



Highlights of [GAO-06-737](#), a report to the Chairman, Subcommittee on National Security, Emerging Threats, and International Relations, Committee on Government Reform, House of Representatives

Why GAO Did This Study

In 2001, the administration identified the rightsizing of embassies and consulates as one of the President's management priorities. Rightsizing initiatives include: aligning staff overseas with foreign policy priorities and security and other constraints; demonstrating results by moving administrative functions from posts to regional or central locations; and eliminating duplicative functions at posts. This report (1) discusses the size and recent trends in the U.S. government overseas presence, (2) assesses the congressionally mandated Office of Rightsizing's progress in managing the U.S. government's overseas rightsizing efforts, and (3) assesses the process and outcomes of the legislatively mandated rightsizing reviews of overseas posts.

What GAO Recommends

We recommend that the Secretary of State provide management oversight to complete and maintain a unified database to accurately capture and validate U.S. overseas staffing numbers, increase outreach activities with non-State agencies, and require that posts develop rightsizing action plans. State indicated that it has either recently implemented or is taking steps to implement all of our recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-06-737.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Jess Ford at (202) 512-4128 or fordj@gao.gov.

OVERSEAS STAFFING

Rightsizing Approaches Slowly Taking Hold but More Action Needed to Coordinate and Carry Out Efforts

What GAO Found

Almost five years into the President's Management Initiative on rightsizing, the U.S. government does not yet have accurate data on the size of the U.S. overseas presence. At various times, we received estimates ranging from 66,000 to 69,000 American and non-American personnel. In addition, State estimated that there are approximately 78,000 U.S. government positions overseas, as of December 2005. State Department (State) officials said that they are working on a unified database which, if periodically updated by posts, will provide an accurate depiction of the overseas presence. State officials indicated that the database will be completed later this year. Because of the importance of having accurate data on overseas staffing and the length of time it has taken to develop this data, management oversight may be needed to ensure completion of this task. Several agencies reported that they have added staff overseas as a result of new mission requirements, and other agencies reported that they have repositioned their personnel to better meet mission needs and in response to rightsizing efforts.

State established the congressionally mandated Office of Rightsizing the United States Government Overseas Presence (Office of Rightsizing) in 2004, which, after a slow start, has begun to provide overall direction to the government-wide rightsizing process. Some of the office's activities have included coordinating staffing requests of U.S. government agencies, developing guidance for and analyzing post rightsizing reviews, and formulating a rightsizing review plan. We found that coordination on rightsizing issues between State and other agencies with an overseas presence was initially slow, but has since improved. Nevertheless, non-State agencies have voiced a number of concerns regarding their interaction with the Office of Rightsizing, including their desire to be more included in the rightsizing process.

Congress requires Chiefs of Mission to conduct rightsizing reviews at every overseas post at least once every 5 years. Between late 2004 and summer 2005, about 35 posts participated in the first cycle of reviews. However, the Office of Rightsizing provided limited guidance to posts on how the reviews should be conducted and did not have a systematic process for reporting the outcomes of the reviews. In fall 2005, officials in the Office of Rightsizing developed more comprehensive guidance, which posts we interviewed found useful. We found that cost was not considered a key element in the post reviews. Nevertheless, the Office of Rightsizing reported over \$150 million in cost savings or avoidance to the U.S. government based on its analysis of these reviews. Although we have not been able to independently assess the Office of Rightsizing's estimates, it has presented evidence to show that some major cost avoidance and cost savings have occurred. Management officers identified various challenges to the review process, such as resistance from non-State agencies and a lack of time to conduct the review. It is unclear how posts will implement the rightsizing review decisions, such as elimination of duplicative functions, according to post officials and officials in State's regional bureaus.