of the key services that State provides American citizens traveling abroad is timely and effective passport issuance. Neither the plan nor the report provides performance information on this key service. The report does, however, discuss State's progress in providing U.S. citizens with information and other services. For example, State increased access to travel information via the internet and developed an interagency plan to address international air disasters. Although State reports that it was less successful in resolving parental child abduction caseload issues, it is unclear how this measure relates to assisting American citizens who are traveling and living abroad. Further, State's fiscal year 1999 plan indicated that it intended to work closely with foreign governments to improve the treatment of U.S. citizens incarcerated abroad, promote greater participation in multilateral treaties to which the United States is a party, and help other agencies provide efficient distribution of benefits overseas. Yet the plan includes no targets or indicators to measure progress in any of these areas. However, the fiscal year 2001 plan provides a clearer, more complete set of goals and measures related to this key outcome, which includes passport issuance.
- Reduce international crime and availability and/or use of illegal drugs. State's plan highlights why these key outcomes are important; however, it does not clearly identify State's progress toward meeting its goals. State reports on only one of four measures identified in the plan—international training programs—which accounts for less than 2 percent of State's international narcotics and law enforcement budget. Also, State did not fully meet its goals. State established one of two international law enforcement academies and trained 8,092 foreign officials versus the 9,000 planned. While these activities support the goal, they do not demonstrate a reduction in international crime or drugs entering the United States.
- Reduce international terrorist attacks, especially on the United States and its citizens. State's plan refers to using diplomatic pressures, enlisting cooperation, and developing new technologies as general ways to address this goal. However, training is the only performance goal reported for this desired outcome, and none

of State's training goals were fully met. In the absence of additional information, it would appear that State was unsuccessful in achieving its desired outcome in fiscal year 1999 of combating terrorism. The fiscal year 2001 plan more clearly identifies goals and measures for this outcome, but some may be difficult to quantify such as the status of U.S. policies in various international forums.

### MANAGEMENT CHALLENGES

GAO and the Department of State's Inspector General previously identified eight major management challenges facing the Department.<sup>1</sup> State's fiscal year 1999 performance report addresses most of these challenges in some manner. For five of the challenges specifically addressed with performance goals and measures (information security, year 2000 issues, financial management, visa processing, and hiring and training personnel), State reports specific progress in some areas. For example, State has replaced its classified mainframe computers with modern client/server systems that improve information security. State also successfully met the challenge of making sure its critical communications and computer systems continued to operate past December 31, 1999. Although there were no specific goals and measures outlined in the fiscal year 1999 plan for the merger of the Arms Control and Disarmament Agency and the U.S. Information Agency into the Department, this effort was completed by October 1, 1999, as mandated. However, the report does not address the management challenge of achieving greater efficiencies and improved performance as a result of this merger. For the two challenges that identified the need to improve management capability or performance (overseas security and information technology modernization), State did not address how it would improve such capability.

With a few exceptions, we could not identify new goals, strategies, or measures in State's fiscal year 2001 plan that address its major management challenges. While State added performance goals and measures that directly address the challenge to improve the visa processing system and added strategies that partially address the challenge to enhance the management of overseas security programs, it did not adequately address the other challenges. For example, management challenges associated with managing information technology modernization and security, the hiring and training of staff, and improving financial management systems are not adequately addressed in the plan. Without this information, it is not clear how State plans to improve these areas. We note, however, that State has prepared separate documents—including information resource management strategic and tactical plans and annual financial accountability reports—that address many of its management challenges in these areas.

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<sup>1</sup>Observations on the Department of State's Performance Plan for Fiscal Year 2000 (GAO/NSIAD-99-183R, Jul. 20, 1999).

### OBJECTIVES, SCOPE, AND METHODOLOGY

Our objectives concerning selected key agency outcomes were to (1) identify and assess the quality of the performance goals and measures directly related to a key outcome, (2) assess the agency's actual performance in fiscal year 1999 for each outcome, and (3) assess the agency's planned performance for fiscal year 2001 for each outcome. Our objectives concerning major management challenges were to (1) assess how well the agency's fiscal year 1999 performance report discussed the progress it had made in resolving the major management challenges that we and the agency's Inspector General had previously identified and (2) identify whether the agency's fiscal year 2001 performance plan had goals and measures applicable to the major management challenges. As agreed, in order to meet the Committee's tight reporting timeframes, our observations were generally based on the requirements of GPRA, guidance to agencies from the Office of Management and Budget for developing performance plans and reports ("OMB Circular A-11", Part 2) previous reports and evaluations by us and others, our knowledge of the Department of State's operations and programs, and our observations on State's other GPRA-related efforts. We did not independently verify the information contained in the performance report or plan. We conducted our review between May and June 2000 in accordance with generally accepted government auditing standards.

### AGENCY COMMENTS AND OUR EVALUATION

On June 16, 2000, officials from the Department of State's Office of Management, Policy and Planning and the Bureau of Finance and Management Policy provided oral comments on our draft report assessing State's fiscal year 1999 performance report and fiscal year 2001 performance plan. The officials concurred with our assessment and planned to use our comments to help strengthen and improve future Results Act reporting. They shared our view that the fiscal year 2001 performance plan's goals and objectives are overly scattered. To address this concern, State plans to form strategic goal teams to produce a more focused fiscal year 2002 performance plan. The teams will be led by senior managers and will identify and prioritize performance goals for the agency rather than having each bureau produce separate goals and measures. State officials also reiterated the difficulty of putting diplomatic activities into quantifiable measures, particularly when the agency's primary mission is "influencing other governments and other agencies of our own government." Accordingly, officials said they would continue to stress using alternative indicators to measure progress.

Regarding our assessment of State's management challenges, State officials acknowledged that the performance plan needs to be strengthened. Accordingly, they will amend the fiscal year 2002 plan to make it more comprehensive, particularly in the areas of managing information technology modernization and security, hiring and training staff, and improving financial systems. These officials stressed that management challenges identified in 1999 including technology deficiencies and the integration of international affairs agencies continue to have policy and resource

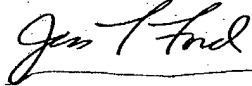
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implications on present and future Department operations. State officials also provided technical comments that were incorporated into the report as appropriate.

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Unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from its issue date. At that time, we will send copies of this report to other congressional Committees and the Honorable Madeleine K. Albright, Secretary of State. Copies of this report will be released on the internet at [www.gao.gov](http://www.gao.gov).

If you or your staff have any questions about this report, please call me at (202) 512-4128. Key contributors to this report were Diana Glod, Jodi Prosser, Claude Adrien, Steve Caldwell, Allen Fleener, Kay Halpern, Albert Huntington III, Edward Kennedy, Jeff Phillips, and Elizabeth Sirois.



Jess T. Ford, Associate Director  
International Relations and Trade Issues

**Observations on the Department of State's Fiscal Year 1999 Actual Performance and Fiscal Year 2001 Planned Performance Related to Key Outcomes**

This enclosure contains our observations on the Department of State's fiscal year 1999 actual and fiscal year 2001 planned performance for key outcomes identified by the Senate Governmental Affairs Committee as important mission areas for the Department. The key outcomes for State are to (1) eliminate the threat from weapons of mass destruction, (2) expand foreign markets for U.S. products and services, (3) enhance ability of American citizens to travel and live abroad securely, (4) reduce international crime and availability and/or use of illegal drugs, and (5) reduce international terrorism. As requested, we have identified the goals and measures directly related to a selected key outcome. Our observations are organized according to each selected key outcome and follow the goals and measures.

**Key Agency Outcome: Eliminate the Threat from Weapons of Mass Destruction**

**Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome to Eliminate the Threat from Weapons of Mass Destruction**

Expand export controls

- Fiscal year 1999 goal: Majority (more than six) of the newly independent states of the former Soviet Union have export controls in place
- Actual: Six countries **(goal not met)**

Ratify Strategic Arms Reduction Treaty (START) II and Strategic Arms Reduction Treaty (START) III, Anti-Ballistic Missile/Theater Missile Defense (ABM/TMD), and Chemical Weapons Convention (CWC)

- Fiscal year 1999 goals: Russia ratifies START II  
Negotiations on START III are underway.
- Actual: Start II not ratified and START III negotiations did not begin **(goals not met)**

**GAO Observations on State's Fiscal Year 1999 Actual Performance for the Key Agency Outcome to Eliminate the Threat From Weapons of Mass Destruction**

State acknowledges that its fiscal year 1999-2000 performance plan<sup>2</sup> and fiscal year 1999 performance report are incomplete in that not all goals are addressed. To address its strategic goal of eliminating the threat to the United States and its allies from weapons of mass destruction, State's plan identifies one performance goal and

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<sup>2</sup>In February 1999, State replaced its fiscal year 1999 performance plan with a plan covering fiscal year 1999-2000. According to State Department officials, State's fiscal year 1999 performance report presents results against the fiscal year 1999 targets in the replacement plan. In this plan, State noted numerous limitations in its preparation and highlighted that it only did one "illustrative" performance goal paper for some of its 16 strategic goals.

two associated measures of performance. State's performance report addresses the performance goal and one of the associated measures, as well as discusses additional accomplishments in the narrative segment. It does not, however, clearly identify whether State met its goal.

State's performance goal to "negotiate and implement with Russia and the other Newly Independent States of the former Soviet Union the framework of treaties, agreements, and controls that will enable them to prevent weapons of mass destruction proliferation" is somewhat objective and measurable. The results are activity based, however, and do not provide a clear picture of State's progress toward eliminating the threat of weapons of mass destruction. For example, it is unclear how "negotiating and implementing" a treaty ensures that a country will not contribute to proliferation, as evidenced by U.S. government concerns that countries such as Russia, China, and North Korea may violate agreements and have trouble enforcing them.

Overall, the plan's performance measures are clear and quantifiable but do not address State's role in achieving these results. In addition, the strategic goal presented in the report is not consistent with that identified in the plan. For example, the plan identifies the strategic goal as "eliminate the threat to the United States and its allies from weapons of mass destruction and destabilizing conventional arms," whereas the narrative section of the report states that the strategic goal is to "reduce" the threat. Meanwhile, the plan does not provide any measures related to State's goal to ratify the Anti-Ballistic Missile/Theatre Missile Defense demarcation or the Chemical Weapons Convention treaty.

State does not clearly identify whether it met the fiscal year 1999 performance goal and measures. Although State's performance report indicates in the annex section that it has successfully met its performance goal, the narrative section acknowledges that it "was unable to achieve fully its 1999 strategic arms control objectives, in part because the Strategic Arms Reduction Treaty II and 1997 Protocols were not ratified by Russia and the U.S." and that Strategic Arms Reduction Treaty III negotiations had not begun. State does not address the performance measure that in 1999, a majority of newly independent states of the former Soviet Union would adopt export control laws. In fact, the report annex only identifies one alternative indicator-- "to increase support by Newly Independent States of the former Soviet Union for effective nonproliferation export controls"-- and does not include target goals identified in the plan.

The report identifies other agencies as partners in this area but does not clearly define State's role. Also, the report does not explain how State's activities relate to the Department of Defense's or the Department of Energy's programs. Furthermore, the report does not discuss (1) data limitations, including the credibility of data; (2) efforts to validate or verify data; and (3) links between performance goals and resource allocations.

Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome to Eliminate the Threat from Weapons of Mass Destruction

Expand export controls

Ratify treaties and agreements

GAO Observations on State's Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome to Eliminate the Threat From Weapons of Mass Destruction

Although the report annex indicates that State successfully met its performance goal when compared to what the plan identified as measures and target goals, State did not meet its goals. In fact, State acknowledges in the report's narrative section that it did not meet all performance measures identified in the performance plan. Specifically, Russia did not ratify the Strategic Arms Reduction Treaty II, and Strategic Arms Reduction Treaty III negotiations did not begin in 1999. The narrative section also discussed other efforts that were not accomplished. The report, however, does not provide clear explanations as to why the goals were not accomplished or how the agency plans to achieve these unmet goals in the future.

Further, the report does not address State's failure to meet the plan's second performance measure that a "majority of the Newly Independent States have export controls in place" in 1999. In fact, the report merely states that Russia has adopted export controls but does not provide any context as to how many countries have such controls in place.

Fiscal Year 2000 Performance Goals and Measures for the Key Agency Outcome to Eliminate the Threat from Weapons of Mass Destruction

Expand export controls

- Fiscal year 2000 goal: All newly independent states of the former Soviet Union countries have export controls in place and a majority enforce them

Ratify treaties and agreements

- Fiscal year 2000 goal: Strategic Arms Reduction Treaty III is signed; U.S. and Russia reach agreement on Anti-Ballistic Missile/Theater Missile Defense demarcation; two additional newly independent states of the former Soviet Union countries ratify Chemical Weapons Convention

GAO Observations on State's Fiscal Year 2000 Performance Goals and Measures for the Key Agency Outcome to Eliminate the Threat From Weapons of Mass Destruction

For the performance goal to "negotiate and implement with Russia and the other Newly Independent States of the former Soviet Union the framework of treaties, agreements, and controls that will enable them to prevent weapons of mass destruction proliferation," State's report does not provide the assessment of fiscal year 1999 performance on estimated performance levels for fiscal year 2000 and does not discuss ways to achieve performance goals for fiscal year 2001.

Fiscal Year 2001 Performance Goals and Measures for the Key Agency Outcome to Eliminate the Threat from Weapons of Mass Destruction

State's fiscal year 2001 performance plan identifies 75 performance goals and 64 measures divided between five bureaus. As an example:

Bureau of Nonproliferation's fiscal year 2001 goals:

- Expand the scope and membership of multilateral regimes and strengthen their control procedures
- Promote responsible export policies by non-members, and promotion of effective export control systems and enforcement
- Improve the effectiveness of foreign states' interdiction measures
- Increase other countries' effectiveness in controlling exports of proliferation concern
- U.S. exports do not inadvertently contribute to the proliferation, U.S. export controls are not undermined by domestic economic pressures, and key U.S. trading partners make export decisions that support nonproliferation.

Measures:

- Flow of equipment and technology to proliferation programs worldwide
- Status of NSG full-scope safeguards nuclear supply policy with tightly drawn exceptions for safety and "grandfathered" arrangements
- Status of development, production, testing, and deployment of proliferant weapons systems (including quality and reliability)
- Status control procedures and information sharing of multilateral nonproliferation regimes
- Status of U.S. export regulations with effective enforcement and level of support for U.S. export control decisions among other supplier countries
- Level of support by countries outside the regime for effective nonproliferation export controls

GAO Observations on State's Fiscal Year 2001 Planned Performance for the Key Agency Outcome to Eliminate the Threat From Weapons of Mass Destruction

Compared to previous performance plans, State has completely revamped its fiscal year 2001 performance plan for this outcome. Whereas State's previous plan had one performance goal and two measures for the entire Department, the fiscal year 2001 plan identifies 75 performance goals and 64 indicators among five different bureaus and offices. State does not provide any explanation about why such an extreme makeover was done.

The fiscal year 2001 performance plan provides a better picture of the agency's intended performance insofar as the number of goals and measures has been significantly increased and includes a much more comprehensive range of activities. This approach appears to place greater accountability on each bureau for showing its progress in achieving State's goal of eliminating the threat of weapons of mass destruction. However, we question the usefulness of having so many goals and measures, especially when a number of them are not objective, outcome oriented, or

quantifiable and do not measure State's progress toward reaching its desired outcome. As an illustration, one bureau lists seven performance goals that are to

- clearly serve the national policy goals;
- support information objectives of U.S. missions abroad;
- be authoritative, relevant and timely;
- provide context and a balanced range of responsible U.S. opinion;
- make the best use of technology;
- provide rapid response capability to emerging crisis situations; and
- have a long-term perspective.

The measures for these goals are to use technology and report on specific activities such as "producing and maintaining web pages" and "producing electronic journals."

The plan seems to confuse goals and measures, uses too many undefined acronyms, and is generally not reader friendly. While State identifies the agencies with which coordination is needed for each performance goal, it fails to discuss the nature and extent of the coordination necessary or the new strategies that may be needed in the future. Finally, State's fiscal year 2001 plan does not address several weaknesses identified in our assessment of State's fiscal year 2000 plan.<sup>3</sup> Weaknesses include the fact that State's plan does not describe how resources will help achieve its strategic goals nor does it describe State's efforts to verify and validate performance data used in the report. Also, the plan does not clearly demonstrate how State will accomplish its strategic goals by addressing the performance goals listed. The plan would benefit from such information.

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<sup>3</sup>Observations on the Department of State's Performance Plan for Fiscal Year 2000 (GAO/NSIAD-99-183R, July 20, 1999).

**Key Agency Outcome: Expand Foreign Markets for U.S. Products and Services**Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome to Expand Foreign Markets for U.S. Products and Services**Expand Foreign Markets**

Accession of newly independent states of the former Soviet Union and former communist countries to the World Trade Organization

- Fiscal year 1999 goal: Two more countries accede to the World Trade Organization (Armenia, Estonia)
- Actual: Armenia (**goal not met**)  
Estonia (**goal met**)

Number of countries signing more liberal aviation agreements

- Fiscal year 1999 goal: Six more countries sign agreements (Argentina, China, Dominican Republic, Kenya, Pakistan, and the United Kingdom)
- Actual: Six countries (**goal met, but mostly different countries**)

U.S. telecommunications and information technology equipment sales

- Fiscal year 1999 goal: \$115 billion
- Actual: (**goal not addressed**)

Foreign operations revenues of U.S. telecommunications including satellite service providers

- Fiscal year 1999 goal: \$2.16 billion
- Actual: (**goal not addressed**)

Number of petroleum consumer countries that maintain 90-day stocks to meet an oil-supply emergency resulting from nonmarket forces

- Fiscal year 1999 goal: Two more countries maintain 90-day stocks (Turkey and Portugal)
- Actual: (**goal not met**)

**Export Promotion**

Total level of all U.S. exports (goods only, not services)

- Fiscal year 1999 goal: \$685 billion
- Actual: \$693 billion (**goal met**)

Bilateral investment treaties negotiated

- Fiscal year 1999 goals: Sign four more treaties (Hong Kong, Korea, Mozambique, Panama amendment); conduct six ongoing negotiations; engage in preparatory discussions with 50 countries
- Actual: Signed 3 more treaties (**goal not met**); 17 under negotiation (**goal met**); number of preparatory discussions held (**goal not addressed**)

GAO Observations on State's Fiscal Year 1999 Actual Performance for the Key Agency Outcome to Expand Foreign Markets for U.S. Products and Services

This key agency outcome has two performance goals and seven measures of performance. State's performance measures are generally objective, measurable, results-oriented indicators of progress. With minor exceptions, the measures are relevant to the performance goals and key agency outcome stated in the plan. One indicator, "the number of petroleum consumer countries that maintain emergency oil stocks," is not related to the performance goal and is only remotely related to the key agency outcome.

State used an alternative measure to describe its intended performance but generally did not provide complete alternative indicators of success (e.g., what would constitute "minimally effective" and "unsuccessful" performance). In addition, it was not necessary for State to use "alternative" indicators because all the indicators it used are quantifiable, such as the number of countries signing agreements and the level of exports.

Using these measures, State reports mixed progress toward its desired outcome. The total level of U.S. exports was attained, and several investment treaties were signed/negotiated. However, most targets were not fully achieved, and in some cases, no performance information was reported. State generally provided credible and relevant sources for the target indicator data given. We note, however, that while the Commerce Department is listed as a partner agency, it is not listed as a primary data source for export statistics.

State must work with numerous other agencies to expand foreign markets for U.S. products and services. However, in some cases, relevant partners are not listed. For example, State has an indicator regarding the number of countries signing more liberal aviation agreements but does not identify the Federal Aviation Administration as a partner agency. Additionally, as one of its "strategies and tactics," State notes that it will try to "secure additional rights for U.S. shipping companies" in key markets but does not list the Maritime Administration as a partner agency.

Further, State gives as an indicator the number of bilateral investment treaties negotiated but does not list the Treasury Department as a partner agency. Other key export promotion agencies not listed as partners in the performance report include the U.S. Export-Import Bank, the Overseas Private Investment Corporation, and the U.S. Trade and Development Agency. Additionally, under "strategies and tactics," State says it will "consider appropriate use of agricultural export subsidy programs to counter subsidy practices by competitors in third markets" but does not list the Department of Agriculture as a partner agency.

Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome to Expand Foreign Markets for U.S. Products and Services

**Expand Foreign Markets**

- Two newly independent states of the former Soviet Union countries did become World Trade Organization members, but only one of these—Estonia—was a targeted country. There was no mention of whether the other targeted country—Armenia—became a World Trade Organization member.
- Six aviation agreements were signed, but only two were with the target countries indicated.
- No U.S. telecommunications sales were reported for fiscal year 1999.
- No revenues were reported for foreign operations of U.S. telecommunications, satellite, or other service providers.
- Eight out of 25 International Energy Agency members failed to maintain the required level of stocks

**Export Promotion**

Bilateral investment treaties not signed

GAO Observations on State's Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome to Expand Foreign Markets for U.S. Products and Services

According to the information provided in State's performance report for fiscal year 1999, the level of U.S. exports was met, while the target for bilateral investment treaties negotiated was only partially met. Although State characterized the second indicator as "successful," only three of four treaties were signed, and only one was with a targeted country. Moreover, although two of the targeted entities (Hong Kong, Korea) are considered strong economies and important markets for the United States, the three countries with which treaties were signed (Bahrain, El Salvador, Mozambique) are not among the strongest international market prospects due to their poor economies or, in the case of Bahrain, its small market.

Fiscal Year 2000 Performance Goals and Measures for the Key Agency Outcome to Expand Foreign Markets for U.S. Products and Services

**Expand Foreign Markets**

Fiscal year 2000 goals:

- Four more countries to accede to membership (Croatia, Georgia, Lithuania, Moldova)
- Five more countries to sign liberal aviation agreements (Brazil, Colombia, Ghana, Poland, Spain)
- \$120 billion in U.S. telecommunications and information technology equipment sales
- \$2.26 billion in foreign operations revenues of U.S. telecommunications service providers

- Two more countries to maintain adequate petroleum stocks (Czech Republic and Korea)

**Export Promotion**

Fiscal year 2000 goals:

- Total U.S. exports of \$700 billion (goods only)
- Sign four more bilateral investment treaties (countries to be determined); conduct eight ongoing negotiations; engage in preparatory discussions with 50 countries

GAO Observations on State's Fiscal Year 2000 Performance Goals and Measures for the Key Agency Outcome to Expand Foreign Markets for U.S. Products and Services

The State Department's report did not provide an assessment of the effect of fiscal year 1999 performance on estimated performance levels for fiscal year 2000.

Fiscal Year 2001 Performance Goals and Measures for the Key Agency Outcome to Expand Foreign Markets for U.S. Products and Services

**Expand Foreign Markets**

Africa Bureau fiscal year 2001 goals:

- Achieve increased adherence to World Trade Organization obligations, which will decrease barriers to trade and investment
- Increase implementation of market reforms
- Improve transportation links

Africa Bureau measures:

- Number of countries initiating policy reforms with ATRIP assistance
- Number of bilateral trade and investment treaties signed
- Number of countries adopting anti-corruption standards
- Number of airports meeting International Civil Aviation Organization standards

East Asia-Pacific Bureau fiscal year 2001 goals:

- Agreements liberalizing nine sectors under the Asia-Pacific Economic Council's Early Voluntary Sectoral Liberalization initiative
- Membership by China and other Asian economies in the World Trade Organization on a commercially meaningful basis

East Asia-Pacific Bureau measures:

- Implement agreements under the Asia-Pacific Economic Council's Early Voluntary Sectoral Liberalization initiative
- World Trade Organization membership

Economic Bureau fiscal year 2001 goals:

- Create an international framework for open markets that increases economic opportunities for the U.S. and the prospects for global prosperity

- Liberalize international trade and open financial markets in developing and transitional economies
- Integrate emerging economies into the world trading system through expanded World Trade Organization membership
- Advance civil aviation, transport, telecommunications, and energy initiatives/negotiations
- Limit economic sanctions to instances where the expected benefits clearly outweigh the costs

Economic Bureau measures:

- Status of efforts to establish agreements strengthening stability and growth in the world economy
- Number of signatories ratifying the Organization for Economic Cooperation and Development (OECD) antibribery convention, and status of implementation
- Status of negotiations in World Trade Organization
- Expand World Trade Organization membership
- Status of U.S.-China trade agenda
- Number of countries agreeing to more liberal transportation agreements
- Number of countries agreeing to more liberal telecommunications agreements
- Number of international energy agency members maintaining required emergency oil stock levels

Education and Cultural Affairs Bureau fiscal year 2001 goals:

- Increased communication with emergent and current foreign leaders through exchanges
- Better U.S. understanding of foreign cultures through exchanges
- High-quality programs that demonstrate the creativity, diversity, and openness of American culture and society

Education and Cultural Affairs Bureau measures:

- Favorable U.S. and post-produced GPRA reports
- Independent polling and analysis of success
- Positive professional program evaluations
- Positive participant evaluations

European Bureau fiscal year 2001 goals:

- Make progress toward new World Trade Organization negotiations and conclude further sector agreements
- Implement and expand U.S.-European Union (EU) agreements to reduce regulatory costs
- Resolve outstanding U.S.-EU World Trade Organization and bilateral disputes
- Implement U.S.-EU biotech dialogue and pilot project
- Promote trade and investment in Southeast and Central Europe
- Promote new steps to fight corruption and bribery

European Bureau measures:

- Development of better mechanisms for resolving trade disputes, particularly on biotechnology, food safety, and agricultural issues
- Launch new World Trade Organization trade negotiations, including built-in agenda, sectoral liberalization, institutional reform, and labor and the environment
- Implementation of Stability Pact Investment Compact and anticorruption initiatives, including OECD role

International Organizations Bureau fiscal year 2001 goals:

- Improved management in specialized agencies and adoption of agency decisions that reflect U.S. interests
- Assessment rate ceiling in the International Labor Organization and the United Nation's Food and Agriculture Organization reduced to 22 percent
- Improvement of core labor standards and reduced child labor
- Strengthening of International Civil Aviation Organization role in aviation safety
- Acknowledgement of postal service liberalization by the Universal Postal Union
- Development of plant health and food safety standards
- Partner with regional bureaus and other functional bureaus
- Improvement of maritime safety standards through the International Maritime Organization
- Advancement of U.S. telecommunications goals through the International Telecommunications Organization
- Maximized protection of intellectual property for U.S. inventors
- Adoption of high standards for pharmaceutical production by the World Health Organization

International Organizations Bureau measures:

- Status of U.S. policies as evidenced in votes, resolutions, plans of action, etc. in various international organizations

**Export Promotion**

Africa Bureau fiscal year 2001 goal:

- Increase U.S. exports of goods and services to Africa

Africa Bureau measures:

- Value of U.S. exports of goods and services to sub-Saharan Africa in terms of global U.S. trade
- U.S. market share in sub-Saharan Africa

Economic Bureau fiscal year 2001 goal:

- Focus U.S. government export promotion efforts on best international market prospects

Economic Bureau measures:

- U.S. exports \$743 billion
- Conclusion of ongoing bilateral investment treaty talks, continuation of pre-negotiation/negotiations, and initiation of new negotiations

- Implement Market Development Pilot Program

GAO Observations on State's Fiscal Year 2001 Planned Performance for the Key Agency Outcome to Expand Foreign Markets for U.S. Products and Services

State's fiscal year 2001 performance goals are significantly different from its single, overarching fiscal year 1999 goal. For 2001, State has 30 separate goals spread out over six bureaus. Although State provides no explanation for this major change, the expanded coverage provides a clearer division of responsibility among State's various bureaus. As with the fiscal year 1999-2000 performance plan, State provides statements of expected performance for subsequent comparison with actual performance, including baselines and targets. State does not discuss the need to coordinate with other agencies but does list lead and partner agencies. For the most part, the list of partner agencies is thorough and appropriate.

On the other hand, the fiscal year 2001 performance plan does not sufficiently describe how resources will help achieve goals nor does it describe efforts to verify and validate performance. Moreover, while many of the new goals are factors in international trade, several of them do not advance the overall strategic goal of opening world markets. Specifically, some of the new performance goals for two of the six bureaus cited are not related to opening world markets. For example, the Education and Cultural Affairs Bureau's goals have no bearing on improving access to world markets. Similarly, many of the International Organizations Bureau's goals—including those related to the assessment rate ceiling in the International Labor Organization and the Food and Agriculture Organization, and the improvement of maritime safety standards—have no bearing on the overall strategic goal. In addition, one of the Africa Bureau's measures regarding aviation standards is not relevant. These last two goals and measures would appear to be more appropriate for other strategic goals, such as improving world safety.

Another problem is that several of the alternative indicators identified are too vague and are not linked to specific goals. For example, the International Organizations Bureau identifies 11 performance goals, some of which are very specific, but only identifies one alternative indicator as a measure of performance-- "status of U.S. policies as evidenced in votes, resolutions, plans of action, etc., in various international organizations." State should develop more precise indicators to measure progress toward these goals. Similarly, the Economic Bureau has three alternative indicators that seek to evaluate goals based only on the "status" of various U.S. trade initiatives. In addition, it is not clear how the Education and Cultural Affairs Bureau's indicator regarding the Government Performance and Results Act reports is relevant to any of the Bureau's performance goals.

Lastly, there are some weaknesses in the 2001 performance plan:

- Under "target level for fiscal year 2001," one bureau listed the same level of performance for "successful," "minimally effective," and "unsuccessful" as it did for fiscal year 2000.

- State uses many acronyms throughout its fiscal year 2001 performance plan. A large number of these acronyms, such as "ATRIP" and "SEE," are obscure and undefined.

State's fiscal year 2001 performance goal concerning U.S. exports has been changed to add an emphasis on Africa. It has been expanded into two goals, the first of which focuses on Africa and is allocated to the Africa Bureau, while the second goal focuses on the best prospects in the world market and is allocated to the Economic Bureau. State provides no explanation for the new focus on Africa.

As with the fiscal year 1999-2000 performance plan, State provides statements of expected performance for subsequent comparison with actual performance (fiscal year 1999 baselines and target levels of performance for fiscal year 2000 and fiscal year 2001). State does not discuss the need to coordinate with other agencies but does list lead and partner agencies. However, as in the fiscal year 1999 performance report, several important partner agencies are not identified. These include the Department of Agriculture and the African Development Bank for the Africa Bureau performance goal, and the Agriculture and Treasury Departments for the Economic Bureau goal. As with our observation regarding the fiscal year 1999 Performance Report, the inclusion of the Agriculture and Treasury Departments in the Economic Bureau goal is particularly warranted because (1) this goal has an indicator measuring progress on bilateral investment treaties, and (2) it includes under "strategies and tactics" the "appropriate use of agricultural export subsidy programs" to counter subsidies by competitors.

In addition, the fiscal year 2001 performance plan does not sufficiently describe how resources will help achieve goals nor does it describe efforts to verify and validate performance. There are also inconsistencies between the fiscal year 2001 performance plan and the fiscal year 1999 performance report regarding indicator baselines and target levels for U.S. exports and bilateral investment treaty negotiations. For example, the fiscal year 1999 performance report gives the actual level of U.S. exports as \$693 billion, while the fiscal year 2001 performance plan cites a fiscal year 1999 baseline of \$678 billion, with fiscal year 2000 and 2001 target levels based on the lower figure. Similarly, the fiscal year 1999 report states that three more bilateral investment treaties were signed in that year, whereas the fiscal year 2001 plan shows five treaties concluded as an fiscal year 1999 baseline.

Finally, the fiscal year 2001 performance plan gives as an indicator for the Economic Bureau goal "implement Market Development Pilot Program." This program was previously denied funding by Congress because it was deemed unnecessary in light of what the Commerce Department's U.S. and Foreign Commercial Service already does.

**Key Agency Outcome: Enhance the Ability of American Citizens to Travel and Live Abroad Securely**

Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome to Enhance the Ability of American Citizens to Travel and Live Abroad Securely

Use of Consular Affairs internet site

- Fiscal year 1999 goals: 100,000 accesses per day; at least 95 percent of users find the information helpful
- Actual: 153,000 accesses per day (**goal met**); 93 percent found the information helpful (**goal not met--minimally effective**)

Distribution of the Y2K compliant American Citizens Services system

- Fiscal year 1999 goal: All 229 installations have the Y2K compliant American Citizens Services
- Actual: System installed at 231 sites (**goal met**)

Agreements with airlines regarding U.S. citizen passengers in an international air disaster

- Fiscal year 1999 goals: Develop an Interagency Action Plan; sign memorandums of understanding with 10 additional airlines, for a total of 26
- Actual: Interagency Action Plan agreed to and posted on the Internet; no further effort made toward this goal in fiscal year 1999 due to priority given Y2K preparations (**goal not met--minimally effective**)

Reduce number of parental child abduction cases per caseworker

- Fiscal year 1999 goal: 80 cases per officer; State handles all Abduction Convention cases
- Actual: (**goal not addressed**)

GAO Observations on State's Fiscal Year 1999 Actual Performance for the Key Agency Outcome to Enhance the Ability of American Citizens to Travel and Live Abroad Securely

The Department acknowledges that the fiscal year 1999 performance plan<sup>4</sup> and report are incomplete in that not all goals are addressed. One of the key services that State provides American citizens traveling abroad is timely and effective passport issuance. Neither the plan nor the report provides performance information on this key goal. Due to this omission and other data limitations discussed later, State's progress in meeting this key agency outcome is unclear.

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<sup>4</sup>In February 1999, State replaced its fiscal year 1999 performance plan with a plan covering fiscal year 1999-2000. According to State Department officials, State's fiscal year 1999 performance report presents results against the fiscal year 1999 targets in the replacement plan. In this plan, State noted numerous limitations in its preparation and highlighted that it only did one "illustrative" performance goal paper for some of its 16 strategic goals.

As stated, the fiscal year 1999 performance goal of providing American citizens services knowledgeable, efficiently, and courteously is not measurable, clearly defined, or outcome oriented. Conversely, the performance measures are objective, measurable, and quantifiable; all set numerical targets that can be verified. For example, the percentage of internet users who find on-line travel information helpful can be quantified and verified. However, in some cases, the measures are not clearly linked to the goal or desired outcome. For example, a reduction in parental child abduction cases per worker may improve service to parents left behind, but it does not assist Americans traveling or living abroad.

All four measures were assessed using the alternative form of measurement to measure success. As such, progress was evaluated as successful, minimally effective, or unsuccessful. Using the measures provided, State successfully met one of its fiscal year 1999 targets—"distribution of the Y2K compliant American Citizens Services systems." State was minimally effective in meeting the other three targets by State's own definition, which basically meant State met one of the components in each target while not meeting the others. For the last target, the 1999 report does not address actual caseload levels but meets the other criteria for minimally successful. However, the fiscal year 2001 plan said the caseload rose to 150 cases per officer, which would mean that State did not meet its target goal.

The Department's strategy for enhancing American citizen services under the plan also indicated that State would work closely with foreign governments to improve treatment of U.S. citizens incarcerated abroad, promote greater participation in multilateral treaties to which the United States is a party, and help other agencies provide efficient distribution of benefits overseas. Yet, there are no targets/indicators to measure progress in any of these areas. Given these data limitations, it is difficult to fully assess State's progress toward this key outcome.

Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome to Enhance the Ability of American Citizens to Travel and Live Abroad Securely

Use of Consular Affairs internet site

Develop an interagency action plan/ sign memorandums of understanding

GAO Observations on State's Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome to Enhance the Ability of American Citizens to Travel and Live Abroad Securely

The report contains only a brief, generic explanation as to why State was not successful in meeting the first, third, and fourth targets—use of Consular Affairs' internet site, signing memorandums with airlines, and handling of child abduction cases. According to Office of Management and Budget guidance, State should have provided a specific explanation concerning failure to meet these targets since nonachievement was significant and material. The report said that efforts to prepare Americans abroad for the possibility of Y2K-related disruptions made further efforts toward the goal of signing additional memorandums impossible. For target four,

State said simply that a request for additional full-time positions was not approved, which hampered its ability to reduce caseload. State did not explain what efforts it made, if any, to reassign staff to work on this activity.

The report does not contain any explanation, including plans, actions, and time frames for improving performance in the future, other than to say it has added additional abducted child case workers for fiscal year 2000. State does not explain what effect this extra person is expected to have on reducing the caseload.

Fiscal Year 2000 Performance Goals and Measures for the Key Agency Outcome to Enhance the Ability of American Citizens to Travel and Live Abroad Securely

Use of Consular Affairs internet site

- Fiscal year 2000 goal: 150,000 accesses per day

Agreements with airlines regarding U.S. citizen passengers in an international air disaster

- Fiscal year 2000 goal: 36

GAO Observations on State's Fiscal Year 2000 Performance Goals and Measures for the Key Agency Outcome to Enhance the Ability of American Citizens to Travel and Live Abroad Securely

The performance goal was unchanged from the fiscal year 1999 plan. State issued one plan covering both years and, although it changed some of the measures and target goals for fiscal year 2000, the performance goal remained the same. State made no adjustments to the fiscal year 2000 targets based on the fiscal year 1999 report. The first measure was increased to 150,000 accesses per day (from 100,000). This appears reachable, since the 1999 actual was nearly 153,000 accesses per day. The measure for signing memorandums with airlines per year remains the same (10), raising the total to 36 for the year 2000. Since State did not sign any memorandums in 1999, it is unlikely State will reach a total of 36 in 2000. The Department does not explain how it expects to increase the number of signings to reach 36. There was no change to the year 2000 targets for the number of parental child abduction cases per worker or State's desire to handle all parental child abduction cases.

Fiscal Year 2001 Performance Goals and Measures for the Key Agency Outcome to Enhance the Ability of American Citizens to Travel and Live Abroad Securely

Improved service to U.S. citizens and concerned parties in the United States

Fiscal year 2001 goals:

- Improve service in international parental child abduction cases
- Serve prospective adoptive parents and agencies by implementing the Hague Convention on Intercountry Adoption
- Enhance information services
- Improve preparation for and response to crises abroad and aviation disasters

## Measures:

- Status of computerized tracking system for international abduction cases
- Reduced abduction caseload
- Status of implementation of Hague Convention on Intercountry Adoption
- Status of call center
- Availability and levels of use of consular information systems
- Status of program to assist American victims of overseas crime

Timely and effective passport issuance with document integrity assured.

## Fiscal year 2001 goals:

- Meet rising passport demand without sacrificing efficiency and quality
- Improve individual and organizational performance
- Enhance access to passport information and services

## Measures:

- Status of passport photodigitization
- Status of image database of passport applications
- Quality of service and management

GAO Observations on State's Fiscal Year 2001 Actual Performance for the Key Agency Outcome to Enhance the Ability of American Citizens to Travel and Live Abroad Securely

The fiscal year 2001 plan is an improvement over the fiscal year 1999-2000 plan in that it provides a clearer picture of the agency's intended performance and the activities it will use to address its goals. First, it addresses passport services, the Department's primary American citizen service, which was not included in the earlier plan. Second, this plan identifies more specific and measurable outcomes and goals that better identify what the Department hopes to accomplish in each area. Third, State said it is working with a private organization to develop a survey of passport customer satisfaction to help gather performance information.

State's plan now has two specific key outcomes, instead of one, and seven specific performance goals rather than one for American citizens. The four goals that address the first outcome are more inclusive than in State's prior plan. Not only do they address child abduction cases and response to aviation disasters as before, but they also include services to adoptive parents and preparation for other crises abroad.

All goals are at least partially outcome oriented. The goal to serve adoptive parents by implementing the Hague Convention on Intercountry Adoption is outcome oriented to the extent adoptive parents are helped by the implementation of this convention, but the implementation by itself is output oriented. Also, since implementation depends on Congress ratifying the Convention, State's role depends on outside party action.

Baselines for fiscal year 1999, and target levels for fiscal years 2000 and 2001, have been established using the alternative approach with successful, minimally

successful, and unsuccessful levels generally defined in measurable terms. Occasionally, it is not clear how indicators will be used to measure the quality of service, such as the status of call centers. The plan does not describe the procedures State will use to verify and validate the measured values of actual performance for American citizens services.

**Key Agency Outcome: Reduce International Crime and Availability and/or Use of Illegal Drugs**

Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome to Reduce International Crime and Availability and/or Use of Illegal Drugs

International training programs

- Fiscal year 1999 goal: Establish an International Law Enforcement Academy in Bangkok, Thailand and a permanent site for the International Law Enforcement Academy –South
- Actual: Established Bangkok site (**goal met**), but did not establish a permanent site in the southern region (**goal not met**)
- Fiscal year 1999 goal: Develop national police training academies in the newly independent states of the former Soviet Union
- Actual: (**not addressed in report**)
- Fiscal year 1999 goal: Enroll 9,000 foreign officials in law enforcement training programs
- Actual: 8,082 (**goal not met**)
- Fiscal year 1999 goal: Expand training curricula
- Actual: (**not addressed in report**)
- Fiscal year 1999 goals: Promote networking among trained officials.
- Actual: (**not addressed in report**)

Promote effective crime control efforts

- Fiscal year 1999 goal: Use high-level forums to press issue of organized crime and law enforcement
- Actual: (**not addressed in report**)
- Fiscal year 1999 goal: Host international Conference on Fighting Corruption and Safeguarding Integrity
- Actual: Hosted conference (**goal met**)
- Fiscal year 1999 goal: Form law enforcement groups
- Actual: (**not addressed in report**)

Implementation of effective bilateral and international programs aimed at countering transnational organized crime

- Fiscal year 1999 goal: Provide regional training programs for specific issues using federal, state, local, and nongovernmental organizations
- Actual: **(not addressed in report)**
- Fiscal year 1999 goal: Support CFATF, SECI, ECOSAS and multilateral programs to combat international crime
- Actual: **(not addressed in report)**
- Fiscal year 1999 goal: Organize regional conferences to attack the corruption aspect of organized crime
- Actual: **(not addressed in report)**

Intensify drug awareness campaigns, refute pro-narcotics propaganda, and take action to punish corruption

- Fiscal year 1999 goal: Strengthen public outreach programs to highlight adverse social, economic, and political effects of drug trafficking
- Actual: **(not addressed in report)**
- Fiscal year 1999 goal: Overcome tendency of international public opinion to blame drug trade on demand by affluent countries by increasing public awareness about responsibility of source and transit countries
- Actual: **(not addressed in report)**

GAO Observations on State's Fiscal Year 1999 Actual Performance for the Key Agency Outcome to Reduce International Crime and Availability and/or Use of Illegal Drugs

Both State's fiscal year 1999-2000 performance plan<sup>5</sup> and fiscal year 1999 performance report treat two strategic goals together—(1) to minimize the impact of international crime on the United States and its citizens and (2) to reduce significantly from 1997 levels the entry of illegal drugs into the United States. However, State presents just one desired outcome and one performance goal covering both strategic goals. In its plan, State presents four indicators (with baselines and targets) for measuring progress toward achieving its performance goal.

Overall, State's plan makes a substantive presentation about why the strategic goals are important and lays out some ways to measure State's progress. However, State's Performance Report does not address all of these measures or clearly identify State's progress toward meeting its goals. Additionally, State's narrative section of its Performance Report describes several accomplishments related to the strategic

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<sup>5</sup>In February 1999, State replaced its fiscal year 1999 performance plan with a plan covering fiscal year 1999-2000. According to State, its fiscal year 1999 performance report presents results against the fiscal year 1999 targets in the replacement plan. In this plan, State noted numerous limitations in its preparation and highlighted that it only prepared "illustrative" performance goal papers for some of its 16 strategic goals.

goals. However, State does not make clear how or even whether these accomplishments relate to the performance goal and the indicators presented in the plan. In the report's annex for the strategic goals, State reports on only one of the four indicators—international training programs.

While State's performance goal and measures for combating international crime are generally objective and clearly stated, State's goal of reducing illegal drugs does not have clearly stated objectives or measures. For example, State says that the indicator "to intensify drug awareness campaigns" will be addressed by "emphasizing public outreach programs" and "increasing public awareness." State does not explain how it will quantify these indicators.

For the international training program indicator, the plan identifies five measures of performance; however, the report only addresses two (i.e., the number of academies established and the number of foreign officials trained). The report provides no explanation of why the other indicators and measures were not included. Further, the report does not demonstrate how establishing training academies and training foreign officials helps State combat international crime and reduce the availability of illegal drugs.

Of the two performance measures addressed in the report, State adds further confusion by using different target goals than those in the plan. The plan identifies a target goal of training 9,000 law enforcement officials in fiscal year 1999, whereas the report separates training into International Law Enforcement Academy and non-International Law Enforcement Academy with different targets. The targets of 1,774 and 6,308 foreign officials to be trained, respectively, were reported as the actual number of officials trained in fiscal year 1999. The report does not discuss why the target goals were changed.

We also question whether State is reporting on the most relevant performance measures for these outcomes, especially as they relate to reducing illegal drugs entering the United States. For example, training represents less than two percent of State's international narcotics and law enforcement budget<sup>6</sup> and is not directly related to reducing international crime or the availability of illegal drugs. A better measure to assess State's efforts to reduce illegal drugs may be its alternative development and eradication efforts, which comprise about 30 percent of State's anti-drug budget. State addresses its crop control efforts in the narrative accomplishments section of the report by noting that it has "reduced coca cultivation in many countries," including Bolivia and Peru, with reductions of 43 and 24 percent, respectively. But State does not include this as an indicator toward achieving its goal of reducing illegal drugs.

To better address and assess the desired key outcome goal of reducing illegal drugs, performance goals and measures should specifically identify (1) the amount of available drugs being used as a baseline (i.e., 1997 levels), (2) the reduction expected

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<sup>6</sup>About \$6 million of the \$516.6 million fiscal year 1999 International Narcotics and Law Enforcement budget is dedicated to training.

(i.e., tons to be reduced or percentage reduction), and (3) the time frame this is expected to involve (i.e., 1 year, 3 years, 5 years).

The February 1999 Strategic Plan for International Affairs outlines a number of strategies and targets that could be utilized, external factors and assumptions that should be considered, and indicators that could be used to measure progress. These indicators include the quantity of illicit drugs available in the United States, the rate at which illegal drugs enter the United States from the drug-producing and drug-transit countries, and the amount of illicit drugs that leave the producing countries.

Additionally, State's strategic goal to "reduce significantly from 1997 levels the entry of drugs into the United States" is similar to one of five impact targets of the President's National Drug Control Strategy which is "to reduce, by 2000, the rate by which illegal drugs successfully enter the United States from the transit and arrival zones by 10 percent as compared to the 1996 base year." Unlike State, the National Drug Control Strategy contains numerous objectives, targets, and time frames for attaining the target goal.

Finally, State's plan notes a number of limitations with its presentation, including incomplete performance goal papers and the overall lack of good data sources. State's plan also emphasizes that it must work with numerous other U.S. departments and agencies (two out of three U.S. government employees overseas work for someone other than State) and its plan should be viewed in association with these other departments' and agencies' plans. However, State's statement of these limitations was not carried forward to its performance report. We also noted that the performance report does not discuss related program evaluations by State, State's Inspector General,<sup>7</sup> or GAO<sup>8</sup> that were completed during fiscal year 1999.

Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome to Reduce International Crime and Availability and/or Use of Illegal Drugs

Establish a permanent site for International Law Enforcement Academy -South

Enroll 9,000 foreign officials in law enforcement training programs

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<sup>7</sup>State's Office of the Inspector General's Fiscal Year 1999 Performance Report identifies two reports addressing international law enforcement issues: Activities Supporting the International Law Enforcement Academy, Budapest, Hungary (99-CI-005) and International Law Enforcement Coordination and Oversight (99-CI-027).

<sup>8</sup>Drug Control: Update on U.S.-Mexican Counternarcotics Activities (GAO/T-NSIAD-99-98, Mar. 4, 1999), Drug Control: Narcotics Threat from Colombia Continues to Grow (GAO/NSIAD-99-136, Jun. 22, 1999), Drug Control: Assets DOD Contributes to Reducing the Illegal Drug Supply Have Declined (GAO/NSIAD-00-9, Dec. 21, 1999), and Drug Control: U.S. Efforts in Latin America and the Caribbean (GAO/NSIAD-00-90R, Feb. 18, 2000).

Many others are not addressed in the report at all.

GAO Observations on State's Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome to Reduce International Crime and Availability and/or Use of Illegal Drugs

State's report annex indicates that all of the performance targets were achieved; however, when compared to what the plan identified as indicators and measures, State did not meet its goals. For example, the measure to establish two International Law Enforcement Academies appears to have been met, but only one academy (Bangkok) was established in 1999. The report does not address the permanent site for the International Law Enforcement Academy -South.

In addition, the measures and targets established for the number of foreign officials trained differs from those identified in the plan. State does not explain why it decided to distinguish between the number of participants trained by the International Law Enforcement Academy versus non- International Law Enforcement Academy or why the goal was not met. State also does not explain why other indicators identified in its plan were not addressed in the report. Additionally, State does not discuss a strategy or actions needed to achieve unmet goals next year.

Fiscal Year 2000 Performance Goals and Measures for the Key Agency Outcome to Reduce International Crime and Availability and/or Use of Illegal Drugs

State's performance report does not provide an assessment of the effect of fiscal year 1999 performance on estimated performance levels for fiscal year 2000 and does not discuss ways to achieve performance goals for fiscal year 2001. In fact, although State's performance plan identifies fiscal year 2000 targets, State's report does not.

Fiscal Year 2001 Performance Goals and Measures for the Key Agency Outcome to Reduce International Crime and Availability and/or Use of Illegal Drugs

State's fiscal year 1999-2000 performance goal of "international training programs for foreign regulatory and law enforcement organizations to combat organized crime" was dropped for fiscal year 2001 and with one exception--the number of International Law Enforcement Academy's established--all the indicators and measures have been replaced with others.

For the two strategic goals—minimize effects of international crime in the United States and reduce the flow of illegal drugs to the United States—State's fiscal year 2001 performance plan presents a total of 16 desired outcomes and 44 performance goals, with related indicators and measures too numerous to list.

- Ten desired outcomes are related to minimizing the effects of international crime in the United States. They range from reducing Africa-based transnational crime to improving international cooperation through participation in international organizations. These outcomes are supported by 24 performance goals.

- Six desired outcomes are related to reducing the flow of illegal drugs to the United States. They range from providing increased interdiction of illegal drugs transiting Africa to reducing the cultivation of coca and opium poppy. These outcomes are supported by 20 performance goals.

GAO Observations on State's Fiscal Year 2001 Actual Performance for the Key Agency Outcome to Reduce International Crime and Availability and/or Use of Illegal Drugs

Overall, State's fiscal year 2001 performance plan presents a high-level discussion of State's purpose and mission and a series of tables describing each of its strategic goals with specific desired outcomes and performance goals for each one. Unlike the fiscal year 1999-2000 plan and fiscal year 1999 report, the two strategic goals—minimize effects of international crime in the United States and reduce the flow of illegal drugs to the United States—are treated separately.

Overall, many of the desired outcomes and performance goals appear relevant, and the performance measures and indicators are generally specific and measurable. However, we noted some problems.

- Three of State's 16 desired outcomes are the same—improve law enforcement and criminal justice institutions in targeted countries—and present virtually identically worded performance goals and performance indicators. This outcome is presented twice under international crime and once again under illegal drugs. State should consolidate this outcome under one strategic goal and note its potential for overlap with other goals.
- State also does not explain how its desired outcomes and related performance goals relate to the strategic goal, and some are not intuitively obvious. For example, as State did in its fiscal year 1999-2000 plan and fiscal year 1999 report for the international training program indicator, State's fiscal year 2001 plan identifies the number of the International Law Enforcement Academies established as a measure of performance. The plan does not demonstrate how establishing training academies helps State combat international crime and reduce the availability of illegal drugs.
- State added a desired outcome of "increased interdiction of illegal drugs transiting Africa" under its strategic goal of reducing illegal drugs entering the United States. This is apparently part of a \$10-million Africa anticrime program proposed for the first time in fiscal year 2001. In State's congressional presentation describing the program, reducing illegal drug trafficking in Africa is a key component, among several others. But we note that, according to the Center for Narcotics Control, virtually all of the world's cocaine and over 65 percent of the heroin seized in the United States is produced in Latin America. We question the report's focus on interdiction work in Africa versus other regions, which export much larger quantities of illegal drugs to the United States.
- Also under the strategic goal of reducing the levels of illegal drugs entering the United States, State has added an outcome to reduce the cultivation of coca,

opium poppy, and marijuana. State set baselines for hectares<sup>9</sup> under cultivation for 1999 but did not designate any target levels for the years 2000 or 2001 or designate a time frame for achieving its goal. In addition, the baseline figures for hectares under coca and opium poppy cultivation may be overstated. According to the Center for Narcotics Control, hectares under coca cultivation totaled 183,000 versus 190,800<sup>10</sup> in State's plan, and hectares under opium poppy cultivation totaled 176,000 versus 217,100 in State's plan. State should ensure that its baseline figures are the best available to provide a more accurate measure of State's progress in meeting this desired outcome.

Also, unlike its fiscal year 1999-2000 performance plan, State's fiscal year 2001 performance plan does not discuss the importance of specific strategic goals, the overall lack of good data sources for tracking State's progress in meeting certain of its performance goals, or the fact that State must work with numerous other U.S. departments and agencies to accomplish its goals. Such information and caveats are necessary to understand the full ramifications of and difficulties in implementing State's plan and demonstrating progress toward its goals. They should be updated and added to the plan and, as previously noted, highlighted in its next performance report.

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<sup>9</sup>One hectare equals 2.47 acres.

<sup>10</sup>Furthermore, in a separate portion of its plan, State asserts that 199,215 hectares are under coca cultivation.

## Key Agency Outcome: Reduce International Crime and Terrorism

### Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome to Reduce International Crime and Terrorism

Provide counter terrorism training

- Fiscal year 1999 goal: Train officials in an additional 12 countries
- Actual: 40 countries **(goal met)**

Provide training to counter weapons of mass destruction

- Fiscal year 1999 goal: Develop training for emergency response teams in six priority countries
- Actual: **(not addressed in report)**

Develop training for emergency response teams in six priority countries  
**(not addressed in report)**

Send evaluation teams to regions where expanding training is needed such as Africa and the newly independent states of the former Soviet Union. Begin training as appropriate **(not addressed in report)**

Conduct training and seminars on countering terrorism fund raising  
**(not addressed in report)**

Develop courses and seminars related to terrorism **(not addressed in report)**

Participate in interagency teams addressing international criminal and narcotics money laundering **(not addressed in report)**

Develop and conduct seminars on crisis management in response to a weapons of mass destruction incident and invite senior government officials to observe related U.S. exercises **(not addressed in report)**

### GAO Observations on State's Fiscal Year 1999 Actual Performance for the Key Agency Outcome to Reduce International Crime and Terrorism

The Department acknowledges that the fiscal year 1999-2000 performance plan<sup>11</sup> and fiscal year 1999 performance report are incomplete in that not all goals are addressed. To address its strategic goal of combating and reducing terrorism, State's plan identifies one performance goal and associated measures of performance. However, State's performance report does not address this goal or measures nor does it identify State's progress toward achieving this goal. Instead, the report identifies two new performance goals and measures without any explanation. Neither the plan nor the report provide quantifiable measures to indicate State's progress in reducing international terrorism.

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<sup>11</sup>Observations on the Department of State's Performance Plan for Fiscal Year 2000 (GAO/NSIAD-99-183R, July 20, 1999).

State's performance goal -- to train foreign governments in methods and techniques of combating terrorism-- is measurable, clearly defined, and outcome oriented albeit activity based versus results based. To measure performance against this goal, State used measures that focused on different types of training and identified corresponding measures. The measures were often not clearly defined. For example, measures such as to "develop courses and seminars related to terrorism" or "participate in interagency teams" are not outcome oriented and do not provide valid indicators of progress. Only two of the measures identified quantifiable targets. These were (1) to provide training to emergency response teams in six priority countries and (2) to provide training in areas such as explosives detection and protection of vital installations to officials from 12 countries.

On a positive note, the report introduces broader performance goals with several quantifiable measures that provide a better picture of State's role in combating international terrorism. For example, the "number of projects undertaken to develop equipment..." has a target goal of 55 projects. Other indicators, however, are still unquantifiable and do not measure State's progress in reducing terrorism. For example, the indicator to achieve a "level of coordination and cooperation among friendly governments...State will sponsor an international conference and training" does not provide a quantifiable measure.

The report's narrative section also provides examples of other efforts that contributed to reducing terrorism, such as State's multi-billion dollar effort to enhance embassy security. Although the security project is addressed under the diplomatic readiness section of the plan and report, no goals or measures were developed under the reducing terrorism goal.

State's performance plan identifies and discusses its coordination activities with other agencies including the Federal Aviation Administration, the Federal Bureau of Investigation, the Department of Defense, and the intelligence community, whereas the report only lists the agencies. Both the plan and the report identified data sources, although neither discussed data limitations or how the data used was verified or validated.

Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome to Reduce International Crime and Terrorism

Provide training to improve the capability of foreign governments to counter terrorism

Conduct training and seminars on countering terrorism fundraising

Participate in interagency teams addressing international criminal and narcotics money laundering.

Provide training to counter weapons of mass destruction

GAO Observations on State's Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome to Reduce International Crime and Terrorism

State's performance report does not address the goal or indicators identified in its performance plan; therefore, we cannot ascertain whether State met or did not meet its performance goals. State does not explain why the goal and indicators identified in the plan were not addressed in the report or why the measures and target goals that were used in the report differed from those identified in the plan. Additionally, State does not discuss a strategy or actions needed to achieve unmet goals next year.

Fiscal Year 2000 Performance Goals and Measures for the Key Agency Outcome to Reduce International Crime and Terrorism

For the goal to reduce international terrorism, State's report did not provide an assessment of the effect of fiscal year 1999 performance on estimated performance levels for fiscal year 2000 and did not discuss ways to achieve performance goals for fiscal year 2001. In fact, the report did not even identify fiscal year 2000 target goals.

Fiscal Year 2001 Performance Goals and Measures for the Key Agency Outcome to Reduce International Crime and Terrorism

State provided separate performance goals and indicators for three bureaus/offices: the Africa Bureau, the International Organizations Bureau, and the Office of the Coordinator for Counterterrorism

Africa Bureau fiscal year 2001 goals

- African countries respond to and defeat terrorist threats against U.S. citizens or interests in Africa or possible threats emanating from Africa against the United States.
- Increased African accession to international terrorism conventions

Africa Bureau measures

- Percent of African countries acceding to international terrorism conventions (as well as bilateral treaties)
- Increased security due to U.S. anti-terrorism assistance to African states

International Organizations Bureau fiscal year 2001 goals

- Related U.N. sanctions remain in place on Libya, the Federal Republic of Yugoslavia, and the Taliban in Afghanistan
- Negotiations and ratification occur on terrorism-related treaties
- International Civil Aviation Organization is successful in protecting international aviation

International Organizations Bureau measures

- Success of U.S. policies as indicated by the international community's support of various sanctions and treaties

#### Office of Counterterrorism fiscal year 2001 goals

- Strengthen international determination, cooperation, and tools to prevent terrorist attacks and to catch and punish terrorists
- Use necessary unilateral and multilateral steps to prevent terrorists from attacking U.S. interests

#### Office of Counterterrorism measures

- Reduced level of attacks against U.S. interests
- Identification of terrorist threats and their prevention
- Level of coordination and cooperation among friendly countries
- Adherence to and use of international treaties
- Level of professionalism, training, and equipment in friendly countries
- Level of fundraising on behalf of terrorist groups
- Research and development of counterterrorist equipment to enhance detection and response

#### GAO Observations on State's Fiscal Year 2001 Actual Performance for the Key Agency Outcome to Reduce International Crime and Terrorism

Compared to previous performance plans, State has completely revamped its fiscal year 2001 performance plan in addressing its efforts to reduce international terrorism. Whereas State's previous plan had one performance goal and several measures for the entire Department, the fiscal year 2001 plan assigns performance goals and indicators to three different bureaus. This approach appears to more clearly identify goals and targets for certain areas and places greater accountability on each bureau in showing its progress in achieving State's goal of reducing international terrorism. State does not provide any explanation about why the makeover was done.

Overall, many of the desired outcomes and performance goals appear relevant, but the performance measures and indicators are often general and unquantifiable. For example, the Africa Bureau's performance goal of having "African countries respond to and defeat terrorist threats against the U.S...." is not quantifiable. Coincidentally, this goal does not appear to have a specific indicator to measure it. While the International Organization Bureau's six performance goals are measurable (in that sanctions are either lifted or not, or that treaties are negotiated and ratified or not), State decided to use one alternative indicator measure to assess its performance against the goals. The indicator for successful performance is that the "status of U.S. policies is evidenced in votes, resolution, plans of action, etc. in various international organizations such as the United Nations and the International Civil Aviation Organization." The indicator is both vague and unquantifiable.

The Office of the Coordinator for Counterterrorism identifies performance activity goals and measures that could be quantified but were not. Only two of the seven

indicators identified had quantifiable measures. These measures were to train about 2,200 persons and launch a Terrorist Interdiction Program Initiative. Other indicators, such as to “substantially reduce attacks” or “continue training with core countries,” did not provide quantifiable targets but could have easily done so. Baseline data statistics are available from State’s annual “Patterns of Global Terrorism” report, which provides a mix of relevant statistics such as the level of attacks, rate of casualties, and American and “worldwide” targets. We also note that State’s multibillion-dollar effort to enhance embassy security is addressed under the diplomatic readiness section of the plan and report.

Finally, State’s fiscal year 2001 plan does not address several weaknesses identified in GAO’s assessment of State’s fiscal year 2000 plan.<sup>12</sup> Weaknesses include the fact that State’s plan does not describe how resources will help achieve its strategic goals nor does it describe State’s efforts to verify and validate performance data used in the report. The plan would benefit from such information.

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<sup>12</sup>Observations on the Department of State’s Performance Plan for Fiscal Year 2000.

**Observations on the Department of State's Efforts to Address Its Major Management Challenges**

Table 1 identifies the major management challenges confronting the Department of State. The first column lists the management challenges identified by our office and the Department of State's Inspector General (IG). The second column discusses what progress, as discussed in its fiscal year 1999 performance report, State made in resolving its major management challenges. The third column discusses the extent to which State's fiscal year 2001 performance plan includes performance goals and measures to address the management challenges that the IG and we identified.

While the fiscal year 2001 plan is still organized by national interest and related strategic goals, performance goals and measures are now presented only for selected geographic and/or functional bureaus rather than summarized as an agency-wide effort. This format change is not explained in the plan. Moreover, this dispersed presentation does not provide a clear picture of intended performance across the agency, making it difficult to assess State's progress. In addition, the plan omits certain key functional bureaus responsible for managing certain goals. For example, under the diplomatic readiness goal concerning human resources, there is no submission from the Bureau of Personnel, therefore there is no discussion of efforts being made Department-wide concerning development of the workforce plan and other major efforts. Likewise, under the information resource goal, there is no submission from the Bureau of Information Resource Management describing Department-wide efforts to modernize its computer and communications systems.

**Table 1: Major Management Challenges Confronting the Department of State**

Major management challenge	Demonstrated progress in resolving major management challenges in fiscal year 1999	Applicable goals and measures in the fiscal year 2001 performance plan
<p>Enhance the management of overseas security programs: State faces many challenges and risks in its program to replace its most vulnerable facilities.</p> <p>(State's IG also identified this area as a management challenge.)</p>	<p>Although State's performance report addressed efforts to replace its most vulnerable posts worldwide, the report did not address State's ability to run a large construction program with many concurrent projects. It did, however, provide quantitative indicators for the status of new construction projects. Performance exceeded the targets for two of the three</p>	<p>State's plan addresses activities undertaken both to construct new facilities and continue implementing security upgrade projects. The Office of Foreign Buildings Operations has a performance goal to "acquire construction sites, where needed, and to design and construct new facilities to meet critical capital construction requirements." The Africa Bureau has a goal</p>

	<p>indicators for fiscal year 1999.</p> <p>State also undertook other security upgrades overseas, including providing additional armored vehicles and instituting surveillance programs. The report stated that no target levels were prepared for these programs since the bombings in Kenya and Tanzania in 1998 occurred following the planning process for the fiscal year 1999 performance plan. The report did give actual performance for six separate programs and proclaimed them successful although there were no targets to measure against.</p>	<p>calling for the "expeditious building of new office buildings." There is redundancy here because Foreign Buildings manages all of the construction programs. While the plan's goals and strategies address the need to replace selected facilities, and funding commitments by the Congress, State, and other agencies, they do not address State's management capability to successfully complete these construction programs.</p>
<p>Year 2000 Information Resource Management problems: One of the Department's highest information management priorities during 1999.</p> <p>(State's IG also identified this area as a management challenge.)</p>	<p>State's report identified several strategies and indicators for making sure its communications and computer systems ran past December 31, 1999. It has targets of 100 percent compliance, but no actual performance data for these indicators was included. According to State officials, the Department's communications and computer systems suffered no major problems due to the Year 2000 changeover.</p>	<p>No longer applicable.</p>
<p>Improve information security: The Department has experienced information security</p>	<p>For one of the goals we identified as a management challenge-- "that all classified and</p>	<p>Analysis of the performance goal "all classified [and] sensitive information at overseas</p>

<p>problems going back several years.</p> <p>(State's IG also identified this area as a management challenge.)</p>	<p>sensitive information overseas and in domestic facilities is safeguarded from physical and technical compromise"-- the report listed six strategies and tactics and six quantitative indicators for meeting this goal. State's report says three of the indicators were met successfully, and three were not. For those not met, the Department provided explanations on how far they progressed and why they were not successful. However, State declared one indicator successful despite the fact that the actual percent of officers trained fell short of the target. The report did not address any of the information security breaches it experienced before the report was issued, or steps planned to prevent similar problems in the future.</p> <p>State's other goal, "to keep its information technology systems and the information processed and stored in them safe from unauthorized access, change, disclosure, disruption, or denial of services," included indicators to resolve all eight major GAO recommendations regarding computer security made in its May 1998 report,<sup>a</sup> and to have</p>	<p>and domestic facilities is safeguarded from physical and technical compromise" is included under the Bureau of Diplomatic Security. The plan includes three quantifiable indicators with numerical targets, including status of reengineering a video guard system at 28 posts and status of basic training of all of State's Information Systems Security Officers. It also includes one other indicator with a less quantifiable target.</p> <p>The plan does not address the second goal.</p>
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	<p>independent entities conduct computer penetration testing that would fail to achieve unauthorized access to State's system 100 percent of the time. Performance measures for the security performance goals were not available, according to the report, nor was any information provided on actual performance in this area.</p>	
<p>Modernize information technology capabilities utilizing the planning and investment processes called for in federal guidance: State is now following federal guidelines in implementing its information technology modernization program.</p> <p>(State's IG also identified this area as a management challenge.)</p>	<p>The report did not address the use of federal guidelines in its modernization program, but the Department has begun to implement them according to our recommendations. State's performance report identifies two strategies to fulfill its performance goal in the information area. The strategies were to "deploy and maintain one large-scale computer network that supports all State employees and provides access to external locations," and "provide all U.S. embassies and consulates with a modern, centrally controlled, commercial off-the-shelf ... computer system." The report does not include any actual performance data for 1999 to indicate whether or not State met these targets.</p>	<p>The plan addresses plans and proposed actions for only three bureaus-- Africa, Economic and Business Affairs, and Intelligence and Research. It does not include the Bureau of Information Resources Management, which is responsible for overall operation of State's communications and computer networks.</p> <p>The plan does not summarize State's efforts to improve its information technology capabilities but does refer to the information resource management strategic and tactical plans for information on outcomes and goals.</p>
<p>Improve financial management: GAO has</p>	<p>State's report listed seven performance goals for</p>	<p>There is no mention in the plan of improving</p>

<p>reported that one of State's long-standing shortcomings has been the absence of an effective financial management system that can assist managers in making "cost-based" decisions.</p> <p>(State's IG also identified this area as a management challenge.)</p>	<p>ensuring that State has financial and accounting systems that meet internal and external financial management and programmatic requirements (this is the only goal related to this area listed in the plan). State apparently did not meet its target for having 100 percent of domestic transactions conducted electronically, but the target allowed for waivers so it can not be clearly determined if the percentages listed actually meet the target or not. One other target was met successfully, while two other targets, upgrade its central financial management system and improve interfaces, were deferred due to Year 2000 activities and the consolidation of foreign affairs agencies. State was awaiting data on another target, and two others called for completion of entire projects, which apparently were not finished, according to the report's narrative section.</p>	<p>financial systems.</p>
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<p>Improve the visa processing system, streamline and rationalize visa workloads, and reduce the incidence of fraud: Consular officers need the technological and other support to prevent the entry of those who are a threat to U.S. security interests or are likely to remain in the United States illegally.</p> <p>(State's IG also identified this area as a management challenge.)</p>	<p>The report identified the performance goal and outcome goal to "replace approximately 5.5 million Border Crossing Cards by October 1, 2001," but it did not include any measures addressing how State would meet this goal. State has indicators for number of applications received for two consulates, which they met; but State did not address how the number of applications received relates to the goal of replacing all Border Crossing Cards by October 1, 2001.</p> <p>The report states, however, that the Immigration and Naturalization Service, which produces the cards and therefore ultimately controls issuance, could not issue more than 1 million per year. The report does not explain how this will affect State's meeting its target goal of 5.5 million cards.</p>	<p>State's plan does not contain any goals that specifically address issues identified by GAO and the IG, such as unfilled computer hardware and software requirements, insufficient staffing overseas, and inadequate interagency coordination. Nor does it include a goal concerning issuance of Border Crossing Cards, as the 1999-2000 plan did. It does contain performance goals on related matters, such as assisting posts in handling workload increases resulting from changes in law, streamlining the visa process, making information and guidance more accessible, improving consular management and customer service by sharing best practices, enhancing name-check systems, and providing antifraud and other training at posts.</p>
<p>Manage the reorganization of foreign affairs agencies: The U.S. Information Agency and the Arms Control and Disarmament Agency were merged with the Department of State in 1999.</p> <p>(State's IG also identified this area as a management challenge.)</p>	<p>State integrated the U.S. Information Agency and Arms Control and the Disarmament Agency into the Department during fiscal year 1999. State added no new strategic goals for public diplomacy or arms control but has integrated the functions of these new bureaus into existing goals. Since the 1999-2000 performance plan</p>	<p>The merger has been completed and therefore is not addressed in this plan. Goals, strategies, and indicators for the work of the bureaus created from the two former agencies have been incorporated into State's existing 16 strategic goals.</p>

	<p>did not contain any indicators or targets for this effort, the report did not cover the reorganization other than to include significant accomplishments by the U.S. Information Agency.</p>	
<p>Other areas identified by the State IG:</p>		
<p>Assess the adequacy of training and preparation for both Foreign Service and Civil Service personnel, and handle staffing shortages, particularly in areas of consular operations, security, and information management.</p>	<p>State had planned to issue a comprehensive workforce plan including the U.S. Information Agency and the Arms Control and Disarmament Agency in fiscal year 1999 but could not due to the complexities of the merger and extensive Year 2000 preparations. State exceeded its target for hiring new information management specialists and office management specialists. State also succeeded its target for training employees in leadership and management to handle the expected increase in "baby boomer" retirements without a disruption in its work. State also successfully met its target of increasing the number of authorized positions in selected global bureaus.</p>	<p>Since the Bureau of Personnel was not one of the six bureaus and offices included in the 2001 plan, there is no discussion of the Department-wide workforce plan or other agency-wide efforts to hire and retain staff with the needed skills. Submissions from the six bureaus and offices discussed each one's efforts to hire and train sufficient staff to meet basic operational requirements. This format will make it difficult to assess agency-wide progress.</p>

<sup>a</sup>Computer Security: Pervasive, Serious Weaknesses Jeopardize State Department Operations (GAO/AIMD-98-145, May 18, 1998).

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