

**GAO**

Report to the Chairman, Subcommittee  
on National Security, Veterans Affairs,  
and International Relations, Committee  
on Government Reform, House of  
Representatives

---

July 2002

# OVERSEAS PRESENCE

## Framework for Assessing Embassy Staff Levels Can Support Rightsizing Initiatives



**G A O**

Accountability \* Integrity \* Reliability

---

## Report Documentation Page

<b>Report Date</b> 00JUL2002	<b>Report Type</b> N/A	<b>Dates Covered (from... to)</b> -
<b>Title and Subtitle</b> OVERSEAS PRESENCE: Framework for Assessing Embassy Staff Levels Can Support Rightsizing Initiatives	<b>Contract Number</b>	
	<b>Grant Number</b>	
	<b>Program Element Number</b>	
<b>Author(s)</b>	<b>Project Number</b>	
	<b>Task Number</b>	
	<b>Work Unit Number</b>	
<b>Performing Organization Name(s) and Address(es)</b> U.S. General Accounting Office 441 G Street NW, Room LM Washington, D.C. 20548	<b>Performing Organization Report Number</b> GAO-02-780	
<b>Sponsoring/Monitoring Agency Name(s) and Address(es)</b>	<b>Sponsor/Monitor's Acronym(s)</b>	
	<b>Sponsor/Monitor's Report Number(s)</b>	
<b>Distribution/Availability Statement</b> Approved for public release, distribution unlimited		
<b>Supplementary Notes</b>		
<b>Abstract</b> see report		
<b>Subject Terms</b>		
<b>Report Classification</b> unclassified	<b>Classification of this page</b> unclassified	
<b>Classification of Abstract</b> unclassified	<b>Limitation of Abstract</b> SAR	
<b>Number of Pages</b> 31		

---

# Contents

---

<b>Letter</b>		1
	Results in Brief	2
	Background	3
	Development of a Rightsizing Framework	4
	Rightsizing Framework Complements OMB Initiatives	12
	Conclusion	13
	Recommendation for Executive Action	13
	Agency Comments and Our Evaluation	13
	Scope and Methodology	14
<b>Appendix I</b>	<b>Timeline of Rightsizing Initiatives since the 1998 Embassy Bombings</b>	16
<b>Appendix II</b>	<b>Rightsizing Framework and Corresponding Questions</b>	17
<b>Appendix III</b>	<b>Comments from the Office of Management and Budget</b>	18
<b>Appendix IV</b>	<b>Comments from the Department of State</b>	20
	GAO's Comments	26
<b>Appendix V</b>	<b>GAO Contact and Staff Acknowledgments</b>	27
	GAO Contact	27
	Staff Acknowledgments	27
<b>Figure</b>		
	Figure 1: Framework for Embassy Rightsizing	5

---

## **Abbreviations**

OMB	Office of Management and Budget
OPAP	Overseas Presence Advisory Panel
MPP	Mission Performance Plan



G A O

Accountability \* Integrity \* Reliability

United States General Accounting Office  
Washington, DC 20548

July 26, 2002

The Honorable Christopher Shays  
Chairman, Subcommittee on National Security,  
Veterans Affairs, and International Relations  
Committee on Government Reform  
House of Representatives

Dear Mr. Chairman:

Following the 1998 terrorist bombings of two U.S. embassies in Africa that resulted in more than 220 deaths and 4,000 injuries, there have been recurring calls to evaluate and realign—or rightsize—the number and location of staff at U.S. embassies and consulates and to consider staff reductions where practical to reduce security vulnerabilities.<sup>1</sup> The administration showed its support for rightsizing in the *President's Management Agenda*<sup>2</sup> by directing all agencies operating overseas to rightsize their presence. The Office of Management and Budget (OMB) is implementing this rightsizing initiative by analyzing the U.S. overseas presence and reviewing the staffing allocation process. Given the high costs of maintaining more than 60,000 Americans and foreign nationals overseas and the events of September 11, 2001, that highlighted the security vulnerability of Americans worldwide, the administration's rightsizing initiative aims to reconfigure U.S. government overseas staff to the minimum number necessary to meet U.S. foreign policy goals.

In May 2002, we presented testimony on a framework for determining the appropriate number of staff to be assigned to a U.S. embassy.<sup>3</sup> As you requested, this report presents the framework discussed in our testimony that outlines the key criteria for evaluating the U.S. overseas presence,

---

<sup>1</sup>Throughout this report, we refer to rightsizing issues at embassies. However, the rightsizing process is also applicable to diplomatic offices that are located outside the capital cities. For our purposes, we define rightsizing as aligning the number and location of staff assigned overseas with foreign policy priorities and security and other constraints. Rightsizing may result in the addition or reduction of staff, or a change in the mix of staff at a given embassy or consulate.

<sup>2</sup>Office of Management and Budget, *The President's Management Agenda, Fiscal Year 2002* (Washington, D.C.: August 2001).

<sup>3</sup>U.S. General Accounting Office, *Overseas Presence: Observations on a Rightsizing Framework*, [GAO-02-659T](#) (Washington, D.C.: May 1, 2002).

---

along with examples of key questions that may be useful in making rightsizing decisions. We developed the framework by reviewing previous reports on rightsizing and overseas staffing issues, such as the Overseas Presence Advisory Panel (OPAP) report,<sup>4</sup> and interviewing officials from the Department of State, other U.S. agencies operating overseas, and OMB. We tested the framework during our fieldwork at the U.S. embassy in Paris. In each section of this report, we include observations in applying the framework at that embassy. We plan additional work later this year to refine the framework and demonstrate how it can be used in other regions and environments.

---

## Results in Brief

Our framework provides a systematic approach for assessing overseas workforce size and identifying options for rightsizing, both at the embassy level and for making related decisions worldwide. The framework links staffing levels to three critical elements of overseas diplomatic operations: (1) physical/technical security of facilities and employees, (2) mission priorities and requirements, and (3) cost of operations. The first element includes analyzing the security of embassy buildings, the use of existing secure space, and the vulnerabilities of staff to terrorist attack. The second element focuses on assessing embassy priorities and the staff's workload requirements. The third element involves developing and consolidating cost information from all agencies at a particular embassy to permit cost-based decision making. Unlike an analysis that considers the elements in isolation, the rightsizing framework encourages consideration of a full range of options, along with the security, mission, and cost trade-offs. With this information, decision makers would then be in a position to determine whether rightsizing actions are needed either to add staff, reduce staff, or change the staff mix at an embassy. Options for reducing staff could include relocating functions to the United States or to regional centers and outsourcing functions. Our analysis of the U.S. embassy in Paris demonstrated the framework's viability—for example, by highlighting security concerns that may warrant staff reductions and by identifying options for relocating some staff—for example, to the United States and other locations in Europe.

---

<sup>4</sup>Secretary of State Madeline Albright established OPAP following the 1998 embassy bombings in Africa to consider the organization of U.S. embassies and consulates. Department of State, *America's Overseas Presence in the 21st Century, The Report of the Overseas Presence Advisory Panel* (Washington, D.C.: November 1999).

---

In this report, we are recommending that the Director of OMB ensure that our framework is used in the administration's rightsizing initiative, starting with its assessments of staffing levels and rightsizing options in U.S. embassies in Europe and Eurasia. OMB, in commenting on a draft of our report, agreed with the framework's elements and options and said that it plans to build upon the framework in examining all posts within the European and Eurasia Bureau. The Department of State said that it welcomed our work on developing a framework as a commonsense approach for considering staffing issues.

---

## Background

The U.S. government maintains more than 250 diplomatic posts overseas (embassies, consulates, and other diplomatic offices) with approximately 60,000 personnel representing more than 50 government agencies and subagencies. The departments of Defense and State together comprise more than two-thirds of American personnel overseas under chiefs of mission authority—36 percent and 35 percent, respectively.<sup>5</sup> The costs of maintaining staff overseas vary by agency but in general, as OMB has reported, they are high. The Deputy Director of OMB recently testified that the average annual cost of having one full-time direct-hire American family of four in a U.S. embassy is \$339,100.<sup>6</sup>

Following the 1998 embassy bombings, two high-level independent groups called for the reassessment of overseas staffing levels. The Accountability Review Boards that sent two teams to the region to investigate the bombings concluded that the United States should consider adjusting the size of its overseas presence to reduce security vulnerabilities.<sup>7</sup> Following the Accountability Review Boards' report, OPAP concluded that some embassies were disproportionately sized and needed staff adjustments to adapt to new foreign policy priorities and reduce security vulnerabilities. The panel recommended creating a permanent interagency committee to develop a methodology to determine the appropriate size and locations of

---

<sup>5</sup>U.S. Department of State, *Trends in American (US) Full-Time Permanent (FTP) Direct-Hire (USDH) World Wide Positions FY 1985 – FY 2001* (Washington, D.C.: June 2001).

<sup>6</sup>Testimony of Nancy Dorn, Deputy Director of the Office of Management and Budget, before the Subcommittee on National Security, Veterans Affairs, and International Relations, House Committee on Government Reform, on May 1, 2002.

<sup>7</sup>Secretary of State Albright appointed the Accountability Review Boards to investigate the facts and circumstances surrounding the 1998 embassy bombings in East Africa. Department of State, *Report of the Accountability Review Boards on the Embassy Bombings in Nairobi and Dar Es Salaam* (Washington, D.C.: January 1999).

---

the U.S. overseas presence. OPAP also suggested a series of actions to adjust overseas presence, including relocating some functions to the United States and to regional centers where feasible. However, the State-led interagency committee that was established to respond to OPAP's recommendations did not produce a standard rightsizing methodology. As we previously reported,<sup>8</sup> the committee did not spend sufficient time at overseas locations to fully assess workload issues or consider alternative ways of doing business. To move the issue forward, in August 2001, the *President's Management Agenda* identified rightsizing as one of the administration's priorities. In addition, the President's fiscal year 2003 international affairs budget<sup>9</sup> (1) highlighted the importance of making staffing decisions on the basis of mission priorities and costs and (2) directed OMB to analyze agencies' overseas staffing and operating costs (see app. I for a summary of previous rightsizing initiatives).

---

## Development of a Rightsizing Framework

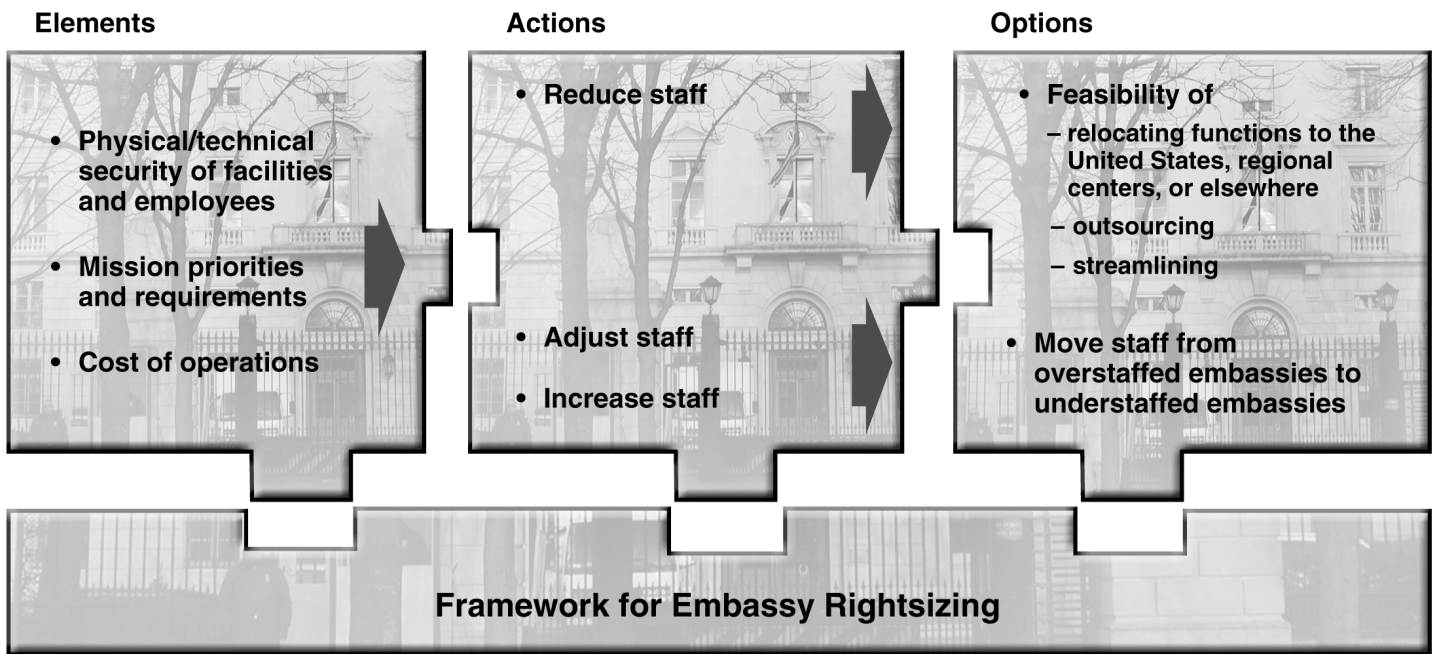
Although there is general agreement on the need for rightsizing the U.S. overseas presence, there is no consensus on how to do it. As a first step, we developed a framework that includes a set of questions to guide decisions on overseas staffing (see app. II for the set of questions). We identified three critical elements that should be systematically evaluated as part of this framework: (1) physical/technical security of facilities and employees, (2) mission priorities and requirements, and (3) cost of operations. If the evaluation shows problems, such as security risks, decision makers should then consider the feasibility of rightsizing options, including relocating staff or downsizing. On the other hand, evaluations of agencies' priorities may indicate a need for additional staff at embassies or greater external support from other locations. Figure 1 illustrates the framework's elements and options.

---

<sup>8</sup>U.S. General Accounting Office, *Overseas Presence: More Work Needed on Embassy Rightsizing*, [GAO-02-143](#) (Washington, D.C.: Nov. 27, 2001).

<sup>9</sup>Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 2003* (Washington, D.C.: Feb. 4, 2002).

**Figure 1: Framework for Embassy Rightsizing**



Source: GAO.

State and other agencies in Washington, D.C., including OMB, could use this framework as a guide for making overseas staffing decisions. For example, ambassadors could use this framework to ensure that embassy staffing is in line with security concerns, mission priorities and requirements, and cost of operations. At the governmentwide level, State and other agencies could apply the framework to free up resources at oversized posts, reallocate limited staffing resources worldwide, and introduce greater accountability into the staffing process.

The following sections describe in more detail the three elements of our framework, examples of key questions to consider for each element, and potential rightsizing options. We also include examples of how the questions in the framework were useful for examining rightsizing issues at the U.S. embassy in Paris.

---

## Physical/Technical Security of Facilities and Employees

The substantial loss of life caused by the bombings of the U.S. embassies in Africa and the ongoing threats against U.S. diplomatic buildings have heightened concern about the safety of our overseas personnel. State has determined that about 80 percent of embassy and consulate buildings do not fully meet security standards. Although State has a multibillion-dollar plan under way to address security deficiencies around the world, security enhancements cannot bring most existing facilities in line with the desired setback—the distance from public thoroughfares—and related blast protection requirements. Recurring threats to embassies and consulates highlight the importance of rightsizing as a tool to minimize the number of embassy employees at risk.

## What Is the Threat and Security Profile of the Embassy?

The Accountability Review Boards recommended that the Secretary of State review the security of embassies and consider security in making staffing decisions. We agree that the ability to protect personnel should be a key factor in determining embassy staffing levels. State has prepared a threat assessment and security profile for each embassy, which can be used when assessing staff levels. While chiefs of mission<sup>10</sup> and State have primary responsibility for assessing overseas security needs and allocating security resources, all agencies should consider the risks associated with maintaining staff overseas. The Paris embassy, our case study, illustrates the importance of facility security in determining staffing levels. As at many posts, the facilities in Paris predate current security standards. The Department of State continues to mitigate security limitations by using a variety of physical and technical security countermeasures. That said, none of the embassy's office buildings meets current standards.

---

## Mission Priorities and Requirements

The placement and composition of staff overseas must reflect the highest priority goals of U.S. foreign policy. Moreover, the *President's Management Agenda* states that U.S. interests are best served by ensuring that the federal government has the right number of people at the right locations overseas.

## What Are the Embassy's Priorities?

Currently, there is no clear basis on which to evaluate an embassy's mission and priorities relative to U.S. foreign policy goals. State's fiscal

---

<sup>10</sup>According to the Foreign Service Act of 1980 (P.L. 96-465), as amended, "chiefs of mission" are principal officers in charge of diplomatic missions of the United States or of a U.S. office abroad, such as U.S. ambassadors, who are responsible for the direction, coordination, and supervision of all government executive branch employees in a given foreign country (except employees under a military commander).

---

year 2000-2002 Mission Performance Plan (MPP)<sup>11</sup> process does not require embassies to differentiate among the relative importance of U.S. strategic goals. The Chairman of OPAP testified in May 2002 that no adequate system exists to match the size and composition of the U.S. presence in a given country to the embassy's priorities.<sup>12</sup> Currently it is difficult to assess whether 700 people are needed at the Paris embassy. For example, the fiscal year 2000-2002 MPP includes 15 of State's 16 strategic goals, and overall priorities are neither identified nor systematically linked to resources. In recent months, State has revised the MPP process to require each embassy to set five top priorities and link staffing and budgetary requirements to fulfilling these priorities. A successful delineation of mission priorities will complement our rightsizing framework and support future rightsizing efforts to adjust the composition of embassy staff.

#### Are Workload Requirements Validated and Prioritized?

Embassy workload requirements include influencing policy of other governments, assisting Americans abroad, articulating U.S. policy, handling official visitors, and providing input for various reports and requests from Washington. In 2000, on the basis of a review of six different U.S. embassies, the State-led interagency committee found the perception that Washington's requirements for reports and other information requests were not prioritized and placed unrealistic demands on staff. We also found this same perception among some offices in Paris. Scrutiny of workload requirements could potentially identify work of low priority such as reporting that has outlived its usefulness. Currently, State monitors and sends incoming requests for reports and inquiries to embassies and consulates, but it rarely refuses requests and leaves the prioritization of workload to the respective embassies and consulates. Washington's demands on an embassy need to be evaluated in light of how they affect other work requirements and the number of staff needed to meet these requirements. For example, the economics section in Paris reported that Washington-generated requests resulted in missed opportunities for assessing how U.S. private and government interests are affected by the many ongoing changes in the European banking system.

---

<sup>11</sup>Mission Performance Plans are annual embassy plans describing performance goals and objectives.

<sup>12</sup>Testimony of Lewis B. Kaden, chairman of the Overseas Presence Advisory Panel, before the Subcommittee on National Security, Veterans Affairs, and International Relations, House Committee on Government Reform, on May 1, 2002.

---

How Do Agencies Determine Staffing Levels?

The *President's Management Agenda* states that there is no mechanism to assess the overall rationale for and effectiveness of where and how many U.S. employees are deployed overseas. Each agency in Washington has its own criteria for assigning staff to U.S. embassies. Some agencies have more flexibility than others in placing staff overseas, and Congress mandates the presence of others. Thorough staffing criteria are useful for determining and reassessing staffing levels and would allow agencies to better justify the number of overseas staff. We found that the criteria to locate staff in Paris vary significantly by agency. Some agencies use detailed staffing models, but most do not. Furthermore, they do not fully consider embassy priorities or the overall workload requirements on the embassy in determining where and how many staff are necessary.

Could an Agency's Mission Be Pursued in Other Ways?

Some agencies are entirely focused on the host country, while others have regional responsibilities or function almost entirely outside the country in which they are located. Some agencies have constant interaction with the public, while others require interaction with their government counterparts. Some agencies collaborate with other agencies to support the embassy's mission, while others act more independently and report directly to Washington. Analyzing where and how agencies conduct their business overseas may lead to possible rightsizing options. For example, the mission of the National Science Foundation involves interaction with persons throughout Europe and Eurasia and therefore raises the question of whether it needs Paris-based staff.

---

Cost of Operations

The *President's Management Agenda* noted that the full costs of sending staff overseas are unknown. The Deputy Director of OMB testified that there is a wide disparity among agencies' reported costs for a new position overseas.<sup>13</sup> Without comprehensive cost data, decision makers cannot determine the correlation between costs and the work being performed, nor can they assess the short- and long-term costs associated with feasible business alternatives.

What Are an Embassy's Operating Costs?

We agree with the *President's Management Agenda* that staffing decisions need to include a full range of factors affecting the value of U.S. presence in a particular country, including the costs of operating the embassy. However, we found no mechanism to provide the ambassador and other decision makers with comprehensive data on all agencies' costs of

---

<sup>13</sup>*Dorn*, May 1, 2002.

---

operations at an embassy. This lack of consolidated cost data for individual embassies makes linking costs to staffing levels, embassy priorities, and desired outcomes impossible. This is a long-standing management weakness that, according to the President, needs to be corrected. Our work in Paris demonstrates that this embassy is operating without fundamental knowledge and use of comprehensive cost data. State officials concurred that it is difficult to fully record the cost of all agencies overseas because of inconsistent accounting and budgeting systems. Nevertheless, we were able to document an estimated total cost for all agencies operating in France in fiscal year 2001 at more than \$100 million. To do this, we developed a template in consultation with State and OMB to capture different categories of operating costs, such as salaries and benefits, and applied the template to each agency at the embassy.

Are Costs Commensurate with Expected Outcomes?

Once costs are known, it is important to relate them to the embassy's performance. This will allow decision makers to (1) assess the relative cost-effectiveness of various program and support functions and (2) make cost-based decisions when setting mission priorities and staffing levels and determining the feasibility of alternative business approaches. With comprehensive data, State and other agencies could make cost-based decisions at the embassy level as well as on a global basis.

---

Rightsizing Options

Analyses of security, mission, and cost may suggest the need for more or fewer staff at an embassy or an adjustment to the overall staff mix. Independent analysis of each element can lead to changes. However, all three elements of the framework need to be considered together to make reasonable decisions regarding staff size. For example, if the security element is considered in isolation and existing facilities are deemed highly vulnerable, managers may first consider adding security enhancements to existing buildings; working with host country law enforcement agencies to increase embassy protection; reconfiguring existing space to accommodate more people in secure space; and leasing, purchasing, or constructing new buildings. However, consideration of all elements of the framework may suggest additional means for reducing security vulnerabilities, such as reducing the total number of staff. Our framework encourages consideration of a full range of options along with the security, mission, and cost trade-offs.

Our framework is consistent with the views of rightsizing experts who have recommended that embassies consider alternative means of fulfilling mission requirements. For example, OPAP concluded that staff reductions should be considered as a means of improving security, and the Chairman

---

of OPAP, in May 2002 testimony, supported elimination of some functions or performing functions from regional centers or the United States.<sup>14</sup> Moreover, President Bush has told U.S. ambassadors that “functions that can be performed by personnel in the U.S. or at regional offices overseas should not be performed at a post.” Our analysis highlights five possible rightsizing options to carry out these goals, but this list is not exhaustive. These suggested options include

1. relocating functions to the United States,
2. relocating functions to regional centers,
3. relocating functions to other locations under chief of mission authority where relocation back to the United States or to regional centers is not practical,
4. purchasing services from the private sector, and
5. changing business practices.

Our case study at the Paris embassy illustrates the applicability of these options, which have the potential to reduce the number of vulnerable staff in the embassy buildings. These options may be applicable to as many as 210 positions in Paris. The work of about 120 staff could be relocated to the United States—State already plans to relocate the work of more than 100 of these employees. In addition, the work of about 40 other positions could be handled from other locations in Europe, while more than 50 other positions are commercial in nature and provide services that are available in the private sector. For example:

- Some functions at the Paris embassy could be relocated to the United States. State is planning to relocate more than 100 budget and finance positions from the Financial Services Center in Paris to State’s financial center in Charleston, South Carolina, by September 2003. In addition, we identified other agencies that perform similar financial functions and could probably be relocated. For example, four Voice of America staff provide payroll services to correspondent bureaus and freelance reporters around the world and would benefit from collocation with State’s Financial Services Center.

---

<sup>14</sup>*Kaden*, May 1, 2002.

- 
- The Paris embassy could potentially relocate some functions to the regional logistics center in Antwerp, Belgium, and the planned 23-acre secure regional facility in Frankfurt, Germany, which has the capacity for approximately 1,000 people. The Antwerp facility could handle part of the embassy's extensive warehouse operation, which is currently supported by about 25 people. In addition, some administrative operations at the embassy, such as procurement, could potentially be handled out of the Frankfurt facility. Furthermore, staff at agencies with regional missions could also be moved to Frankfurt. These staff include a National Science Foundation representative who spent approximately 40 percent of his time in 2001 outside of France; four staff who provide budget and finance support to embassies in Africa; and some Secret Service agents who cover eastern Europe, central Asia, and parts of Africa.
  - There are additional positions in Paris that may not need to be in the primary embassy buildings where secure space is at a premium. The primary function of the National Aeronautics and Space Administration representative is to act as a liaison to European space partners. Accomplishing this work may not require retaining office space at the embassy. In fact, the American Battle Monuments Commission has already established a precedent for this, housing about 25 staff in separate office space in a suburb of Paris. In addition, a Department of Justice official works in an office at the French Ministry of Justice. However, dispersing staff raises additional security issues that need to be considered.<sup>15</sup>
  - Given Paris's modern transportation and communication links and large private-sector service industry, the embassy may be able to purchase services from the private sector, which would reduce the number of full-time staff at risk at the embassy if the services can be performed from another location.<sup>16</sup> We identified as many as 50 positions at the embassy

---

<sup>15</sup>Following the 1998 embassy bombings, a provision was passed into law, codified at 22 U.S.C. § 4865, that requires the Secretary of State, in selecting a site for any new U.S. diplomatic facilities abroad, to ensure that all U.S. personnel under chiefs of mission authority be located on the site. However, the Secretary of State may waive this requirement, if the Secretary, together with the heads of those agencies with personnel who would be located off site, determine that security considerations permit it and that it is in the U.S. national interests.

<sup>16</sup>With enactment of the Federal Activities Inventory Reform Act of 1998 (P.L. 105-270), Congress mandated that U.S. government agencies identify activities within each office that are not "inherently governmental," that is, commercial activities. Competitive sourcing involves using competition to determine whether a commercial activity should be performed by government personnel or contractors. The President's Management Agenda states that competition historically has resulted in a 20- to 50-percent cost savings for the government.

---

that officials in Washington and Paris agreed are commercial in nature, including painters, electricians, plumbers, and supply clerks.

- Reengineering business functions could help reduce the size of the Paris embassy. Consolidating inventories at the warehouse could decrease staff workload. For instance, household appliances and furniture are maintained separately by agency with different warehouse staff responsible for different inventories. Purchasing furniture locally<sup>17</sup> for embassies such as Paris could also reduce staffing and other support requirements.

Advances in technology, increased use of the Internet, and more flights from the United States may reduce the need for certain full-time permanent staff overseas. Moreover, we have identified opportunities to streamline or reengineer embassy functions to improve State's operations and reduce administrative staffing requirements, particularly in western Europe, through measures that would reduce residential housing and furniture costs.<sup>18</sup> We reported in March 2001<sup>19</sup> that State has a number of outmoded and inefficient business processes. Our cost analyses of the U.S. embassy's housing office in Brussels and the housing support function at the U.S. embassy in London illustrated how reengineering could potentially result in significant savings.

---

## Rightsizing Framework Complements OMB Initiatives

To implement the *President's Management Agenda*, OMB and State have indicated that they plan to assess staffing requirements, costs, and options at embassies in Europe and Eurasia. As part of this effort, they are attempting to identify staff who could be relocated to the planned regional facility in Frankfurt. Applying our framework in this effort would provide a systematic means of assessing staff levels and considering embassy costs and relocation and other rightsizing options. Furthermore, OMB and State have other initiatives under way that will make it easier to use the framework in the future. For example, to make it easier to consider the

---

<sup>17</sup>State currently has a central contract requiring that all overseas posts purchase furniture from the United States and not from local sources. Logistics management officials at State said that the contract is currently under renegotiation and that the revised agreement will include local procurement allowances for pilot posts.

<sup>18</sup>U.S. General Accounting Office, *State Department: Options for Reducing Overseas Housing and Furniture Costs*, [GAO/NSIAD-98-128](#) (Washington, D.C.: July 31, 1998).

<sup>19</sup>U.S. General Accounting Office, *Supporting Congressional Oversight: Framework for Considering Budgetary Implications of Selected GAO Work*, [GAO-01-447](#) (Washington, D.C.: May 9, 2001).

---

costs of the U.S. overseas presence, OMB is gathering data on overseas costs for each agency and the costs of establishing new positions, and is assessing the process by which agencies request funding to assign additional staff overseas. To help assess mission priorities and workload, OMB and State are reviewing how embassies have implemented the revised MPPs, which are designed to more clearly set priorities, and how these plans could be used to determine allocation of embassy resources. We plan to monitor OMB's progress in implementing the rightsizing initiative and work with it to incorporate comprehensive cost data into the overseas staffing process.

---

## Conclusion

Our rightsizing framework was designed to allow decision makers to systematically link embassy staffing levels and requirements to three critical elements of embassy operations—physical security, mission priorities and requirements, and cost. Using our framework's common set of criteria for making staffing assessments and adjustments would be an important step toward establishing greater accountability and transparency in the overseas staffing process. The key questions of the framework will help decision makers identify the most important factors affecting an embassy's staffing levels and consider rightsizing options to either add or reduce staff or adjust the staff mix. Rightsizing experts told us that the framework appears applicable to all embassies. Although we have tested it only at the U.S. embassy in Paris and are in the process of refining it, we too believe that the framework can provide guidance for executive branch rightsizing exercises at other embassies.

---

## Recommendation for Executive Action

To facilitate the use of a common set of criteria for making staff assessments and adjustments at overseas posts and encourage decision makers to consider security, mission priorities and requirements, and costs, we recommend that the Director of the Office of Management and Budget ensure that our framework is used as a basis for assessing staffing levels in the administration's rightsizing initiative, starting with its assessments of staffing levels and rightsizing options at U.S. embassies in Europe and Eurasia.

---

## Agency Comments and Our Evaluation

OMB and State provided written comments on a draft of this report (see apps. III and IV). OMB said that it appreciated our efforts to develop a rightsizing framework. OMB agreed with the framework's key elements and options and plans to build upon the framework in examining staffing at all posts within the European and Eurasia Bureau. However, OMB

---

expressed concern regarding whether the GAO methodology can be uniformly applied at all posts worldwide. Nonetheless, OMB noted that it looks forward to working with us and the State Department in using the framework as a starting point to develop a broader methodology that can be applied worldwide.

State said that it welcomed our work in developing a framework for rightsizing. State noted the difficulties of previous efforts to develop a methodology, including attempts by the Overseas Presence Advisory Panel and a State-led interagency rightsizing committee. It stated that it has taken steps to regionalize responsibilities in the United States and overseas where appropriate. In addition, State provided technical comments that we have incorporated into this report, as appropriate.

---

## Scope and Methodology

To develop the elements of the rightsizing framework and corresponding checklist of suggested questions, we analyzed previous reports on overseas staffing issues, including those of the Accountability Review Boards, OPAP, and the State-led interagency rightsizing committee. We interviewed officials from OMB to discuss the administration's current rightsizing initiatives in relation to the *President's Management Agenda*. We discussed embassy staffing with rightsizing experts, including the Chairman of OPAP and the current and former Undersecretary of State for Management. We also interviewed officials from the Departments of State, Defense, the Treasury, Commerce, Justice, and Agriculture as well as officials from other agencies with personnel in France.

To further develop and test the framework, we conducted a case study at the U.S. embassy in Paris. To assess embassy security, we reviewed security reports, interviewed security experts, and made direct observations. To assess missions' priorities and requirements, we interviewed and collected data from the U.S. Ambassador to France, the Deputy Chief of Mission, and other high-ranking embassy officials as well as officials from more than 35 sections at the Paris embassy. We also interviewed agency officials in Washington, D.C., and in Paris to determine the criteria used by agencies to set staffing levels at the Paris embassy. To assess costs, we interviewed budget and financial management officials from State and collected data on the different categories of operating costs, such as salaries and benefits, from each agency with staff assigned to the Paris embassy. To determine the feasibility of rightsizing actions, we collected and analyzed data associated with (1) relocating certain functions to the United States, regional centers in Europe, or other locations in France and (2) outsourcing or streamlining some functions.

---

We visited State's regional logistics and procurement offices in Antwerp, Belgium, and Frankfurt, Germany, which have been considered as options for expanded regional operations in Europe. To determine if opportunities exist to outsource functions, we collected and analyzed data on the business and staffing practices of Paris-based businesses, other U.S. embassies in western Europe, and other bilateral diplomatic missions in Paris.

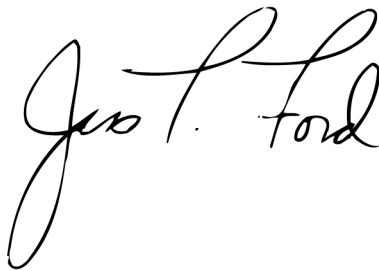
We conducted our work between September 2001 and May 2002 in accordance with generally accepted government auditing standards.

---

We are sending copies of this report to other interested Members of Congress. We are also sending copies of this report to the Director of OMB and the Secretary of State. Copies will be made available to others upon request. In addition, this report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me on (202) 512-4128. Another GAO contact and staff acknowledgments are listed in appendix V.

Sincerely yours,

A handwritten signature in black ink that reads "Jess T. Ford". The signature is written in a cursive style with a large, looping initial "J".

Jess T. Ford  
Director, International Affairs and Trade

# Appendix I: Timeline of Rightsizing Initiatives since the 1998 Embassy Bombings

Time frame	Initiative
January 1999	Following the bombings of the U.S. embassies in Nairobi, Kenya, and Dar es Salaam, Tanzania, that killed more than 220, including 12 Americans, and injured more than 4,000, the Accountability Review Boards recommended that the Department of State look into decreasing the size and number of embassies and consulates to reduce employees' vulnerability to attack.
November 1999	The Overseas Presence Advisory Panel (OPAP) reported that overseas staffing levels had not been adjusted to reflect changing missions and requirements; thus, some embassies were too large and some were too small. OPAP said rightsizing was an essential component of an overall program to upgrade embassy and consulate capabilities, and it recommended that this be a key strategy to improve security by reducing the number of staff at risk. OPAP also viewed rightsizing as a way to decrease operating costs by as much as \$380 million annually if a 10 percent worldwide staffing reduction could be achieved.
February 2000	President Clinton directed the Secretary of State to lead an interagency effort to (1) develop a methodology for assessing embassy staffing and (2) recommend adjustments, if necessary, to staffing levels at six pilot study embassies. We reported that the interagency committee was not successful in developing such a methodology. Although the committee concluded that it was impractical to develop a standard approach because of differences among embassies, we reported that the pilot studies had limited value because they were conducted without focused, written guidelines, and committee members did not spend enough time at each embassy for a thorough evaluation.
August 2001	The <i>President's Management Agenda</i> identified rightsizing as one of the administration's management priorities. President Bush directed the Office of Management and Budget (OMB) to collect, analyze, and review overall U.S. government staffing to help reconfigure overseas staff allocation to the minimum number necessary to achieve U.S. foreign policy goals.
February 2002	The President's fiscal year 2003 international affairs budget highlighted the importance of making staffing decisions on the basis of mission priorities and costs and directed OMB to analyze agencies' overseas staffing and operating costs.

Sources: GAO analysis of the reports of the Accountability Review Boards, OPAP, and the Interagency Committee and of the *President's Management Agenda* and the fiscal year 2003 international affairs budget.

---

# Appendix II: Rightsizing Framework and Corresponding Questions

---

---

**Physical/technical security of facilities and employees**

---

What is the threat and security profile of the embassy?

Has the ability to protect personnel been a factor in determining staffing levels at the embassy?

To what extent are existing office buildings secure?

Is existing space being optimally utilized?

Have all practical options for improving the security of facilities been considered?

Do issues involving facility security put the staff at an unacceptable level of risk or limit mission accomplishment?

Do security vulnerabilities suggest the need to reduce or relocate staff?

---

**Mission priorities and requirements**

---

What are the staffing levels and mission of each agency?

How do agencies determine embassy staffing levels?

Is there an adequate justification for the number of employees at each agency compared with the agency's mission?

Is there adequate justification for the number of direct hire personnel devoted to support and administrative operations?

What are the priorities of the embassy?<sup>a</sup>

Does each agency's mission reinforce embassy priorities?

To what extent are mission priorities not being sufficiently addressed due to staffing limitations or other impediments?

To what extent are workload requirements validated and prioritized and is the embassy able to balance them with core functions?

Do the activities of any agencies overlap?

Given embassy priorities and the staffing profile, are increases in the number of existing staff or additional agency representation needed?

To what extent is it necessary for each agency to maintain its current presence in country, given the scope of its responsibilities and its mission?

- Could an agency's mission be pursued in other ways?

- Does an agency have regional responsibilities or is its mission entirely focused on the host country?

---

**Cost of operations**

---

What is the embassy's total annual operating cost?

What are the operating costs for each agency at the embassy?

To what extent are agencies considering the full cost of operations in making staffing decisions?

To what extent are costs commensurate with overall embassy strategic importance, with agency programs, and with specific products and services?

---

**Consideration of rightsizing options**

---

What are the security, mission, and cost implications of relocating certain functions to the United States, regional centers, or to other locations, such as commercial space or host country counterpart agencies?

To what extent could agency program and/or routine administrative functions (procurement, logistics, and financial management functions) be handled from a regional center or other locations?

Do new technologies and transportation links offer greater opportunities for operational support from other locations?

Do the host country and regional environments suggest there are options for doing business differently, that is, are there adequate transportation and communications links and a vibrant private sector?

To what extent is it practical to purchase embassy services from the private sector?

Does the ratio of support staff to program staff at the embassy suggest opportunities for streamlining?

Can functions be reengineered to provide greater efficiencies and reduce requirements for personnel?

Are there best practices of other bilateral embassies or private corporations that could be adapted by the U.S. embassy?

To what extent are there U.S. or host country legal, policy, or procedural obstacles that may impact the feasibility of rightsizing options?

---

<sup>a</sup>Embassy priorities are the U.S. government priorities in that country.  
Source: GAO.

# Appendix III: Comments from the Office of Management and Budget



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

July 11, 2002

THE DIRECTOR

Jess T. Ford, Director  
International Affairs and Trade  
United States General Accounting Office  
441 G Street, NW  
Washington, D.C. 20548

Dear Mr. Ford:

The Office of Management and Budget is pleased to have the opportunity to provide comments on your draft report, "Framework for Assessing Embassy Staff Levels Can Support Rightsizing Initiatives." We appreciate the effort by GAO to develop a rightsizing methodology that fits soundly with the Administration's rightsizing initiative.

OMB agrees that mission priorities, cost and security are key elements to the rightsizing framework. In addition, workload requirements, options for information technology, regionalization possibilities and competitive sourcing opportunities should be considered in order to adapt the methodology to fit each post.

Rightsizing is not a synonym for downsizing. It is meant to signify the most efficient, cost-effective deployment of resources overseas in a way that assures US representation matches and serves US priorities. Rightsizing requires a fundamental change in the way that we link the United States Government's mission overseas with our foreign policy goals and then determine which agency is best suited to implement and achieve those goals.

Agencies should be held accountable in budgeting for their overseas staffing decisions. We are in the process of addressing this by working with the State Department to develop a rent surcharge proposal. Agencies need to be encouraged to consider the total cost to the United States Government (USG) of sending personnel overseas. We are addressing this by adapting the A-11 Budget Request process to agencies and requesting they include overseas staffing and cost data in FY04.

Ambassadors are currently delegated authority for staffing decisions but have little cost data or information on real agency needs. They should be provided with multiagency cost and staffing information so that they are well informed and empowered to manage resources, requirements and staff to the appropriate level. We have addressed this by working with the State Department to revise the mission performance planning process (MPP). The FY04 MPPs now include: multiagency input, workload requirements by priority on each agency and projected over several years, a reduction in the number of priorities posts may claim (from up to 15 to up to 5) and Ambassador certification of the entire document.

---

**Appendix III: Comments from the Office of  
Management and Budget**

---

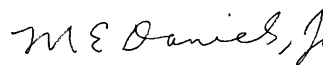
It is easy to suggest that agencies should assign staff to a region not a country, but it is hard particularly for smaller agencies to make significant resource shifts to such an option. We are addressing this by coordinating the acquisition and rightsizing of the Creekbed hospital in Frankfurt as a pilot for regional-based efforts. This will be a regional center for Europe and Eurasia. We are also looking at potential alternative regional centers in other European locations.

We are not confident the GAO methodology can be uniformly applied at all posts worldwide. While the results seem to work well in Paris, there are a multitude of other posts with widely varied issues and needs that may not be addressed in this methodology. We believe that the methodology proposed in this report may serve as a valuable starting point for the development of a broader methodology that can be applied worldwide. Based on the recommendations in this report we look forward to working with you and the State Department to develop a rightsizing methodology that can be applied to all new and existing embassies.

The Administration's interagency rightsizing initiative is moving from recommendations to concrete steps that will have an impact on how resources of all USG agencies are deployed overseas. On a practical level, OMB, State, and other USG agencies have been working to ensure that a proposed new interagency regional center in Frankfurt, Germany is developed from the outset to serve country-specific and regional needs. State and OMB are analyzing the current staff USG agencies have in Frankfurt as well as some functions USG agencies perform across Europe, to determine which functions could be regionalized in Frankfurt or performed from the United States. A more extensive pilot project on interagency rightsizing is underway to examine all posts within the European and Eurasia Bureau. This pilot effort will involve OMB and interagency cooperation and build upon the rightsizing work of GAO to consider how to conduct rightsizing on a larger scale. Finally, State and OMB are working to develop a cost sharing mechanism that would apply to all USG agencies to finance the construction of new embassies. If properly designed, a cost sharing mechanism for capital costs could be a powerful on-going incentive to rightsize future presence at new posts.

Once again, we appreciate the opportunity to comment and hope that you will incorporate our observations into your final report to Congress. If you have any questions concerning this response, please contact Ms. Alexandra Gianinno of the International Affairs Division at (202) 395-1483.

Sincerely,



Mitchell E. Daniels, Jr.  
Director

# Appendix IV: Comments from the Department of State

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



United States Department of State

Washington, D.C. 20520

JUL - 9 2002

Dear Ms. Westin:

We appreciate the opportunity to review your draft report, "OVERSEAS PRESENCE: Framework for Assessing Embassy Staff Levels Can Support Rightsizing Initiatives," GAO-02-780, GAO Job Code 320123.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact William Duffy, Policy Analyst, Office of Management Policy, at (202) 647-0093.

Sincerely,

A handwritten signature in cursive script, appearing to read "Christopher B. Burnham".

Christopher B. Burnham  
Assistant Secretary and  
Chief Financial Officer

Enclosure:

As stated.

cc: GAO/IAT - John Brummet  
State/OIG - Mr. Berman  
State/M/P - Marguerite Coffey

Ms. Susan S. Westin,  
Managing Director,  
International Affairs and Trade,  
U.S. General Accounting Office.

**Department of State Comments on GAO Draft Report  
OVERSEAS PRESENCE: Framework for Assessing  
Embassy Staff Levels Can Support Rightsizing Initiatives  
(GAO Report 02-780, GAO Job Code 320123)**

The Department of State welcomes GAO's work on developing a right-sizing framework. GAO's framework lays out a common-sense approach that asks the kinds of questions Chiefs of Mission (COMs) and other decision-makers have always routinely addressed through formal and informal processes when considering staffing issues.

We endorse GAO's definition of rightsizing:

Rightsizing [is] aligning the number and location of staff assigned overseas with foreign policy priorities and security and other constraints. Rightsizing may result in the addition or reduction of staff, or a change in the mix of staff at a given embassy or consulate.

A range of U.S.G. agencies has traditionally staffed U.S. embassies and consulates. The current number of American direct hire positions under the authority of Chiefs of Mission stands at about 18,000, smaller now than at its 1966 peak of 42,000. The current level is essentially the same as in 1990, and reflects a 4.5% decline since 1995. Since at least the 1950s, the Department of State has represented a third or less of all overseas staffing.

Rationalizing the U.S. Government's overseas presence - an objective of successive Administrations since the 1960s - is no easy task. Past efforts to develop an interagency staffing methodology have not succeeded. The 1999 Overseas Presence Advisory Panel (OPAP), for example, did not develop such a methodology, even though its original charter charged it with "preparing a report recommending the criteria by which [the USG] might determine the location, size, and composition of overseas posts in the coming decade."

There is no substitute for face-to-face interaction with host governments and publics. State continues to support the principle of universality, under which the U.S. Government maintains an on-the-ground presence in virtually all nations with which we have diplomatic relations. We agree with OPAP's conclusion that "a universal, on-the-ground overseas presence is more critical than ever to the nation's well-being."

The Department of State's policy is to pursue regionalization initiatives when appropriate. It relies heavily on centralizing a variety of administrative, consular, and some policy functions (e.g., Labor Attaches, Environment and Science hubs), either overseas or in the United States. State has four U.S. regional centers:

- The Fort Lauderdale Regional Center provides support services to U.S. posts throughout the Western Hemisphere.
- The National Visa Center in Portsmouth NH and the Kentucky Consular Center in Williamsburg KY perform various consular tasks traditionally carried out at individual posts.
- The Charleston (SC) Financial Service Center provides financial services for U.S. posts throughout the Western Hemisphere and for some European posts, and is in the process of assuming financial services for additional European and African posts formerly carried out at the regional Financial Service Center in Paris.

State is also shifting routine passport production from overseas posts to U.S. domestic passport agencies in order to take advantage of the high security passport photodigitization process installed in the United States.

When relocation to the United States is not feasible, U.S.G. agencies (including State) use many embassies and consulates such as Frankfurt and Bangkok as regional platforms for their activities.

As GAO has pointed out, a major U.S.G. regionalization effort now underway is the Frankfurt Regional Support Center, to be located on the site of what was the Department of Defense's 469th Hospital. The Center will be home to numerous personnel from State and other U.S.G. agencies with regional responsibilities for Africa, Europe, Eurasia, and the Middle East.

A large number of staff in non-regional centers also have regional responsibilities. For example, employees manage many medical and security functions on a regional basis. While we can gain economies (usually in the management field) by regionalizing some functions, this does not eliminate the need for more people at some posts.

3

In addition, it should be pointed out that there are negative aspects to regionalization. One drawback to locating personnel away from the posts they serve is reduced linguistic and cultural awareness and knowledge that is required to function well—issues for which GAO has previously criticized State. In this context, it should be noted that for a regional American officer to function effectively when s/he does not have language and cultural skills, the regionally serviced post basically needs to hire at least one foreign national employee to work the issues in the regional officer's absence. Fundamentally, as OPAP concluded "a universal, on-the-ground overseas presence is more critical than ever to the nation's well-being."

Another drawback is that the Department of State reports that it is increasingly difficult to find personnel who are willing to provide true regional service, i.e., spend 60% of their time on the road. Although the issue may be addressable through career or financial incentives, there will be costs associated with going over to a "regional" basis of service.

GAO prioritizes the three elements in its framework as Security - Mission - Cost. We think a more logical priority would put "mission" first. The first question that must be answered before all others is whether the United States has a compelling reason to be in a particular location. If the answer is "Yes," then it may be necessary to place personnel there, even in the face of serious security concerns or excessive costs (e.g., the recent opening of the U.S. Embassy in Kabul, Afghanistan). If the answer is "No," the question of whether personnel can be securely or economically located there is irrelevant.

The draft GAO report does not mention some of the primary drivers for other agencies' overseas staff increases.

- Agencies want to maintain independence. Despite the "country team" concept, agency offices in missions seek to avoid the constraints of standardized mission services, practices, systems, and regulations. As long as agencies are free to maintain independent and separate support standards, they will add in-house staff to achieve them. The GAO report (p. 9) notes this indirectly in mentioning the separate furniture inventories and warehouse staff in Paris, but it does not

See comment 1.

make clear that this can be a primary driver of staff size rather than a corollary result.

- The "rank-in-job" system of non-Foreign Affairs Agencies encourages incentives for staff growth that are not part of the growth dynamic for the "rank-in-person" Foreign Affairs agencies. Conversely, reducing staff tends toward downgrading of staff and meets resistance.
- Office assets of non-Foreign Affairs agencies are often linked to size as well. For example, most agency heads at posts have government owned vehicles; almost no agencies other than State participate in pooled vehicles for transporting staff. The larger an agency unit, the more justification it has to expand the number of vehicles it has. This principle extends to other resources/assets as well.
- The costs of overseas offices' operations are often infinitesimal compared to the agency's total programs, which are primarily domestically based (e.g., Defense, Agriculture, Justice) and only small blips at the agency-level budget allocations. As a result, serious analysis of the sizing of an agency's overseas presence and coordination with other activities and mission priorities is often neglected. The COM through the NSDD 38 process effectively bears the entire burden of enforcing rightsizing. The COM has little in the way of resources, time, or practical mechanisms for communication about agency objectives and priorities in placing personnel at a particular mission. Nor is there any organizational structure charged with evaluating whether the agencies' mission could be better achieved from a different location. Without an enforcement mechanism, GAO's proposed criteria will not be effectively applied and it is likely that the particular needs of the requesting agencies will prevail over the broader interest in rightsizing.

The report does not mention International Cooperative Administrative Support Services (ICASS), implemented in FY 1998. ICASS is the shared administrative support system through which more than 250 U.S. government entities at our overseas posts obtain essential services and share costs of operating facilities and services. ICASS's cost distribution system ensures that a more comprehensive

5

estimate of the cost of each agency's presence overseas is reflected in that agency's budget.

One example GAO cites as a position that could be transferred from Paris to Frankfurt - the National Science Foundation - is particularly troubling. According to GAO, the representative "spent approximately 40 percent of his time in 2001 outside of France" (p. 9). We disagree with the proposition that a position whose incumbent spends 60% of the time in one location should be moved to a "regional" location elsewhere.

We look forward to continuing to work with GAO and the Office of Management and Budget on rightsizing.

See comment 2.

---

The following are GAO's comments on the Department of State's letter dated July 9, 2002.

---

## GAO's Comments

1. We did not set priorities for the elements in the framework that appear in this report. As we state on page 9, decision makers need to consider all three elements of the framework together to make reasonable decisions regarding staff size.
2. In the mission priorities and requirements section, the framework includes the question, "To what extent is it necessary for each agency to maintain its current presence in country?" The amount of time that officials spend in country is a key factor needed to answer the question and in this case the location of the National Science Foundation's representative in Paris warranted further analysis as a possible candidate for rightsizing. The mandate of the National Science Foundation representative is to communicate with bilateral and multilateral counterpart agencies in more than 35 countries in Europe and Eurasia. The representative stated that he could do his job from any location in Europe, as long as he has high-speed internet connectivity. Given security limitations at facilities in Paris and the availability, in the near future, of secure space in Frankfurt, Germany, decision makers should consider these types of positions for relocation.

---

# Appendix V: GAO Contact and Staff Acknowledgments

---

## GAO Contact

John Brummet (202) 512-5260

---

## Staff Acknowledgments

In addition to the person named above, David G. Bernet, Janey Cohen, Chris Hall, Katie Hartsburg, Lynn Moore, and Melissa Pickworth made key contributions to this report.

---

## GAO's Mission

The General Accounting Office, the investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

---

## Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through the Internet. GAO's Web site ([www.gao.gov](http://www.gao.gov)) contains abstracts and full-text files of current reports and testimony and an expanding archive of older products. The Web site features a search engine to help you locate documents using key words and phrases. You can print these documents in their entirety, including charts and other graphics.

Each day, GAO issues a list of newly released reports, testimony, and correspondence. GAO posts this list, known as "Today's Reports," on its Web site daily. The list contains links to the full-text document files. To have GAO e-mail this list to you every afternoon, go to [www.gao.gov](http://www.gao.gov) and select "Subscribe to daily E-mail alert for newly released products" under the GAO Reports heading.

---

## Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. General Accounting Office  
441 G Street NW, Room LM  
Washington, D.C. 20548

To order by Phone:   Voice:   (202) 512-6000  
                                  TDD:    (202) 512-2537  
                                  Fax:     (202) 512-6061

---

## To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: [www.gao.gov/fraudnet/fraudnet.htm](http://www.gao.gov/fraudnet/fraudnet.htm)

E-mail: [fraudnet@gao.gov](mailto:fraudnet@gao.gov)

Automated answering system: (800) 424-5454 or (202) 512-7470

---

## Public Affairs

Jeff Nelligan, managing director, [NelliganJ@gao.gov](mailto:NelliganJ@gao.gov) (202) 512-4800  
U.S. General Accounting Office, 441 G Street NW, Room 7149  
Washington, D.C. 20548