GAO Highlights

Highlights of GAO-20-324, a report to the Committee on Foreign Affairs, House of Representatives

Why GAO Did This Study

The United States has implemented dozens of sanctions programs to counteract activities that threaten U.S. national interests. Sanctions may place restrictions on entire countries, sectors of countries' economies, or specific corporations or individuals. Examples of restrictions include limiting access to the U.S. financial system, freezing assets under U.S. jurisdiction, and restricting trade. The United States has implemented an increasing number of sanctions in recent years, including sanctions on countries that conduct a significant amount of international trade, such as Russia, Venezuela, and Iran.

GAO was asked to examine the resources U.S. agencies have devoted to sanctions implementation. This report examines (1) agencies' roles in sanctions implementation, (2) resources available to agency units that focus primarily on sanctions implementation, (3) the extent to which agency units that focus primarily on sanctions implementation have assessed their resource needs, and (4) agencies' reporting to Congress on sanctions implementation expenses and activities. GAO gathered data from 13 agencies and their sub-units to identify their roles and the personnel they used for sanctions implementation. GAO also reviewed agency reporting, planning, and budget documents and interviewed agency officials.

What GAO Recommends

GAO recommends that State include additional information about the expenditures it considers in its reporting for the Proliferation of Weapons of Mass Destruction sanctions program. State concurred with the recommendation.

View GAO-20-324. For more information, contact Kimberly Gianopoulos at (202) 512-8612 or GianopoulosK@gao.gov.

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ECONOMIC SANCTIONS

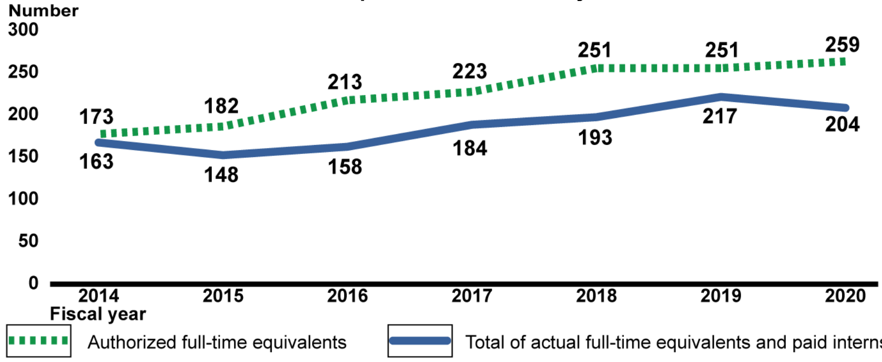
Treasury and State Have Received Increased Resources for Sanctions Implementation but Face Hiring Challenges

What GAO Found

Agencies may have one or more roles in sanctions implementation—for example, developing policy and investigating, enforcing, and prosecuting violations. The Departments of the Treasury, State, and Commerce each have a unit focused primarily on sanctions—Treasury's Office of Foreign Assets Control (OFAC), State's Office of Economic Sanctions Policy and Implementation (SPI), and Commerce's Bureau of Industry and Security's (BIS) Foreign Policy Division (FPD). GAO identified 10 other agencies with roles in sanctions implementation.

OFAC, SPI, and FPD generally received steady or growing resources in recent years, but OFAC and SPI face hiring challenges. In fiscal years 2014 to 2019, OFAC received a 58 percent budget increase and additional hiring authority, but vacancies ranged from 6 to 26 percent of its authorized full time equivalents (FTEs). OFAC attributed its hiring challenges to competition from other agencies and the private sector and the time needed for security clearances. State SPI received authority to hire six additional FTEs in fiscal year 2020, for a total of 21, but more than half of its authorized positions were vacant at the start of the fiscal year. FPD lacks funding to fill one of its 10 authorized positions.

Authorized and Actual Full-Time Equivalents for Treasury OFAC at the Start of the Fiscal Year



Source: GAO analysis of Department of the Treasury (Treasury) Office of Foreign Assets Control (OFAC) data. | GAO-20-324

Note: At the start of fiscal year 2019, authorized full-time equivalents remained at the 2018 level. When Treasury's 2019 appropriations were enacted, the authorized level increased to 261.

OFAC, SPI, and FPD all consider resource needs as part of annual budget processes, and OFAC has an ongoing process to assess its workforce needs. OFAC began its workforce planning process in fiscal year 2019 and expects to make preliminary recommendations in March 2020. According to SPI officials, SPI cited the increasing use of sanctions across multiple regions in justifying its request for additional fiscal year 2020 positions. BIS prepared a 2016 plan that assessed its workforce, including FPD, but stated that it no longer uses the plan.

Agencies provide information on selected sanctions expenses and activities in mandated reports. Treasury's reports on 25 sanctions programs include expenses for Treasury, State, and other agencies if relevant executive orders identify them. State reported activities for a weapons of mass destruction sanctions program but also reported no specific expenditures for the program. State reviewed program information to prepare the reports, but the reports do not describe what it considered, limiting information available to Congress.