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STATEMENT OF
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BEFORE THE

SUBCOMMITTEE ON INVESTIGATIONS
HOUSE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

ON

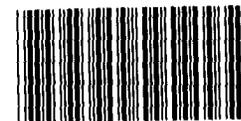
THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

Mr. Chairman and Members of the Committee:

I am pleased to be here today to provide a progress report on the information you asked the General Accounting Office to obtain about the President's Private Sector Survey on Cost Control. The President announced this effort in February of this year and established, by executive order on June 30, the Executive Committee which is responsible for conducting this survey. The Executive Committee's stated purpose is to conduct in-depth reviews to recommend ways to improve management and reduce costs in the Federal Government. The Executive Committee plans to complete its work and report to the President by the end of the year.

You asked us to collect the following information

- the backgrounds and responsibilities of all participants,
- the legal authority for such an effort,
- the organizational structure for conducting the survey,



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- the process for doing the work through task forces-- especially the task forces on Federal personnel and the Social Security Administration,
- the involvement of Federal agencies and the White House,
- the source of funding and costs to the Government, and
- the clearance process to protect against conflicts of interest.

The organizations that help conduct the survey consist of a management office to coordinate and manage day-to-day activities; a nonprofit foundation that collects money and resources from private sector firms to support the effort (as of July 31, 1982, firms had contributed or pledged about \$1.8 million in cash to the foundation); the executive committee of about 150 members, most of whom are leaders of large corporations; and 36 task forces, each of which is studying a particular organization (for example, the Air Force or Department of Labor) or function (for example, personnel management or ADP). As of mid-August, there appeared to be about 1,000 people in the above organizations.

Through a charter with the Department of Commerce, which may accept gratuitous service, the executive committee is an advisory committee as defined by the Federal Advisory Committee Act. The committee provides policy direction and oversees the 36 task forces.

Executive committee members are Special Government Employees and are required to disclose their financial interests to the White House General Counsel and to the agencies being reviewed by the task forces that they cochair. Task force members do not have Federal employee status and do not have to disclose their

financial interests. They are required to certify that they will make no unauthorized use of information gained during their review.

At least two executive committee members serve as cochairs for each task force. Each task force studies its assigned Federal area through four phases over a 16-week period. Based on this study, each task force will summarize its findings and recommendations in a report. From these 36 task force reports, a summary report will be written. We understand that OMB plans to begin implementing these recommendations as part of a new Government management reform effort.

Through written requests, meetings, and interviews, we have obtained some information that you requested giving us an understanding of how this survey is being conducted and the involvement of Federal agencies. However, we have not yet collected all the information that you requested. For example, the management office has not provided:

- A complete list of all participants, their backgrounds, and their responsibilities. This information has been provided for only a small number of participants, primarily executive committee members.
- Legal guidance for establishing the organization, clearance processes, authority, and conformance to Federal advisory committee provisions for this survey.
- Task force objectives, work plans, and progress reports.
- A full description of the role and function of all groups shown in the management office's organization chart.

In response to our written requests for this and other information, the Director of the management office informed us on August 13, 1982, that because of "certain legal implications

involved with respect" to our requests, the management office asked for a legal opinion from the Office of Legal Counsel, U.S. Department of Justice, as to which data we should receive. We have received no further response from the management office on the status of our requests.

Officials associated with the survey and many agency contacts that we interviewed have been reluctant to discuss anything specific about their efforts. We informed these officials and agency contacts that we only planned to collect the requested information and summarize it for you. Nevertheless, several officials felt that such a status report or "snapshot" may be unfair and premature because

--the survey is constantly evolving,

--the information would be outdated by the time we report it,
and

--someone might criticize or misuse the information.

The question of whether certain information in the possession of the management office should be generally available is, we believe, part of a larger issue about the Executive Committee's obligations under the Federal Advisory Committee Act and Department of Commerce administrative orders. The act and the orders levy several requirements on advisory committees in general. We are looking further at the extent to which these requirements are met.

That completes my testimony, Mr. Chairman. I would be happy to answer any questions based on the general material that we collected.