

HOUSE COMMITTEE ON GOVERNMENT REFORM  
SUBCOMMITTEE ON NATIONAL SECURITY, EMERGING THREATS  
AND INTERNATIONAL RELATIONS  
COMMITTEE ON GOVERNMENT REFORM

TESTIMONY OF  
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Chairman Shays and Members of this Subcommittee:

Thank you for the opportunity to comment this afternoon on the Department's efforts to rightsize its embassies and to align resource requirements with mission objectives and with operating environments. Clearly at the heart of this daunting challenge is how to plan and provide safe, cost effective buildings and to staff them appropriately. The Department has made real advances in rightsizing its overseas posts. I especially want to commend the Bureau of Overseas Buildings Operations (OBO), under General Williams' leadership, for significant improvements in planning and management. Although much remains to be done, OBO has initiated a proactive partnership with the Department and developed a long-range overseas buildings plan, which has introduced transparency and sound business practices to the difficult problem of constructing suitable and safe installations for U.S. government personnel overseas. OBO has created a standard embassy design concept for embassies, which should help to control costs. OBO also has proposed a new funding mechanism, which will establish greater cost-sharing in the construction of new embassies and will encourage agencies to assess more accurately the true costs attached to assigning personnel overseas. I would note that we are currently reviewing OBO's management of the embassy construction program. We expect to conclude our review this summer and can share the results of our work with you at that time.

The Department has also sought to define more systematically personnel needs through its overseas staffing model and to work with geographic bureaus to rightsize embassies

overseas. With new resources for diplomatic readiness, the Department has aggressively recruited much-needed Foreign Service staff. As a result of budget constraints in the mid-nineties, Department hiring was less than its rate of attrition. Consequently, we entered the new millennium with a serious shortage of midlevel officers, a situation that persists today and hampers the effectiveness of some embassies. Acknowledging the sacrifices that staff and their families make in taking assignments in many parts of the world, the Department is looking for ways to mitigate the hardships of service in some posts, where staffing gaps and inexperience exacerbate the already difficult conditions in which these missions operate. The Department is making leadership and management training a priority with a view to improving the planning skills of its managers. I cite this new training effort because key to rightsizing are astute and able chiefs of mission who can effectively weigh national interest against risk, needs against costs. Equally important, we must have managers who can mentor and supervise the junior officers we are assigning to responsibilities that are not always commensurate with their Department experience. We will examine the effectiveness of overseas staff planning in upcoming work.

The emphasis the Department is placing on rightsizing today, however, cannot immediately resolve problems that are the result of inadequate planning in earlier years, insufficient resources, or the inherently difficult environments in which our missions find themselves and which can change from benign to dangerous almost overnight. Of the 48 embassies we inspected since January 2002, we found a number of posts to be rightsized in our estimation. Staff size was appropriate to the mission assigned these embassies. Among them were Helsinki, Oslo, Stockholm, Freetown, Monrovia, and Abidjan. However, we also found embassies with deteriorating buildings that failed to meet setback requirements and key positions unfilled or staffed by junior officers valiantly struggling to do their jobs without the necessary experience and sometimes supervision always to do them well. For example, since January 2002, our Office of Security and Intelligence Oversight completed 49 security inspections. Of the embassies reviewed, only nine had sufficient setback; 40 did not. Although 30 embassies had sufficient

security staff, 19 did not have enough American staff to operate their security programs effectively.

During this period we found inadequate staffing, lack of workspace, which impeded employees' ability to function efficiently, and deteriorating, unsafe facilities to be particularly acute in Africa and the New Independent States (NIS). In Nigeria, for example, Embassy Abuja suffers from an inability to fill many midlevel positions. This was true in 1993 and 1997 when the Office of Inspector General (OIG) inspected Nigeria. It was still true in 2002 when we returned. At the same time, U.S. government agencies are placing a greater priority on Nigeria with a concomitant increase in programs. Unfortunately, the mission does not have the program and administrative staff or infrastructure to support this expansion. Consular operations, almost entirely based in Lagos, are worrisome. Steadily increasing visa and American citizen services workloads threaten to overwhelm a short-staffed section. First tour officers are expected to fill midlevel positions in a fraud-ridden, high-volume environment.

Or taking other examples:

- In recent years, our embassy in Nouakchott has been unable to maintain stable American staffing despite a post differential of 25%, two R&R trips in a two-year tour of duty and a special 15% differential for extensions for a third year.
- Embassy Tbilisi has tripled in size since 1998. Embassies Baku and Yerevan also have grown dramatically in the last five years. Their isolation, poor communications, facilities, and overcrowded conditions, coupled with the Department's shortage of midlevel officers, make it hard to find qualified personnel willing and able to serve there. Many positions remain vacant for prolonged periods and officers at post often lack the experience needed to do their jobs properly.
- Embassy Tashkent has one of the most overcrowded chanceries imaginable, posing a serious challenge to staff morale, health, and safety. By exercising

careful control over staff growth, including temporary duty personnel, the embassy is trying to manage the problems of overcrowding until a new chancery is available. OBO will break ground on a new chancery this year.

- Embassy Minsk is alarmingly overcrowded and in need of major renovation.
- In Riga, no U.S. government building meets basic standards on setback. Moreover, the chancery's structural deficiencies are a further serious safety issue and need to be assessed to determine the building's suitability for continued occupancy.

Even a European post like Embassy Bern is not immune to problems. The chancery's location does not meet minimal setback requirements and keeping residential streets around the embassy closed is only a temporary measure. – The city wants them reopened. The Department is aware of all these problems and is trying to address them. Resources remain a critical factor in their successful resolution.

The NSDD-38 process is an important tool for rightsizing. It requires agencies proposing changes in the size, composition, or mandate of their staffs to take a “lean approach” that is in keeping with Mission Performance Plan goals, security, attendant costs, and administrative support implications. In our post management inspections, however, we find that practice sometimes departs from principle. Some agencies seem to be unaware of the NSDD-38 process or lose sight of it in their haste to implement programs. The assignment of advisors directly to host government entities or back-to-back temporary duty personnel, in our view, circumvents the spirit of NSDD-38 and undermines efforts on the part of chiefs of mission to rightsize. There have been occasions when new personnel arrive at post with little advance notice and no NSDD-38 coordination. While an ambassador could, in theory, send such new arrivals back to Washington, the pressure from Washington, including the determination of an agency to get a program up and running and coaching that program in terms of national interest, make it very difficult for him or her to do so. In Abuja, for example, much of the growth at the mission has been a

result of added positions from other U.S. government agencies. When the embassy was moved from Lagos to Abuja as a result of a Nigerian decision to shift the capital, it was expected that the size of the consulate in Lagos would decrease; in fact, this did not occur, largely due to growth of other agencies. Similarly in Abuja, new assistance programs, which are being developed, will require an increase in personnel from law enforcement and other agencies. Many of these new positions are listed as temporary, for periods of a year or less, and, therefore, not regarded as subject to the NSDD-38 process. Now, Embassy Abuja has reached the limits of its capacity to provide office space and administrative support.

One of the approaches the Department is taking to the problem of staffing its posts, including those in hardship locations, is the creation of regional support centers. Consolidated services out of Frankfurt directed to the Balkans, the NIS, and small embassies in other parts of Europe and out of Florida for the embassies of Central and South America are proving to be an effective mechanism for supporting posts on administrative, consular, and financial issues, particularly those where staffing gaps and lack of experience have a negative impact on post operations. Frankfurt is also beginning to provide consular support for African posts that is making a real difference. In our recent inspection of Madagascar, OIG commended consular support out of the Frankfurt Regional Service Center. OIG believes that Frankfurt is an ideal location because of its good communications and transportation infrastructure. It is within relatively close flying distance to the missions it serves and is in a time zone that permits consultations during business hours. Florida offers many of the same advantages. In Fort Lauderdale, administrative support staff from the Bureau of Western Hemisphere Affairs (WHA) hosts personnel from the Bureaus of Information Resource Management, Administration, Diplomatic Security, the Office of Medical Services, and the Marine Security Guard program, all of whom provide support to the embassies and consulates in the region. The various units share the support costs of the center in a practical burden-sharing arrangement described by memoranda of understanding. The Florida center's operational budget from WHA is about \$1 million a year, two-thirds of which represents the cost of travel to missions in the region. Embassies and consulates without resident expertise

receive regular visits from financial, human resources, and medical specialists. Roving information management and office management specialists help to cover staffing gaps. In recent post management inspections of Embassies Port of Spain, Georgetown, and Paramaribo, OIG found that all three posts receive valuable regional financial, human resources, information management and medical support from the Florida center. That regional support was mitigating the negative effects of staffing gaps and some persistent administrative problems that had developed over the course of years.

In an audit last fall of regional procurement support offices, OIG also found these regional centers doing a commendable job of providing needed procurement services and were valued by the posts making use of them. However, we believe that they are not realizing their full potential as a provider of regional services. In our review, we determined that these regional procurement offices were accounting for only eight percent of overseas procurement. Moreover, some regions like eastern and southern Asia were not effectively covered.

Another issue that we review when we inspect posts overseas is the Mission Performance Plan, assessing how well it addresses policy issues, how effectively it ties resources to mission, whether its development involves all those at the mission who need to be engaged, including public diplomacy, and whether embassy activity is consistent with the goals the MPP describes. We find that the MPP process has improved over the years since its inception and that, by and large, most plans are reasonable and clear.

Predictably in a number of cases plans are overly ambitious and need to be fine-tuned. In general, though, we find embassies realistic and responsive to the interests of numerous agencies in Washington. For the effort embassies put into the development of the MPP, we still find that there is sometimes a break down in communication between embassies and their geographic bureaus, which do not always provide their posts with a detailed or timely reaction to their submissions. Embassies occasionally take their bureaus' non-response for concurrence with their resource requests and proceed to attempt to reconcile operations with unrealistic expectations with respect to future resources. I would note, however, that the Secretary and Deputy Secretary take the BPP process seriously and

scrutinize bureau requests in open fora that are giving these requests greater grounding and substance.

Finally, I would like to comment briefly on the GAO's proposed framework for rightsizing. The framework provides a useful and clear articulation of criteria and questions that should be asked in determining mission size. The questions are not new and the Department itself has been trying to systematize its rightsizing processes and has begun to formally consider these questions in the MPP process. Clearly, the issues of security, mission, and cost are fundamental to determining staffing levels overseas and for developing a reasonable construction schedule for embassies. Without question the Department should engage in an even more systematic review of these questions within the context of its planning process. I think, however, that it is important to introduce a cautionary note. Although not implicit in the framework, there is the potential for a certain drift in staffing size. The staffing of an embassy should not become merely a reflection of the agencies with the necessary resources to be there. Mission and the national interest are critical in defining the most effective personnel profile for an embassy in any given country. Mission and policy objectives must be clearly defined and agreed to by all. Important to remember, too, is that no building, regardless of the resources and planning it represents, can ever be completely safe. The security of an embassy is not merely an assessment of the protections a building can provide, but the totality of programs, procedures, and host country relationships that embassy management uses to supplement the physical limitations of its buildings. In the last analysis, some degree of risk will always remain.

Thank you, Mr. Chairman, Members of this Subcommittee, for this opportunity to comment on these issues. I am happy to respond to any questions you may have.