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Highlights

Highlights of [GAO-05-1010](#), a report to congressional requesters

Why GAO Did This Study

The number of financial attachés that the Department of the Treasury (Treasury) deploys overseas dropped from approximately 30 in 1981 to 7 at the beginning of fiscal year 2005. Treasury has traditionally used financial attachés to monitor and gather information on international economic and financial developments to help shape U.S. international economic policy and to promote U.S. national interests. These attachés are part of the U.S. mission overseas and are typically stationed in U.S. embassies in key countries. Since at least 1981, however, the number of financial attachés placed overseas has been declining in response to changing conditions. Due to congressional interest in these financial attachés, this report describes (1) the role of financial attachés and (2) the process Treasury uses to determine attaché placement.

In commenting on this report, Treasury considered our report to be fair and accurate. Both Treasury and the Department of State provided technical comments, which we incorporated where appropriate.

www.gao.gov/cgi-bin/getrpt?GAO-05-1010.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Loren Yager at (202) 512-4347 or yagerl@gao.gov.

INTERNATIONAL FINANCE

Treasury Has Reduced the Number of Attachés Overseas

What GAO Found

Financial attachés represent Treasury overseas and cover economic and financial issues relevant to U.S. international economic policies and U.S. national interests, although the role and need for financial attachés have evolved. Specifically, financial attachés conduct monitoring and analysis of macroeconomic and financial issues, including those affecting the private sector. Typically, financial attachés interact with host government financial agencies such as the ministries of finance and central banks, as well as with private sector financial entities. Financial attachés typically work in conjunction with the Economic Section of the U.S. mission and usually share the information they collect with other U.S. agencies. In Afghanistan and Iraq, financial attachés are primarily involved in coordinating economic reconstruction efforts. In general, the role of attachés has evolved over time due to changing Treasury priorities, as well as factors such as technological advances in communications. To some extent, these changes have reduced the necessity for some financial attaché posts overseas.

Treasury has recently begun to formalize its process for determining attaché placement. Previously, the placement of Treasury's attachés was accomplished through an informal process, according to Treasury officials. More recently, Treasury has taken steps to formalize its process by specifying placement criteria it will take into consideration relative to overall Treasury priorities. These criteria include whether the United States has major financial interest in a country or whether there is significant U.S. engagement in a country. However, Treasury officials stated that budget constraints have been a primary factor in determining the number of attachés in recent years. Furthermore, projected rising costs are likely to constrain the number of attachés in the future.

Locations of Financial Attachés at the Beginning of Fiscal Year 2005



Sources: Map Art (illustration); information provided by Treasury.