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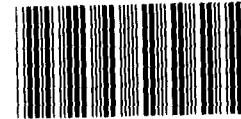
Testimony

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SMALL BUSINESS ADMINISTRATION EMPLOYEES
ASSIGNED TO THE WHITE HOUSE

Statement of
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Before the Subcommittee on Procurement,
Innovation, and Minority Enterprise Development
Committee on Small Business
House of Representatives



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Mr. Chairman and Members of the Subcommittee:

My statement today is to provide information you requested on assigning of SBA employees to the White House. This information includes who they are, what they are doing, and our opinion as to the legality or appropriateness of such assignments. Because we have done no work on the personnel aspects of H.R 1807, I have no comments today on those provisions of the bill.

According to SBA, it currently has three Schedule C employees at the White House: Gina Kormanik, a GS-11 Special Assistant to the Administrator; Karol Anne Lamos, a GS-10 Staff Assistant to the Administrator; and Ramona Ely, a GS-6 Staff Assistant to the Administrator. All three are assigned to the Office of Presidential Personnel where they respectively have the titles of Special Assistant to the Director, Deputy Associate Director, and Staff Assistant.

Schedule C positions are excepted from the government's usual competitive appointment procedures. They involve jobs of a policy-determining nature or which necessitate a confidential working relationship with the agency head or top appointed officials.

Before discussing the information we obtained about these employees, I must point out that we were not permitted by White House officials to talk to these employees. SBA officials

deferred to the White House decision on the matter. The former Deputy Assistant to the President for Management and Administration instead provided us written descriptions of their duties which were prepared by the General Counsel, Office of Administration, Executive Office of the President. The General Counsel told us the descriptions were based on his personal interviews of the employees. Accordingly, our responses to questions about what the employees are doing should be considered with this limitation in mind. In addition to reviewing these descriptions, we also reviewed the employees' SBA position descriptions and their official personnel files. We also discussed their employment with the SBA Personnel Director and his staff, as well as the General Counsel and the Personnel Director of the Office of Administration of the Executive Office of the President.

Based on the descriptions provided by the White House, the three employees are not supervised by anyone at SBA, spend no time on SBA issues, and have no contact of a substantive nature with any SBA official or employee. According to the SBA Personnel Director, their time and attendance information is provided by the White House to the SBA Administrator's office, which prepares the documentation needed to pay them. Also, we were told by the SBA Director of Executive Services that SBA has not completed any performance appraisals for these employees and that no performance standards have been established. Similarly, the

General Counsel, Office of Administration, Executive Office of the President advised us that no system has been established to appraise the individuals' performance. We did note, however, that Ms. Kormanik was promoted from GS-8 to GS-11 after less than 9 months on the job. Ms. Lamos was promoted from GS-9 to GS-10 after her first year on the job.

The descriptions of duties provided indicate that Ms. Kormanik is responsible for scheduling all appointments for the Director of Presidential Personnel and for coordinating his time and schedule with that of other Presidential Assistants. She has worked at the White House since November 13, 1984.

Ms. Lamos was described as having responsibility for processing candidates for presidential appointments and Schedule C positions in certain agencies. SBA is not one of those agencies. She reportedly assists in interviewing candidates for positions and conducting searches for appropriate candidates. She was also described as being responsible for identifying and recruiting individuals for positions throughout the government which require technical expertise. Ms. Lamos has worked at the White House since September 1, 1985.

Ms. Ely reportedly maintains the schedules for the Office of Presidential Personnel's Associate Director for Congressional and Political Affairs and his Deputy and performs various clerical

and support duties for the office. She has worked at the White House since January 9, 1987.

It should be noted that for all three employees the duties described by the White House differ significantly from the duties shown in the position descriptions for the SBA Schedule C positions. Although each of the SBA position descriptions indicates that the incumbents will be located at the White House, the descriptions also state that they will be working on assignments to assure the accomplishment of the SBA Administrator's objectives. For example, the position description for the position held by Ms. Kormanik states that the incumbent "... performs as his personal liaison and small business advocate with White House staff. In this capacity, performs a variety of important assignments related to sensitive matters to assure the efficient and effective accomplishment of the Administrator's objectives."

SBA's Director of Personnel told us that he was unaware, until we brought it to his attention, that these employees were on the staff of the Office of Presidential Personnel. He said he thought they were assigned to the White House performing the duties outlined in the position descriptions.

Although there are no specific prohibitions against detailing Schedule C employees to the White House or any agency other than

the one to which the individual was appointed, we believe the use of the Schedule C hiring authority exclusively for hiring a person for a detail to the White House is an inappropriate use of that authority. The purpose of the Schedule C authority is to facilitate the employment of policy makers and confidential assistants in the agency for which the position is established. This purpose is frustrated when positions are created within agencies solely for the White House's use to perform duties which are unrelated to those agencies. Two of the SBA employees--Ms. Lamos and Ms. Ely--began work at the White House on the effective date of their Schedule C appointments. The third employee, Ms. Kormanik, received an SBA temporary "special need" appointment when she began work at the White House and an SBA Schedule C appointment about 3 weeks later.

Under 3 U.S.C 112, the relevant White House office must reimburse the agency from which an employee is detailed when the detail exceeds 180 days in a fiscal year and the employee is performing services that would otherwise be performed by an employee of that White House office. Ms. Lamos and Ms. Kormanik have been detailed to the White House for periods well in excess of 180 days, but the White House has not reimbursed SBA. We believe this failure to reimburse SBA is a violation of section 112.

Under 3 U.S.C. 113, the White House must report annually to Congress on the number of individuals detailed to the White House

for more than 30 days under section 112. Neither Ms. Lamos nor Ms. Kormanik was included in the section 113 reports for fiscal years 1985 or 1986. We believe this failure to report is a violation of section 113.

Mr. Chairman, this concludes my statement. We would be pleased to respond to any questions you or the other Subcommittee members may have.