

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
MINORITY (202) 225-5051

<http://oversight.house.gov>

November 24, 2015

The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Comptroller General Dodaro:

The Department of State's Office of Allowances is responsible for compensating U.S. government civilian employees for costs and hardships related to assignments abroad. U.S. personnel working abroad may be eligible for such allowances in locations where they encounter harsh or dangerous living conditions that can include civil insurrection, terrorism, inadequate medical facilities, or high levels of crime. In addition, employees may be reimbursed for housing and education costs, as well as the costs of relocating to a new post or maintaining family members away from a foreign post.

These allowances cover tens of thousands of employees and hundreds of posts. For example, as of April 2015, hardship pay allowances ranging from five to thirty-five percent of an employee's basic pay were offered at approximately 400 locations worldwide, while danger pay allowances were offered at approximately 65 posts worldwide. Many of these posts are critically important to U.S. foreign policy objectives and require a full complement of staff with specific skills to carry out the Department's priorities. In September 2015, the Department announced changes to its method for determining which locations receive hardship and danger pay allowances, as well as the rates for these allowances.

These incentives cost the State Department millions of dollars annually; however, in 2009 the Government Accountability Office found the Department had not systematically evaluated the effectiveness of its allowance programs, such as those used as incentives for hardship service. Furthermore, concerns have been raised that the formulas the Department uses to calculate these allowances are based on outdated information.

To assist the Committee with its investigations of these allowances, we request that GAO conduct a review of the State Department's employee allowances. The review should address the following questions:

1. What types of allowances does the Department offer its Foreign Service officers and civilian employees serving overseas?

The Honorable Gene L. Dodaro

November 24, 2015

Page 2

2. What triggers the Department's *ad hoc* use of VP2 and to what extent has the Department used VP2 in an *ad hoc* manner since its inception? Has the Department used VP2 in all decisions concerning drawdowns, evacuations, post closures, or post reopenings since May 2014? If not, what process did the Department use instead, and how does it differ from VP2?
3. What challenges, if any, has the Department faced in conducting drawdowns, evacuations, post closures, or post reopenings since they began to develop the VP2 process in 2013?

The Committee on Oversight and Government Reform is the principal oversight Committee of the House of Representatives and may at "any time" investigate "any matter" as set forth in House Rule X.

If you have any questions about this request, please contact Art Arthur or Cordell Hull of the Committee staff at (202) 225-5074. Thank you for your attention to this matter.

Sincerely,



Jason Chaffetz
Chairman



Elijah E. Cummings
Ranking Member