

GAO

Annual Report to the Chairmen,
House and Senate Committees
on Appropriations



LM138181

March 1989

STATUS OF OPEN
RECOMMENDATIONS

Improving Operations of
Federal Departments
and Agencies



044865 / 138181



United States
General Accounting Office
Washington, D.C. 20548

Comptroller General
of the United States

B-205879

March 3, 1989

The Honorable Jamie L. Whitten
Chairman, Committee on Appropriations
House of Representatives

The Honorable Robert C. Byrd
Chairman, Committee on Appropriations
United States Senate

This is our annual report summarizing the findings and open recommendations resulting from GAO's audits and other review work in the federal departments and agencies on which satisfactory legislative or administrative actions have not yet been completed. To encourage prompt, responsive actions on its recommendations, GAO systematically follows up on them. This report contains information on a total of 1,312 GAO recommendations which were open as of November 30, 1988.

The report summaries are arranged by the budget function categories by which federal funds are appropriated and identified in the President's budget. Two indexes are included. The Committees of Jurisdiction index can be used to identify GAO findings and recommendations made to agencies for which committees have appropriation and oversight responsibility. GAO report titles are also listed. The Recommendation Addressee Index can be used to identify the same information by agencies to whom recommendations are addressed.

Details on these findings and recommendations can be found in the individual GAO reports cited. Although copies of those reports were previously provided to both the Congress and the agencies involved, this summary information should be useful to your committees in reviewing agencies' budget requests and operations. Please contact our Office of Congressional Relations if you wish us to suggest specific questions to be asked in appropriations hearings on the items summarized or if you need additional information.

B-205879

We are sending copies of this report to the Office of Management and Budget and the federal departments and agencies so they may be in a position to answer any inquiries made on these issues during the appropriations/oversight hearings. Copies are also being provided to other interested congressional committees.

A handwritten signature in cursive script that reads "Charles A. Bowsher".

Charles A. Bowsher
Comptroller General
of the United States

Contents

Budget Functions

Administration of Justice	1
Agriculture	13
Automatic Data Processing	21
Commerce and Housing Credit	26
Community and Regional Development	27
Education, Training, Employment, and Social Services	29
Energy	41
Financial Management and Information Systems	59
General Government	77
General Science, Space, and Technology	128
Health	131
Income Security	167
International Affairs	193
Multiple Functions	216
National Defense	219
Natural Resources and Environment	297
Nondiscrimination - Equal Opportunity Programs	350
Procurement - Other Than Defense	351
Transportation	353
Veterans Benefits and Services	375

Index Section

Recommendation Addressee	383
Legislative Branch	383
Executive Branch	385
Independent Agencies	397
Judicial Branch	400
Committees of Jurisdiction	401
Joint Committees	401
House Committees	402
Senate Committees	428

Example

Sample Entry

Budget Function	Administration of Justice
Budget Subfunction	Federal Correctional Activities
Title	Presentence Evaluation Responsive to the Need
Report Number/Document Date	GGD-85-14, 04/09/85
Background	Background In order to report on how presentence psychiatric evaluations can be improved, GAO reviewed 157 cases where offenders were committed to the Federal Prison System for observation and study and 83 local studies ordered during fiscal year (FY) 1981
Findings	Findings GAO found that the observation and study process has not been as useful as it could be because the Judicial Conference of the United States and the Federal Prison System have not: (1) established criteria for the selection of appropriate cases for observation and study, (2) developed and disseminated guidance on the types of questions that experts can be expected to answer, and (3) established a system to evaluate whether studies have met the needs of the district courts. GAO found that judges did not provide study objectives and referral questions in 76 of the 157 cases it examined. In addition, GAO found that about 78 percent of all studies ordered in FY 1981 were performed by the Federal Prison System. GAO also
Recommendations to Agencies	Open Recommendations to Agencies Recommendation: The Judicial Conference, through the Administrative Office of the U.S. Courts and the Federal Judicial Center, and the Attorney General, through the Federal Prison System, should form a partnership to develop criteria for the selection of cases appropriate for observation and study.
Recommendation Addressee (when more than one Addressee)	Addressee: Department of Justice
Recommendation Status	Status: Action not yet initiated. On April 13, 1987, the Sentencing Commission transmitted to Congress draft sentencing guidelines. Justice should be acting on this recommendation, since the sentencing guidelines became effective on November 1, 1987.
Status Comments	Addressee: Judicial Conference of the United States Status: Action not yet initiated. On April 13, 1987, the Sentencing Commission transmitted to Congress draft sentencing guidelines. The Judicial Conference should act on this recommendation, since the sentencing guidelines became effective on November 1, 1987.

Administration of Justice

Immigration Control: A New Role for the Social Security Card

HRD-88-4, 03/16/88

Background

Pursuant to a legislative requirement, GAO: (1) explored ways to reduce the potential for fraud in obtaining and using social security number (SSN) cards; and (2) identified technological alternatives for making the card more resistant to counterfeiting.

Findings

GAO found that: (1) the SSN application process was vulnerable to fraud, since there were thousands of different documents applicants could use to support their applications; (2) support documents, such as birth certificates, were easy to obtain, counterfeit, or alter, with no practical way for the Social Security Administration (SSA) to verify them; and (3) employers were untrained in document verification. GAO also found that: (1) designating the SSN card as the only acceptable document aliens could use for employment eligibility verification under the Immigration Reform and Control Act (IRCA) would simplify employment eligibility; (2) Immigration and Naturalization Service (INS) certification of alien employment eligibility could improve SSA procedures; (3) although magnetic strips, integrated circuitry, and lasers would make SSN cards more resistant to counterfeiting, they would not preclude persons from using fraudulent documents to obtain valid cards; (4) the introduction of color copiers has posed a significant threat to SSN card integrity; and (5) although IRCA provided that general revenues finance changes to the

SSN card, the Social Security Trust Funds paid for the replacement of 1.6 million cards at a cost of \$11.6 million.

Open Recommendations to Congress

Recommendation: Congress may wish to consider whether the cost of replacing SSN cards as a result of IRCA should be paid from either appropriated funds or fees charged to those requesting the cards, rather than from the Social Security Trust Funds.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Attorney General should consider reducing the number of employment eligibility documents and specifically consider making the SSN card the only authorized employment eligibility document.

Status: Action not yet initiated. Justice is not clear on what it plans to do.

Recommendation: The Secretary of Health and Human Services should direct the Commissioner, SSA, to experiment with increased document verification to determine the extent of fraud and the benefits of additional verification.

Status: Action not yet initiated. This recommendation is under study.

Recommendation: The Secretary of Health and Human Services and the

Attorney General should develop a plan for the enumeration of aliens that would provide that INS certify the employment eligibility of aliens applying for an SSN card, or establish an alternative method of employment eligibility verification that would be as effective.

Addressee: Department of Justice

Status: Action in process. This recommendation is under study.

Addressee: Department of Health and Human Services

Status: Action in process. This recommendation is under study.

Recommendation: The Secretary of Health and Human Services and the Attorney General should develop a plan for annotating SSN cards for aliens who are authorized to work in this country on a temporary basis.

Addressee: Department of Justice

Status: Action in process. This recommendation is under study.

Addressee: Department of Health and Human Services

Status: Action in process. This recommendation is under study.

Recommendation: The Attorney General and the Secretary of Health and Human Services should study the cards confiscated from illegal aliens to identify the extent and methods employed to obtain and use SSN cards.

Addressee: Department of Justice

Status: Action in process. This recommendation is under study.

Addressee: Department of Health and Human Services

Status: Action in process. This recommendation is under study.

Recommendation: If the Attorney General concludes that the number of employment eligibility documents under IRCA should be reduced, he and the

Secretary of Health and Human Services should study the potential impact of such a change on requests for replacement SSN cards.

Addressee: Department of Justice
Status: Action not yet initiated. Justice is not clear on what it plans to do.

Addressee: Department of Health and Human Services
Status: Action not yet initiated. The Department of Health and Human Services is not clear on what it plans to do.

Domestic Terrorism: Prevention Efforts in Selected Federal Courts and Mass Transit Systems

PEMD-88-22, 06/23/88

Background

In response to a congressional request, GAO provided information on current efforts to protect against domestic terrorism in federal court buildings and mass transit systems.

Findings

GAO found that: (1) the U.S. Marshals Service protects federal court facilities and personnel against terrorist actions; (2) the seven court districts it reviewed implemented and enhanced most of the Service's standard security measures against terrorism; (3) although the courts established emergency response procedures, they emphasized prevention; and (4) the courts generally selected risk-reduction strategies that would not negatively affect the court's openness or the general public's civil liberties. GAO also found that: (1) the Urban Mass Transportation Administration failed to address civil liberty issues in its technical assistance project on terrorism prevention and response strategies; (2)

local transit officials regarded their systems as only secondary targets for terrorist attack and considered accident and common crime prevention more important than terrorism prevention; and (3) transit officials had generally not tested the performance effectiveness or intrusiveness of their security systems. In addition, GAO found that: (1) no one specific agency was responsible for providing federal agencies with technical information and expertise regarding the planning, coordination, and evaluation of domestic antiterrorism strategies; and (2) there was a lack of uniform, systematic, and comprehensive planning efforts to evaluate the effectiveness of current antiterrorism measures.

Open Recommendations to Congress

Recommendation: Congressional committees that are concerned about the threat of domestic terrorism and the preservation of civil liberties may wish to request that agencies provide

information on the strategies they have developed to prevent and respond to terrorist acts. Of special interest would be the extent to which agencies have evaluated the effectiveness and intrusiveness of existing preventive measures. Consideration should be given to how protective strategies can be effective and flexible in addressing different terrorist threats, while adhering to a consistent standard of minimal intrusiveness on the civil liberties of the public and employees. Congressional committees might also want to ensure that the antiterrorism programs are compatible with the mission and operations of their institutions or facilities, are integrated with related functions such as safety and emergency preparedness, and are coordinated with appropriate law enforcement agencies.
Status: Action not yet initiated.

Federal Correctional Activities

Presentence Evaluations of Offenders Can Be More Responsive to the Needs of the Judiciary

GGD-85-14, 04/09/85

Background

In order to report on how presentence psychiatric evaluations can be improved, GAO reviewed: (1) 157 cases where offenders were committed to the Federal Prison System for observation and study; and (2) 83 local studies ordered during fiscal year (FY) 1981.

Findings

GAO found that the observation and study process has not been as useful as it could be because the Judicial Conference of the United States and the Federal Prison System have not: (1) established criteria for the selection of appropriate cases for observation and study; (2) developed and disseminated guidance on the types of questions that experts can be expected to answer; or (3) established a system to evaluate whether studies have met the needs of the district courts. GAO found that judges did not provide study objectives and referral questions in 76 of the 157 cases it examined. In addition, GAO found that about 78 percent of all studies ordered in FY 1981 were performed by the Federal Prison System. GAO also found that the average cost of Federal Prison System studies was approximately twice the cost of local studies, and Federal Prison System studies took approximately twice as long to complete. For over 10 years, the Parole Commission has believed that its involvement in the studies for youthful offenders should be terminated. However, the enactment of the Comprehensive Crime Control Act

should make a number of changes which should improve the process.

Open Recommendations to Agencies

Recommendation: The Judicial Conference, through the Administrative Office of the U.S. Courts and the Federal Judicial Center, and the Attorney General, through the Federal Prison System, should form a partnership to develop criteria for the selection of cases appropriate for observation and study.

Addressee: Department of Justice
Status: Action not yet initiated. On April 13, 1987, the Sentencing Commission transmitted to Congress draft sentencing guidelines. Justice should act on this recommendation, since the sentencing guidelines became effective on November 1, 1987. Guidelines are currently being challenged in the Supreme Court. GAO is still monitoring the status of implementation to assess the impact on the validity of this recommendation.

Addressee: Judicial Conference of the United States
Status: Action not yet initiated. On April 13, 1987, the Sentencing Commission transmitted to Congress draft sentencing guidelines. The Judicial Conference should act on this recommendation, since the sentencing guidelines became effective on November 1, 1987. Guidelines are being challenged in the Supreme Court. GAO is still monitoring the status of implementation to assess the impact on the validity of this recommendation.

Recommendation: The Judicial Conference, through the Administrative Office of the U.S. Courts and the Federal Judicial Center, and the Attorney General, through the Federal Prison System, should form a partnership to develop and disseminate guidance to district courts on the types of questions that clinical experts can be expected to answer.

Addressee: Department of Justice
Status: Action not yet initiated. On April 13, 1987, the Sentencing Commission transmitted to Congress draft sentencing guidelines. Justice should act on this recommendation, since the sentencing guidelines became effective on November 1, 1987. Guidelines are currently being challenged in the Supreme Court. GAO is still monitoring the status of implementation to assess the impact on the validity of this recommendation.

Addressee: Judicial Conference of the United States
Status: Action not yet initiated. On April 13, 1987, the Sentencing Commission transmitted to Congress draft sentencing guidelines. The Judicial Conference should act on this recommendation, since the sentencing guidelines became effective on November 1, 1987. Guidelines are being challenged in the Supreme Court. GAO is still monitoring the status of implementation to assess the impact on the validity of this recommendation.

Recommendation: The Judicial Conference, through the Administrative Office of the U.S. Courts and the Federal

Judicial Center, and the Attorney General, through the Federal Prison System, should form a partnership to establish a system for regular evaluation of whether the studies performed for the district courts are responsive to their needs.

Addressee: Department of Justice
Status: Action not yet initiated. On April 13, 1987, the Sentencing Commission transmitted to Congress draft sentencing guidelines. Justice

should act on this recommendation, since the sentencing guidelines became effective on November 1, 1987.

Guidelines are currently being challenged in the Supreme Court. GAO is still monitoring the status of implementation to assess the impact on the validity of this recommendation.

Addressee: Judicial Conference of the United States
Status: Action not yet initiated. On April 13, 1987, the Sentencing

Commission transmitted to Congress draft sentencing guidelines. The Judicial Conference should act on this recommendation, since the sentencing guidelines became effective on November 1, 1987. Guidelines are being challenged in the Supreme Court. GAO is still monitoring the status of implementation to assess the impact on the validity of this recommendation.

Federal Law Enforcement Activities

Justice Needs Better Controls Over Payment of Witness Fees

GGD-84-61, 07/12/84

Background

GAO reviewed how three U.S. attorney's offices and three U.S. Marshals Service offices manage the use of and payments to fact witnesses and to experts who testify at trials or in nontrial activities.

Findings

GAO found that the Department of Justice is not following its policy regarding the approved use of and payments to fact witnesses, and U.S. Marshals offices are processing fact witness payments without proper certification. Further, payments to some expert witnesses are not in compliance with Justice guidelines. Regarding expert consultants who assist with nontrial activities, no clear Justice guidance exists to help U.S. attorneys and marshals in calculating their compensation.

Open Recommendations to Agencies

Recommendation: The Attorney General should direct the Justice Management Division to develop guidance for U.S. attorneys and marshals to use in negotiating fees and making payments to experts who are used in nontrial activities.

Status: Action in process. Justice drafted a revision to its order on incurring and paying certain witness fees and expenses, but is no longer considering issuing a revised order. Instead, it is pursuing legislation to get an exemption from procurement regulations when using expert witnesses.

Recommendation: The Attorney General should emphasize the need to comply with approval and payment policies by directing U.S. attorney's and U.S. marshals offices personnel that all fact witness claims must be properly completed before payments are made and must include approved certifying signatures.

Status: Action in process. Justice drafted a revision to its order on incurring and paying certain witness fees and expenses, but is no longer considering issuing a revised order. Instead, it is pursuing legislation to get an exemption from procurement regulations when using expert witnesses.

Recommendation: The Attorney General should emphasize the need to comply with approval and payment policies by directing U.S. attorney's and U.S. marshals offices personnel that departmental approval must be obtained prior to obtaining the services of expert witnesses.

Status: Action in process. Justice drafted a revision to its order on incurring and paying certain witness fees and expenses, but is no longer considering issuing a revised order. Instead, it is pursuing legislation to get an exemption from procurement regulations when using expert witnesses.

Recommendation: The Attorney General should emphasize the need to comply with approval and payment policies by directing U.S. attorney's and U.S. marshals offices personnel that expert witnesses must be paid only by the Justice Management Division.
Status: Action in process. Justice drafted a revision to its order on incurring and paying certain witness fees and expenses, but is no longer considering issuing a revised order. Instead, it is pursuing legislation to get an exemption from procurement regulations when using expert witnesses.

Recommendation: The Attorney General should emphasize the need to comply with approval and payment policies by directing U.S. attorney's and U.S. marshals offices personnel that fees paid to experts used for nontrial

purposes must be in compliance with Justice policies once they are promulgated.
Status: Action in process. Justice drafted a revision to its order on incurring and paying certain witness fees and expenses, but is no longer considering issuing a revised order. Instead, it is pursuing legislation to get an exemption from procurement regulations when using expert witnesses.

Recommendation: The Attorney General should require personnel of the U.S. attorney's and U.S. marshals offices to make supervisory reviews of payments to fact witnesses to ensure they are accurate and comply with Justice guidelines.
Status: Action in process. Justice drafted a revision to its order on incurring and paying certain witness

fees and expenses, but is no longer considering issuing a revised order. Instead, it is pursuing legislation to get an exemption from procurement regulations when using expert witnesses.

Recommendation: The Attorney General should require personnel of the U.S. attorney's and U.S. marshals offices to routinely notify fact witnesses of their entitlements and provide each of them a copy of Justice Form OBD-2 before they make their travel arrangements.
Status: Action in process. Justice drafted a revision to its order on incurring and paying certain witness fees and expenses, but is no longer considering issuing a revised order. Instead, it is pursuing legislation to get an exemption from procurement regulations when using expert witnesses.

Federal Law Enforcement Activities

Bank Secrecy Act: Treasury Can Improve Implementation of the Act

GGD-86-95, 06/11/86

Background

In response to a congressional request, GAO: (1) reviewed the Department of the Treasury's management of the Bank Secrecy Act of 1970; (2) studied how law enforcement personnel use the act; and (3) examined the collection, analysis, and dissemination of data compiled as a result of the act.

Findings

GAO noted that the law requires individuals and institutions to file reports on: (1) currency transactions exceeding \$10,000; (2) the movement of currency over \$10,000 into or out of the

United States; and (3) those having a financial interest in, or signature authority over, bank accounts, securities, accounts, or other financial accounts in a foreign country. GAO found that: (1) Treasury lacks information about how supporting agencies carry out their delegated duties; (2) Treasury does not know the extent to which agencies use the act in their criminal investigations and prosecutions; (3) between January 1985 and March 1986, the Internal Revenue Service (IRS) experienced a major backlog of unprocessed reports; (4) the Customs Service processed its reports within a month of receipt; (5) Customs now provides feedback forms

with reports sent to law enforcement agents and has proposed revised guidelines for disseminating data that would decrease the time law enforcement officials spend on obtaining certain types of data; (6) Customs and IRS are the primary users of the act and its data in Florida and California; (7) the Federal Bureau of Investigation and the Drug Enforcement Administration use the act and its data in investigations and prosecutions of crimes other than currency violations; and (8) Treasury and the Department of Justice are considering amending the act's implementing regulations to clarify the reporting requirements.

Open Recommendations to Agencies

Recommendation: The Secretary of the Treasury, through the Assistant Secretary for Enforcement, should establish management controls aimed at providing more information to Treasury headquarters about the activities of the agencies and bureaus to which it has delegated authority to implement the Bank Secrecy Act of 1970. Such controls would help its headquarters to improve the implementation of the act and would provide assurance to its headquarters that the primary purpose of the act, aiding law enforcement officials in the detection, investigation, and prosecution of criminal activities, is being met.

Status: Action in process. The Bank Secrecy Act working group was expanded to include the Department of Justice. Two new subgroups were created to look at ambiguities in the regulation and improve the exchange of targeting information on noncompliant financial institutions.

Recommendation: The Secretary of the Treasury, to improve implementation of

the act, should establish formal reporting procedures for agencies and bureaus with act-related duties, which will ensure that Treasury headquarters regularly receives significant and comparable information about compliance and enforcement efforts.

Status: Action in process. Treasury has met with agencies with act-related duties to discuss its data needs, and a study is being done to determine if the current reporting system needs to be expanded or cut back.

Recommendation: The Secretary of the Treasury, to improve implementation of the act, should develop procedures for referring financial institutions found in violation of the act to Treasury for consideration for a civil review leading to possible civil penalties.

Status: Action in process. Referral guidelines were developed based on a model developed by the Office of the Comptroller of the Currency. Each agency will review the guidelines and then enter into a formal agreement with Treasury on the implementation of the guidelines.

Recommendation: The Secretary of the Treasury, to improve implementation of the act, should obtain information from law enforcement agencies, which would identify cases when the act or its data is used in criminal investigations and prosecutions.

Status: Action in process. Treasury is continuing its discussions with law enforcement agencies on the uses of Bank Secrecy Act data. A mechanism to direct completed cases to law enforcement agencies is being developed.

Recommendation: The Secretary of the Treasury, to improve implementation of the act, should require Customs to establish a system for planning its analytical activities and modifying these plans based on feedback from law enforcement officials to ensure that Customs' analyses are meeting the needs of the law enforcement community.

Status: Action in process. Treasury reviewed work plans for the Financial Analysis Division of Customs. Feedback on Customs' activities and analyses has identified problems with methodologies and the overall productivity of the division.

Federal Law Enforcement Activities

Cargo Imports: Customs Needs To Better Assure Compliance With Trade Laws and Regulations

GGD-86-136, 09/08/86

Background

In response to a congressional request, GAO reviewed the Customs Service's cargo inspection process to determine whether the process ensured adequate enforcement of U.S. import laws.

Findings

GAO found that most of Customs' physical examinations of imported cargo were superficial and inadequate because the inspectors: (1) usually examined one or two packages selected from the most accessible locations in the shipment; (2) often allowed non-Customs personnel to select the merchandise to be examined;

and (3) usually did not verify that the quantity in the shipment was equal to the amount the importers declared. The Department of the Treasury's amendment to Customs' regulations allowed Customs to use a selected inspection system in which it would examine only the shipments categorized as high-risk; however, the manner in

which Customs performed the inspections did not provide reliable information for determining whether it should examine similar shipments. GAO believes that: (1) the lack of specific guidelines and the high volume of merchandise requiring inspection have reduced the quality of Customs' examinations; and (2) although Customs' inspectors should have some discretion in determining the thoroughness of examinations, guidelines are needed for determining the examination intensity based on the shipment's potential risk.

Open Recommendations to Agencies

Recommendation: To assist Customs in ensuring that cargo entering this country is in compliance with import requirements, the Secretary of the Treasury should direct the Commissioner of Customs to develop specific policies and procedures for inspectors to use for determining the intensity of cargo examinations. Customs should base the degree of intensity on

the risk of the shipment and the purpose of the examination.

Status: Action in process. Customs has planned 12 initiatives to improve its cargo inspections. The most significant changes are evaluating major cargo ports to ensure better examinations, and establishing a model cargo processing port to test innovative cargo processing techniques that are being tested or implemented in other ports. Many other initiatives are several years from implementation.

Federal Law Enforcement Activities

Immigration Reform: Systematic Alien Verification System Could Be Improved

IMTEC-87-45BR, 09/30/87

Background

Pursuant to a legislative requirement, GAO examined the effectiveness of the Immigration and Naturalization Service's (INS) Systematic Alien Verification for Entitlements (SAVE) system, particularly its implementation nationwide.

Findings

GAO found that: (1) the SAVE system provides quick and positive verification of an alien's immigration status; (2) during a 6-month period, INS detected 734 illegal aliens out of about 13,426 applicants for unemployment compensation benefits; and (3) of the 13,426 cases it examined, approximately 4,100 aliens required secondary

verification of their legal status and of those, about 96 percent were legal. GAO also found that: (1) although INS intends to improve its data to ensure accurate, positive primary verifications, such improvement will not occur before the middle of 1988; (2) INS plans to correct the deficiencies in its central system on a case-by-case basis during secondary verification until it implements a nationwide verification system; and (3) since the system is still in the developmental stage, INS has not determined its overall cost.

Open Recommendations to Agencies

Recommendation: To ensure that the nationwide SAVE system meets the needs of state and local officials, the

Commissioner, INS, should develop: (1) a formal corrective action plan that clearly identifies both short-term and long-term corrective actions INS plans to take to improve the quality and completeness of the data base accessed by the SAVE system; and (2) statistical and trend data on the magnitude of primary verifications, together with magnitude, turnaround time, and records corrected during secondary verification.

Status: Action in process. A plan was completed on March 18, 1988, but many actions are subject to INS decisions and funding availability. In addition, INS did not begin collecting data on secondary verifications until September 1, 1988. Preliminary results are not yet available.

Federal Law Enforcement Activities

INS Delivery Bonds: Stronger Internal Controls Needed

GGD-88-36, 03/07/88

Background

In response to a congressional request, GAO examined selected Immigration and Naturalization Service (INS) enforcement activities relating to its delivery bond management to identify: (1) weaknesses in the INS bonding system that would contribute to bond-breaching problems; and (2) issues that INS should consider if it changes its bonding system.

Findings

GAO found that: (1) lack of agency-wide guidance has resulted in different bond amounts for aliens with similar backgrounds; (2) aliens breached bonds in 72 percent of the cases in which immigration judges reduced bond amounts and in 44 percent in which they did not; (3) INS was not sending notices to obligors for them to notify aliens of their scheduled hearings, thereby eliminating obligors' liability for nonappearance; (4) INS took an average of 130 days to bill obligors after it determined that bonds were breached, resulting in a backlog of unbilled

breached bonds at an interest cost of \$140 per day; (5) the billing problem in some regional offices resulted from low debt collection priority on unbreached bonds, insufficient staffing, and limited funds to pay overtime; (6) INS failed to notify its regional personnel of obligor appeals in order to suspend billing; and (7) INS proposed a formal rulemaking to eliminate the use of surety bonds and change to a cash-only bond system.

Open Recommendations to Agencies

Recommendation: Whether INS retains its current delivery bond system or changes to a cash-only bond system, the Attorney General should direct the Commissioner of Internal Revenue to establish and require the use of written guidelines to better ensure consistency among INS personnel in setting delivery bond amounts.

Status: Action in process. Actions to be taken are under consideration.

Recommendation: Should INS retain the current delivery bond system, the

Attorney General should direct the Commissioner of Internal Revenue to monitor the billing practices for surety bonds to identify untimely billings.

Status: Action in process. The current delivery bond system is being retained and actions are in progress to enhance management of the system. Interim procedures have been implemented and are being studied.

Recommendation: Should INS retain the current delivery bond system, the Attorney General should direct the Commissioner of Internal Revenue to establish time frames and procedures for ensuring that INS regional staff are notified of obligors' appeals and the results of such appeals, and establish procedures for regional personnel to properly handle billings and accounts receivable when appeals are received after the billing process has begun.

Status: Action in process. The current delivery bond system is being retained and actions are in progress to enhance management of the system. Interim procedures have been implemented and are being studied.

Federal Law Enforcement Activities

Immigration Service: INS' Technology Selection Process Is Weak, Informal, and Inconsistently Applied

PEMD-88-16, 04/22/88

Background

In response to a congressional request, GAO examined the methodologies and practices that the Immigration and Naturalization Service (INS) used to select technologies for the enforcement of immigration law.

Findings

GAO found that INS: (1) lacked systematic procedures for selecting new technologies; (2) lacked policies regarding the procedures for the identification of needs or problems as well as the identification of solutions; (3) lacked policies regarding the types of items that it should test or the scope and methods for the testing process; (4) lacked policies regarding the use of the research and development office or the interaction between it and program offices and users; (5) did not consistently select or adequately review or test technology; (6) did not have a current or complete inventory of items used in the field; (7) improperly allowed its regional and field offices to determine how they distributed resources and spent funds; (8) did not gather or maintain information on the effectiveness of items used or have a clearinghouse to provide the information to prospective purchasers or users; (9) lacked long-term planning for and control over expenditures for electronic and communication equipment; (10) did not sufficiently plan its technology acquisitions to eliminate additional purchases and show potential savings; and (11) experienced difficulties in applying the framework that GAO

developed to specific cases due to differences in the current INS process.

Open Recommendations to Agencies

Recommendation: The Attorney General should direct the Commissioner, INS, to establish a decisionmaking methodology, similar to or the same as the procedures outlined in the GAO framework for the selection of technologies. These procedures should be tailored to the scope and nature of the problem or technological solution, so that issues that are more complex or items that are costly or technically sophisticated receive a level of review commensurate with their complexity and cost, and items or issues that are less complex or less costly receive less extensive review.

Status: Action in process. A framework was adopted by the INS management center in August, 1988.

Recommendation: The Attorney General should direct the Commissioner, INS, to adopt a decisionmaking policy that includes certain practices that are critical to the appropriate identification and selection of technology. These practices should be tailored to the particular item under review and should link the amount of effort and resources dedicated during review to such factors as cost, complexity, and stage of development.

Status: Action in process. This is part of the new INS procedures/framework.

Recommendation: The Attorney General should direct the Commissioner, INS, to develop and adopt a procedure for the identification of needs or problems. This procedure should include a mechanism that involves the field users in the identification of such needs or problems and also stipulate that problems should be identified prior to the identification of solutions.

Status: Action in process. This is part of the new INS procedures/framework.

Recommendation: The Attorney General should direct the Commissioner, INS, to establish a testing group to assist with the testing of new technology. This group should be responsible for designing and conducting tests and for evaluation and reporting of test results. Members of this group should include individuals skilled in evaluation design methods and statistical analysis techniques, as well as representatives of the potential users; some members of this group should remain constant, and some should rotate, depending on the features of the technology being tested. The first responsibility of this testing group should be to develop guidelines for the preparation of test designs.

Status: Action in process. This is part of the new INS procedures/framework.

Recommendation: The Attorney General should direct the Commissioner, INS, to collect and analyze post-acquisition information. This would provide data on the experiences gained through use of technologies for input into future decisions regarding

technology purchases. The collection of postacquisition information would be particularly useful for items that are relatively expensive, purchased in multiple numbers, or replaced periodically or regularly.

Status: Action in process. This is part of the new INS procedures/framework.

Recommendation: The Attorney General should direct the Commissioner, INS, to establish a central clearinghouse for the collection and dissemination of information. The clearinghouse should be responsible for collecting pre- and post-acquisition information about technologies and for dissemination of information to prospective users or purchasers and to the steering committee established for reviewing research and development projects. Prior to the establishment of such a clearinghouse, INS should assess the relative costs and benefits of various approaches, linking the anticipated comprehensiveness and scope of the clearinghouse and its data gathering and dissemination activities to such factors as cost, type, and complexity of technologies used.

Status: Action in process. This is part of the new INS procedures.

Recommendation: The Attorney General should direct the Commissioner, INS, given the importance of technology to the performance of the enforcement functions, to carefully examine the current research and development

program and decide upon the most advantageous situation with respect to the future management structure, amount of resources, and role accorded to research and development at INS.

Status: Action not yet initiated. INS is still considering reorganization of the R&D group.

Recommendation: The Attorney General should direct the Commissioner, INS, to cancel or forego the procurement of some technologies currently being considered or developed, based on the questionable need for such equipment at this time. If such action is allowable under the current contract, INS should examine the feasibility of delaying or eliminating the development of 7 to 10 improved image enhancement vehicles until operational effectiveness and reliability have been demonstrated for some of the vehicles.

Status: Action taken not fully responsive. INS states that it cannot break the contract.

Recommendation: The Attorney General should direct the Commissioner, INS, given the apparent underutilization of fraud intercept task force (FITF) equipment at some ports of entry, to forgo further acquisition until it has been determined that currently available equipment is fully used, and where, if necessary, the existing FITF equipment could be relocated to increase utilization. Additionally, INS should consider purchasing only some portion of

the \$100,000 worth of FITF equipment originally planned for 1987.

Status: Action not yet initiated. INS is still reconsidering whether to purchase additional FITF equipment and, if purchased, how much should be bought.

Recommendation: The Attorney General should direct the Commissioner, INS, to not purchase an additional, larger aircraft at this time. Unless load factors for the Convair 580 increase over the 1987 through 1988 period, a larger aircraft does not appear to be justified.

Status: Action not yet initiated. A committee to determine aircraft purchases was established, but results of its work is unknown.

Recommendation: The Attorney General should direct the Commissioner, INS, to, rather than purchasing new models, either seek buyers for the current data encryption standard radios and use the payments for purchasing new radios or modify the current radios to make them compatible with existing INS communications equipment. Further, since the original radios were not adequately tested, if new radios are determined to be the most cost-effective solution, it would be more efficient to field test a limited number of such radios (no more than 50) prior to expanded acquisition.

Status: Action not yet initiated. The INS communications steering committee is examining the issue.

Federal Law Enforcement Activities

ADP Architecture: Study Made for Immigration and Naturalization Service Needs Validation

IMTEC-88-21, 04/25/88

Background

In response to a congressional request, GAO assessed a Federal Computer Performance Evaluation and Simulation Center (FEDSIM) study to determine if it provided the Immigration and Naturalization Service (INS) with a basis for determining which computer system architecture best satisfied its current and projected information processing needs.

Findings

GAO found that the FEDSIM team: (1) concluded that a three-tiered architecture composed of central, regional, and local components would best serve INS requirements; (2) recommended that INS develop a prototype of a regional component, that would consist of four processors to implement the seven casework systems; and (3) recommended that INS

implement local processing of the lookout system at two airports and one land port of entry. GAO also found that: (1) additional analysis was needed before INS implemented the proposed three-tier architecture; (2) although the credibility of the analysis, conclusions, and recommendations depended on the accuracy and reliability of work load and cost, the team relied on subjective judgments, rather than actual work-load and cost data as a basis for its projections; (3) both GAO and INS disagreed with the team's recommendation to implement local processing capabilities of the lookout system at two airports, since INS needed to collect and analyze more work-load and cost data before it could determine the system's cost-effectiveness at major airports; and (4) implementation of a local version of the lookout system at the land port of entry would provide data to test the feasibility of using

machine-readable technology to improve the efficiency of the inspection process.

Open Recommendations to Agencies

Recommendation: The Attorney General should, in approving INS plans, ensure that such plans include steps to: (1) analyze all pertinent work-load and cost data, including data acquired since the FEDSIM study, for the various INS mission-oriented systems, particularly for the seven casework and lookout systems; and (2) use the resulting analyses to evaluate alternative architectures, including those considered in the study.

Status: Action in process. INS has instructed some local processing evaluations for its lookout system. However, evaluation of casework processing has not yet been initiated.

Federal Law Enforcement Activities

Drug Interdiction: Should the Customs Command and Control Program Be Continued as Currently Evolving?

GGD-88-113, 07/28/88

Background

Pursuant to a congressional request, GAO reviewed the U.S. Customs Service's development of its Command, Control, Communications, and

Intelligence (C3I) Program, intended to enhance the efficiency and effectiveness of federal drug interdiction efforts.

Findings

GAO found that Customs: (1) constructed two centers, and plans to construct a third, to aid in identifying possible smugglers, coordinating intercept

operations, facilitating interagency communication, and developing anti-drug-smuggling intelligence; (2) coordinated the program's development primarily through meetings with the Coast Guard, Drug Enforcement Administration, Department of Defense (DOD), Immigration and Naturalization Service, and Federal Aviation Administration; and (3) made significant changes to the program's role, level of

intelligence activities, center configuration, and military involvement as a result of the other agencies' input. GAO believes that, although the program changes will enhance Customs' command and control capabilities and facilitate better use of drug interdiction resources among agencies, they will not centralize federal drug interdiction activities.

Open Recommendations to Congress

Recommendation: In view of the changes made to the program by Customs and the recent passage by Congress of DOD authorization legislation, Congress should review the program's direction before additional upgrades are approved.

Status: Action not yet initiated.

Federal Litigative and Judicial Activities

Defense Procurement Fraud: Justice's Overall Management Can Be Enhanced

GGD-88-96, 06/29/88

Background

Pursuant to a congressional request, GAO examined the Department of Justice's (DOJ) overall management of its defense procurement fraud investigations.

Findings

GAO found that DOJ: (1) lacked complete and timely information about case referrals and case status, since investigating agencies and DOJ attorneys frequently failed to report such data to its Fraud and Corruption Tracking (FACT) System; (2) did not gather information about the number of attorneys involved in defense procurement fraud investigations and prosecutions; (3) stated that it needed more staff for such investigations and prosecutions, but lacked a case-weighting system that could help it assess and justify additional resource requirements; and (4) lacked written management plans outlining its current and future efforts in this area. GAO also found that:

(1) turnover among attorneys and support staff had an adverse impact on investigations; (2) DOJ provided adequate, timely guidance to investigating attorneys on an as-needed basis; (3) DOJ case monitoring procedures varied according to each case's importance and sensitivity; (4) DOJ did not maintain written records of staff assignments or time commitments to specific cases; and (5) attorneys did not develop general or specific written investigation plans.

Open Recommendations to Agencies

Recommendation: The Attorney General should reassess the operation of the FACT system with regard to defense procurement fraud to determine what needs to be done to ensure that an interagency tracking system is in place that will provide complete, accurate, and timely information on fraud referrals and cases.

Status: Action not yet initiated. As of October 28, 1988, Justice was preparing

a response to the GAO report recommendations.

Recommendation: The Attorney General should develop a means for determining the amount of attorney resources being spent on defense procurement fraud and pursue the development of a case-weighting system. **Status:** Action not yet initiated. As of October 28, 1988, Justice was preparing a response to the GAO report recommendations.

Recommendation: The Attorney General should select those U.S. attorney offices that investigate a large number of defense procurement fraud referrals and then direct these offices and the Criminal Division to prepare written management plans and update them periodically to assess progress. **Status:** Action not yet initiated. As of October 28, 1988, Justice was preparing a response to the GAO report recommendations.

Agriculture

Agricultural Research and Services

Improved Management of Import Meat Inspection Program Needed

RCED-83-81, 06/15/83

Background

GAO reviewed the Department of Agriculture's administration of its import Meat and Poultry Inspection Program.

Findings

GAO found that, at the 10 highest-volume ports, where variances in the quantities of meat rejected ranged from 0.1 to 1.5 percent, procedures for controlling, sampling, and inspecting meat products differed because of: (1) regulations and instructions which were generally outdated, unclear, and inconsistent; (2) a lack of adequate supervision and training of inspection personnel; and (3) work-load imbalance. The Automated Import Information System compiles inspection-result

histories for countries and foreign plants. These histories are the basis for assigning the scope and extent of inspections. GAO found that, in some ways, regulations and instructions do not conform with the system's revised procedures. GAO and Food Safety and Inspection Service (FSIS) officials found that most inspectors cited the need for periodic training and better communication between inspectors from different ports as a way of standardizing inspections. Despite the apparent improvement in plant conditions, program changes are needed to better ensure that products are imported only from countries and plants meeting U.S. requirements. Recognizing the need for increased attention to foreign programs' regulatory comparability, FSIS is developing a new systems approach for approving and monitoring foreign

inspection systems. GAO believes that the new system should improve FSIS ability to assess these risks.

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should direct FSIS to develop criteria for distinguishing among minor, major, and critical defects in canned packaged meat products. **Status:** Action in process. Estimated completion date: 01/91. In May 1988, FSIS issued a directive on Examination Procedures for Determining the Condition of Canned Product Containers. These procedures apply to the domestic program only. The international program may adopt similar procedures if the May 1988 directive proves effective.

Agricultural Research and Services

Food Marketing: Frozen Pizza Cheese—Representative of Broader Food Labeling Issues

RCED-88-70, 03/31/88

Background

In response to a congressional request, GAO provided information on: (1) regulatory issues concerning the labelling of frozen pizzas whose toppings include a manufactured cheese analog; and (2) related concerns about food labelling issues.

Findings

GAO found that: (1) the Department of Agriculture (USDA), unlike the Food and Drug Administration (FDA), does not require disclosure of cheese analog on frozen pizzas; (2) USDA withdrew its proposed labelling requirement for

cheese analog because opponents successfully argued that it would be costly and unnecessary; (3) controversies concerning the nutritional value of cheese analog hindered attempts to require labelling; and (4) there are no common criteria for determining the relative nutritional values of

manufactured and natural foods. GAO also found that: (1) federal labelling legislation and regulations have not kept pace with the increase in manufactured food products; (2) in 1986, the industry introduced about 3,400 new manufactured food products; (3) FDA believes that the nutritional standards developed years ago are too rigid; and (4) although labelling legislation could alleviate the controversy over cheese

analog, it would not resolve underlying food labelling issues.

Open Recommendations to Congress

Recommendation: Congress may wish to bring together government, industry, and consumer interests in order to review and rewrite the basic authority for food information. Ways of doing so include establishing a congressional

commission, recommending a presidential commission, or directing an interagency task force. As a preparatory step, Congress may wish to hold hearings to more fully determine the extent of current regulatory activity, agency structures that administer the regulatory process, industry and consumer responses to and reliance on the process, and agency activities or plans to improve the process.
Status: Action in process.

Agricultural Research and Services

USDA's Commodity Program: The Accuracy of Budget Forecasts

PEMD-88-8, 04/21/88

Background

Pursuant to a congressional request, GAO reviewed the accuracy of the Department of Agriculture's (USDA) commodity program budget forecasts for 1972 through 1986 to determine the reasons for errors.

Findings

GAO found that the USDA commodity programs' budget estimates: (1) were substantially incorrect in most years, with absolute errors totalling \$64.1 billion and averaging about \$4.3 billion annually; and (2) underestimated actual budget levels by an average of \$3.1 billion annually. GAO also found that USDA: (1) developed its budget estimates using estimates for individual farm commodities for supply and demand, farmer participation, and market price forecasts; (2) did not document how it used such macroeconomic forecasts; (3) did not systematically attempt to identify the source of forecasting errors or implement a structured quality

control program for those factors which were controllable; and (4) did not inform Congress about its estimates' limitations. In addition, GAO found that consistent problems in USDA management of forecasting processes included: (1) limited or no evaluation of forecasting methods to determine accuracy; (2) poor or nonexistent data management and recordkeeping regarding input data and their use; (3) poor or nonexistent documentation of analysts' forecast production methods; and (4) decentralized managerial accountability that weakened problem identification and solution.

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should assign management responsibility for coordinating the forecasting program and for establishing a structured quality control program to a specific organization.

Status: Action in process. The Secretary, on January 29, 1988, clarified the role of the chairperson of the World Agricultural Outlook Board to develop long run supply and demand projections, including those used as input for budget projections, and described the roles of other agencies involved in developing estimates and overseeing the forecasting process.

Recommendation: USDA should establish an ongoing evaluation program that ensures that forecasters regularly perform studies of forecast accuracy to determine what caused errors and to relate the errors to the components of the forecasting processes, so that resources can be allocated for improvement.

Status: Action in process. USDA has initiated a number of evaluation and quality control processes, including: (1) improved documentation; (2) a periodic evaluation by a working group of managers who have responsibility for various activities of the commodity

estimating process; and (3) validation of estimates through alternative forecast methods and by peer review from both inside and outside analysts.

Recommendation: USDA should ensure that the forecasting process and its results are documented and that forecast results include explanations of the

limitations of the data, including forecast ranges based on historical error rates, alternative program implementation strategies, and alternative assumptions regarding supply and demand.

Status: Action in process. USDA has improved its documentation of supply/demand and budget forecasts to

facilitate post-analysis and use in future forecasts. In the GAO analysis, GAO concluded that the explanations of limitations cited by USDA in its plan of action were not enough to understand the range of forecast errors GAO found through accuracy measurements.

Agricultural Research and Services

Biotechnology: Managing the Risks of Field Testing Genetically Engineered Organisms

RCED-88-27, 06/13/88

Background

In response to a congressional request, GAO reviewed federal risk management of genetically engineered organisms intended for agricultural and health uses in the environment, focusing on Department of Agriculture (USDA), Environmental Protection Agency (EPA), and Food and Drug Administration (FDA) policies.

Findings

GAO found that: (1) because no laws specifically regulate genetically engineered organisms, the agencies apply existing laws based on product usage; (2) although USDA, EPA, and FDA generally used a case-by-case approach in reviewing proposed field tests, USDA and EPA exempted certain categories of organisms from regulatory review; (3) the agencies perform prerelease reviews to determine whether to allow field tests and what controls to impose; (4) the agencies' advisory groups reflect a wide range of relevant

disciplines; (5) agency approvals are contingent upon specific field conditions, generally require plans to mitigate unexpected harm, and have the authority to terminate an experiment, if necessary; and (6) methods to control the dispersal and impact of microorganisms require minimizing risk while maximizing field test usefulness.

Open Recommendations to Agencies

Recommendation: To ensure that microorganisms formed by the transfer of "well-characterized noncoding regulatory sequences" of genetic material from plant pests to nonplant pests receive review prior to release, the Secretary of Agriculture should direct the Administrator of the Animal and Plant Health Inspection Service to revoke the exemption for such organisms in regulations governing genetically engineered plant pests.

Status: Recommendation valid/action not intended. USDA arguments, in their letter rejecting the recommendation, do

not deal with the substantive content of the GAO critique.

Recommendation: To ensure effective regulatory coverage of genetically engineered microorganisms, the Administrator, EPA, should make all microorganisms covered by the Toxic Substances Control Act subject to either the premanufacture notice or "significant new use" rule regulations prescribed by section 5 of the act. To avoid overregulation of lower-risk organisms that could result from this action, EPA could revise section 5 regulations to establish a multilevel review system with less-stringent requirements for organisms believed to be of relatively lower risk.

Status: Action in process. Estimated completion date: 12/88. EPA stated that draft final regulations, largely agreeing with the GAO recommendation, are at the Office of Management and Budget for review. EPA estimated that draft final regulations would be published in December 1988.

Farm Income Stabilization

Crop Insurance: Overpayment of Claims by Private Companies Costs the Government Millions

RCED-88-7, 11/20/87

Background

Pursuant to a congressional request, GAO examined the Federal Crop Insurance Corporation's (FCIC) oversight and control of the loss adjustment practices of private reinsured companies.

Findings

GAO found that reinsured companies: (1) did not adjust 95 percent of 134 sample claims in accordance with FCIC policies and procedures; (2) should not have paid about 31 percent of the \$9.4 million in claims; (3) may have intentionally overpaid claimants; and (4) made incorrect determinations of production guarantees, actual production, payment amounts, and program eligibility. GAO also found that FCIC: (1) improperly adjusted 62 percent of 37 sample claims; and (2) overpaid about 1 percent of those claims. In addition, GAO found that FCIC: (1) did not properly manage the loss adjustment processes of reinsured companies; (2) had inadequate oversight and control over such companies; and (3) did not screen reinsured claims for obvious errors, but recently began to systematically review the operations of reinsured companies.

Open Recommendations to Agencies

Recommendation: In order to improve the quality of loss adjustment practices of reinsured companies, the Secretary of Agriculture should require the Manager, FCIC, to develop and publish the guidelines now in process for improving

the quality of the loss adjustment activities of reinsured companies and the associated training programs for their loss adjusters. In doing this, the Manager should require that reinsured companies pattern their loss adjustment programs, including loss adjuster training and supervisory quality control reviews, after the more comprehensive and rigorous programs now used by FCIC for claims it adjusts on policies sold by master marketers.

Status: Action in process. FCIC has begun to revise training and quality control guidance, as recommended.

Recommendation: In order for FCIC to acquire the needed financial and programmatic oversight and control over the loss adjustment activities of reinsured companies, the Secretary of Agriculture should require the Manager, FCIC, to implement a comprehensive and systematic monitoring and evaluation program by its compliance division to ensure that the uniform standards set forth by FCIC are being followed. The FCIC evaluation of the effectiveness of company activities should include readjusting a sample of claims to determine whether loss adjustments are being performed accurately.

Status: Action in process. FCIC plans to expand compliance division reviews and increase the sample of claims examined.

Recommendation: In order for FCIC to acquire the needed financial and programmatic oversight and control over the loss adjustment activities of

reinsured companies, the Secretary of Agriculture should require the Manager, FCIC, to require reinsured companies to submit documentation to FCIC in support of each payment request at the time the request for payment is made to help ensure that payments by FCIC are accurate and justified. FCIC should then verify the information submitted using a statistical sampling approach.

Status: Recommendation valid/action not intended. FCIC believes that this recommendation would be too costly to implement.

Recommendation: In order for FCIC to acquire the needed financial and programmatic oversight and control over the loss adjustment activities of reinsured companies, the Secretary of Agriculture should require the Manager, FCIC, to establish internal controls, such as a computerized audit or screening, over reinsured claims prior to payment to ensure that the claims do not contain obvious errors. These controls would be similar to the controls FCIC now has on master marketer claims.

Status: Action in process. FCIC should complete implementing the requested screening process within the next few months.

Recommendation: In order for FCIC to acquire the needed financial and programmatic oversight and control over the loss adjustment activities of reinsured companies, the Secretary of Agriculture should require the Manager, FCIC, to establish guidelines for determining when and what

administrative actions to take against reinsured companies that do not follow FCIC standards or that continue to adjust claims improperly.

Status: Action in process. FCIC has created a task force that is developing the recommended guidelines.

Recommendation: In order for FCIC to acquire the needed financial and programmatic oversight and control over the loss adjustment activities of reinsured companies, the Secretary of

Agriculture should require the Manager, FCIC, to require repayment by reinsured companies of the \$3 million in overpaid claims found, in accordance with the terms of the reinsurance agreements.

Status: Action in process. FCIC has reviewed the supporting documentation for the overpayments identified by GAO and has begun to request repayment from the companies.

Recommendation: In order for FCIC to acquire the needed financial and

programmatic oversight and control over the loss adjustment activities of reinsured companies, the Secretary of Agriculture should require the Manager, FCIC, to determine how much of the \$17.9 million in payments where drought is shown as a cause of loss on irrigated farms is erroneous and pursue collection of that amount.

Status: Action in process. FCIC believes that the \$17.9 million identified by GAO may be greatly inflated as a result of miscoded computer data.

Farm Income Stabilization

Milk Marketing Orders: Options for Change

RCED-88-9, 03/21/88

Background

GAO reviewed several aspects of federal milk-pricing policies to determine how: (1) the milk marketing order program affects the U.S. dairy surplus problem; (2) to change the program to reduce incentives for milk production; and (3) such changes would affect the surplus and the program's ability to meet dairy policy goals.

Findings

GAO found that: (1) because dairy market conditions changed, the milk marketing order pricing policies no longer applied; (2) the federal milk marketing system contributed to a milk surplus and benefited producers in some regions of the country at the expense of others; and (3) recent legislation

provided that increases in production that resulted in annual federal dairy purchases of over 5 billion pounds would trigger a downward adjustment in the support price. GAO also found that: (1) the two basic strategies for changing milk marketing orders were controlling production and lessening government influence on milk prices; (2) the production control system would limit the quantity of milk that producers, singly and in total, could market at a given price, but could increase consumer prices, create windfalls for current producers, bar entry for new producers, and impact production in the long run; (3) the options for reducing government influence would include establishing more basing points and eliminating grade A and distance differentials, allocations, compensatory payments and order-pricing provisions, while retaining

supervision; and (4) eliminating pricing provisions would lessen the likelihood that the support price supply-demand adjuster would trigger price reductions in the future.

Open Recommendations to Congress

Recommendation: Congress may wish to consider establishing the goal of decreasing the federal role in milk pricing; working with the Department of Agriculture to develop and adopt legislation necessary to accomplish that goal; and directing the Secretary of Agriculture to: (1) monitor the conditions in the industry that result from changes to pricing policies; and (2) act, if necessary, to help the industry adjust.

Status: Action not yet initiated.

Import-Export Issues

Transportation of Public Law 480 Commodities—Efforts Needed To Eliminate Unnecessary Costs

NSIAD-85-74, 06/18/85

Background

GAO assessed the Department of Agriculture's (USDA) and the Department of Transportation's (DOT) Maritime Administration's (MARAD) management of the expenditure of U.S. funds for ocean transportation of agricultural commodities pursuant to Public Law (P.L.) 83-480. This law authorizes the President to enter into agreements with friendly countries for the sale of the commodities under favorable financing terms. Because the United States finances the sales, regulations require that at least 50 percent of the commodities be transported by privately owned U.S.-flag vessels. GAO reviewed purchase authorizations exceeding \$1 million and rate calculations for vessels transporting commodities under these authorizations.

Findings

GAO found significant problems that indicate that USDA may be paying higher ocean freight differentials than necessary. USDA control over the bidding and negotiation process for ocean transportation contracts is inadequate because foreign countries: (1) use closed bids which may be submitted late or are based on knowledge of submitted bids; (2) may negotiate with any preferred vessel owner, which does not ensure the lowest possible rates; and (3) may serve as vessel brokers, which can lead to favoritism in rate negotiations. USDA is responsible for complying with cargo preference requirements, approving foreign vessel

selections, and calculating ocean freight differentials; however, it does not consistently follow the standard provision for calculating differentials, or may apply the standard in a manner that reduces costs to foreign countries at the expense of higher USDA payments. GAO also found that MARAD does not verify data used in calculating guideline rates because it assumes that vessels return to the United States without cargo. However, evidence suggests that vessels may carry cargo on the return voyage, which allows them the potential to earn excessive profits. Additionally, MARAD has not prepared guidelines for liners because of the difficulty in separating revenues; therefore, it does not know whether transportation rates for liners represent cost plus a reasonable profit.

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should require publicly opened transportation offers. The offered transportation rates must be firm and nonnegotiable, and awards should be consistent with open, competitive, and responsive bid procedures. USDA should provide an observer for transportation bid openings, as it does for commodity bids.

Status: Action in process. Estimated completion date: 06/89. DOT has: (1) established a new rule for calculating fair and reasonable rates for less-than-full shiploads of dry bulk cargo transported on U.S.-flag liners; (2)

amended the rule for evaluating bids from subsidized U.S. vessels; and (3) nearly completed a rule for calculating rates on full shiploads of dry bulk cargo. USDA is finalizing a rule for open, competitive bidding.

Recommendation: The Secretary of Agriculture should establish a clear policy to minimize USDA transportation expenditures consistent with cargo preference requirements.

Status: Recommendation valid/action not intended. USDA stated that its policy is to minimize the cost of providing both commodity and transportation financing, consistent with the purposes of the P.L. 83-480, title I program and the requirements of the Cargo Preference Act.

Recommendation: The Secretary of Agriculture should direct the Administrator, Foreign Agricultural Service (FAS), to revise and implement program regulations on the basis of this policy. FAS should emphasize cost reductions in the problem areas identified by GAO: (1) computation of ocean freight differentials; (2) allocation of cargo; (3) shipment on the basis of lowest landed cost; (4) requirement for demurrage and despatch; and (5) elimination of unnecessary restrictive tender terms.

Status: Action taken not fully responsive. In its comments and letter, September 11, 1985, USDA referred to changes made in purchase authorization requirements to address the cited problems. With respect to the identified

problem areas, USDA has not indicated any intent to revise the program regulations. However, USDA is working on a change to institute an open, competitive system for transportation bids on shipments to selected countries.

Recommendation: The Secretary of Transportation should direct the Administrator, MARAD, to devise and institute a method for assessing whether transportation rates for liners represent cost plus a reasonable profit. Also, vessel owners should be required to have their independent accountants semiannually

certify that vessel costs and operating data are accurate.

Status: Action in process. DOT: (1) requested that vessel owners provide a certified listing of actual costs of voyages; (2) established a final rule for calculating fair and reasonable rates for less-than-full ship-load dry bulk cargoes transported on U.S. flag liners; and (3) is reviewing a proposed rule for calculating rates for full cargo shipments.

Recommendation: The Secretary of Agriculture should issue regulations requiring certification that nonliner U.S. flag vessels do not scrap or carry cargo

on a return voyage. The regulations also should provide that the guideline rate will be recalculated and the transportation rate adjusted if a vessel obtains backhaul cargo or is scrapped or sold overseas.

Status: Action in process. DOT: (1) is finalizing a rule for full cargo shipments which provides for recalculation of rates if a vessel is scrapped or sold overseas; (2) intends to recalculate rates if returning U.S. vessels carry other preference cargo; and (3) plans to analyze the feasibility of adjusting rates for commercial, nonpreference cargo.

Import-Export Issues

Imported Meat and Livestock: Chemical Residue Detection and the Issue of Labeling

RCED-87-142, 09/30/87

Background

GAO reviewed the Department of Agriculture's (USDA) effectiveness in detecting prohibited chemical residues and foreign matter in imported meat items and live animals.

Findings

GAO found that: (1) although the Food Safety and Inspection Service (FSIS) developed an annual plan in 1986 which included 406 chemicals for consideration and 100 for testing, it lacked detailed, current information on the chemicals used abroad; (2) FSIS plans to require foreign countries that want to export meat to the United States to submit an annual residue testing plan to USDA; (3) because FSIS met its 1986 testing quotas by May 1, 1986, it did not test meat imported after that date for the full range of residues; (4) FSIS did not

always remove from the U.S. food market the remainder of lots that showed chemical violations; (5) in 1986, about 60 percent of imported live animals came from Mexico, which has been ineligible to export meat to the United States since 1984 because of chemical residues; (6) FSIS does not have current information to adequately test for chemicals used in Mexico; and (7) mandating quality control reports and country-of-origin labelling of meat could result in increased food costs and may constitute a nontariff trade barrier.

Open Recommendations to Agencies

Recommendation: To develop an import residue testing plan that is sensitive to conditions regarding chemical use in foreign countries, the Secretary of Agriculture should direct the

Administrator, FSIS, to implement a continuous, systematic effort to identify and evaluate chemicals in use abroad that are not used in the United States. **Status:** Action in process. The FSIS import testing program will take into account information gathered from each country on drug and chemical usage in livestock production and marketing. Port-of-entry testing is now planned and includes compounds of concern.

Recommendation: The Secretary of Agriculture should direct the Administrator, FSIS, to systematically assess the status of methods for detecting harmful chemicals in processed meat and muscle tissue to provide a basis for deciding on the additional research needed to develop more effective methods.

Status: Action in process. The FSIS import testing program will take into

account analytical methodology for imported tissues. FSIS has invited the Food and Drug Administration (FDA) and EPA to its workshop on methods development to review the status of method-related projects among the three agencies. FSIS has been actively involved with EPA in evaluation of pesticide residue methods for meat.

Recommendation: The Secretary of Agriculture should direct the Administrator, FSIS, to determine whether live animals entering the United States present unacceptable risk to consumers. Such a risk assessment should consider: (1) the source of live animals (country of origin and location within country); (2) livestock production and marketing practices in pertinent foreign countries, including controls over and use of animal drugs and other chemicals; (3) residue testing results from domestic plants where the imported animals are likely to have been slaughtered and whether those results are different from those at plants that do not slaughter imported animals; and

(4) if appropriate, special test programs to determine whether imported animals have unacceptable chemical residues.

Status: Action in process. FSIS is discussing with the Animal and Plant Health Inspection Service (APHIS) and FDA possible procedures to obtain information necessary to conduct a risk assessment of drug and chemical exposure in imported animals. Mexico will be required to provide information about its use of chemicals as they relate to Mexico's live animal exports.

Recommendation: If such a risk assessment indicates an unacceptable risk for any country, FSIS should take steps to ban live animal imports from that country until the foreign government can provide assurance that animals for export to the United States are free of prohibited residues.

Status: Action not yet initiated. FSIS has not responded to this recommendation.

Recommendation: If chemical use in foreign countries is identified, FSIS

should: (1) evaluate the chemicals to determine which ones pose a potential hazard; (2) develop methods for their detection if methods are lacking; and (3) include them in the import plan for testing.

Status: Action in process. Animal drug and other chemical information will be evaluated by a team of experts from FSIS and FDA.

Recommendation: The Secretary of Agriculture should direct the Administrator, FSIS, to update risk profiles of countries eligible to export meat products to the United States to better ensure the safety of imported meat.

Status: Action in process. USDA submitted information on animal husbandry, approved drugs and other chemicals, and approved uses and control. Information will be updated and reviewed annually to ensure that the country operates an adequate inspection program.

Automatic Data Processing

Air Force Computers: Development Risks of Logistics Modernization Program Can Be Reduced

IMTEC-87-19, 05/15/87

Background

In response to a congressional request, GAO reviewed the Department of the Air Force's Logistics Management Systems (LMS) Modernization Program and the acquisition strategy it used in procuring the program.

Findings

GAO found that the Air Force: (1) reduced the risk of overall developmental problems because the program is smaller in scope and less complex than an earlier system; (2) did not complete its initial planning activities, which increased the potential for cost increases, schedule delays, and ineffective performance; (3) does not have an effective method to ensure the accurate measurement of project costs,

schedules, and performance status; (4) approved eight of the nine projects without feasibility studies; (5) did not regularly validate contractor cost and schedule performance reports; and (6) should have requested delegations of procurement authority in order to avoid possible future program delays. GAO believes that, although the Air Force has taken actions on some projects to alleviate planning weaknesses, project costs may greatly exceed current estimates unless it institutes controls over contractor status reporting and system effectiveness.

Open Recommendations to Agencies

Recommendation: The Secretary of the Air Force should direct the Commander,

AFLC, to establish cost and schedule tracking mechanisms which accurately reflect contractor performance and, as a control mechanism, routinely validate the reliability of this information. When established cost and schedule thresholds have been exceeded, the Secretary of the Air Force should report changes in individual project cost and schedule estimates resulting from these validation efforts to the Secretary of Defense and Congress.

Status: Action in process. The Air Force has, according to LMS officials, taken some corrective action to establish better cost and schedule tracking mechanisms, however, GAO has not independently verified these efforts. GAO will follow up on this recommendation as part of its ongoing work on LMS projects.

Computer Procurement: Issues Concerning Technical Specifications for Navy's CAD/CAM Acquisition

IMTEC-88-16BR, 03/03/88

Background

Pursuant to a congressional request, GAO examined the Navy's technical specifications for its Computer-Aided Design/Computer-Aided Manufacturing (CAD/CAM) equipment, focusing on issues the Navy should address before releasing its solicitation to industry.

Findings

GAO found that the: (1) early CAD/CAM acquisitions were small and fragmented; (2) second-phase CAD/CAM acquisition is a large, joint system command initiative to buy commercially available, state-of-the-art technology; (3) Navy is reviewing the contract's estimated size,

and projects that it may be smaller than the early estimates of \$1 to \$5 billion; and (4) Navy is unsure as to the future size, scope, and release of the CAD/CAM solicitation. GAO also found that the CAD/CAM technical specifications required: (1) graphics display screens compatible with all work stations; (2)

computing devices to run the same application software; (3) modification of two public standards involving its Portable Operating System for Computer Environments (POSIX) and its Product Design Exchange Standard (PDES); and (4) integration of independent application software. In addition, GAO found that vendors who reviewed the specifications raised issues about: (1) the extent to which certain hardware features, which were more complex than those used commercially and possibly more expensive, were essential; (2) the possibility of producing a system unique to the Navy through modification of standards and integration requirements; and (3) whether requirements were negotiable or mandatory.

Open Recommendations to Agencies

Recommendation: As the Navy finalizes the specifications for inclusion in its CAD/CAM solicitation for release to industry, it should consider reevaluating its hardware requirements for: (1) mix-

and-match graphics display screens for work stations; (2) application software compatibility across work stations and servers; and (3) a wide array of communication methods.

Status: Action in process. The Navy has initiated an in-depth study of the CAD/CAM specification to eliminate unnecessary, technically complex, or costly requirements before a request for proposals is released. This should result in a more cost-effective CAD/CAM buy.

Recommendation: As the Navy finalizes the specifications for inclusion in its CAD/CAM solicitation for release to industry, it should consider modifying its treatment of the POSIX and PDES standards in light of the current capabilities of both.

Status: Action in process. The Navy plans to work closely with the National Bureau of Standards to ensure adherence to approved industry standards and avoid a Navy-unique system.

Recommendation: As the Navy finalizes the specifications for inclusion in its CAD/CAM solicitation for release to industry, it should consider pursuing its system integration objectives under a separate developmental effort and limiting this CAD/CAM acquisition to a procurement of commercially available and proven equipment.

Status: Action in process. The Navy agreed to limit the CAD/CAM buy, as far as possible, to hardware and software components that are commercially available.

Recommendation: As the Navy finalizes the specifications for inclusion in its CAD/CAM solicitation for release to industry, it should consider clarifying which of its requirements are mandatory and which are negotiable.

Status: Action in process. The Navy is reviewing the CAD/CAM technical specification to ensure that requirements are clearly stated and labelled as mandatory or negotiable. This will give vendors the opportunity to propose cost-effective solutions.

Computer Procurement: Navy CAD/CAM Acquisition Has Merit but Management Improvements Needed

IMTEC-88-22, 05/11/88

Background

Pursuant to a congressional request, GAO reviewed the Navy's second Computer-Aided Design/Computer-Aided Manufacturing (CAD/CAM II) acquisition, focusing on whether the: (1) Navy complied with applicable acquisition regulations; (2) Navy considered the needs of all CAD/CAM users; (3) Navy established adequate contract administration controls; (4)

correct Navy organizations conducted the acquisition; (5) Navy fully disclosed the acquisition in its budget requests and followed normal budget processes; and (6) Office of the Secretary of Defense provided adequate oversight.

Findings

GAO found that the Navy's CAD/CAM II acquisition approach: (1) focused on

equipment standardization across commands and reduced unit costs through large-scale contracts; (2) did not ensure acquisition of the most feasible, cost-effective, and low-risk system available; and (3) did not comply with Department of Defense (DOD) acquisition management regulations requiring the establishment of user needs, evaluation of alternative solutions, and development of a

management plan before defining a system solution. GAO also found that: (1) CAD/CAM II acquisition has progressed slowly because of difficulties in resolving management issues and program office and managerial changes; (2) the Navy supplemented formal budget submissions with exhibits which did not separately identify all CAD/CAM funding, and information papers which omitted or inaccurately categorized CAD/CAM purchases; (3) the DOD Major Automated Information Systems Review Council has not yet reviewed the acquisition because of its delayed progress; and (4) DOD and Navy computer-aided acquisition and logistics support organizations provided adequate oversight to ensure adherence to certain technical standards.

Open Recommendations to Agencies

Recommendation: The Secretary of the Navy should direct the Assistant Secretary of the Navy for Financial Management to ensure that the request for proposals for CAD/CAM II is not released until the program office has complied with applicable provisions of defense acquisition regulations; specifically, the program office should conduct an evaluation of alternative system solutions based on validated user requirements before making a system choice.

Status: Action in process. The Navy stated that it will evaluate alternative system solutions before the request for proposals (RFP) is released for the

CAD/CAM II procurement. The RFP is scheduled to be released in the second quarter of fiscal year (FY) 1989.

Recommendation: The Secretary of the Navy should direct the Assistant Secretary of the Navy for Financial Management to ensure that funding for all Navy CAD/CAM is completely and accurately disclosed in special budget information papers to Congress.

Status: Action in process. The Naval Data Automation Command Comptroller will prepare comprehensive and complete funding data on all CAD/CAM acquisitions prior to the FY 1990 budget submission to the Office of the Secretary of Defense and Congress.

Computer Procurement: Decision Needed on Navy's Standard Automated Financial System

IMTEC-88-47, 09/13/88

Background

Pursuant to a congressional request, GAO reviewed the Navy's management and implementation of its Standard Automated Financial System (STAFS).

Findings

GAO found that the Navy: (1) initiated STAFS in 1980 to improve its engineering centers' and research laboratories' accounting and financial management; (2) expanded the system's purposes and capabilities into a more comprehensive management information system to decrease user opposition to STAFS; (3) is more than 5 years behind its STAFS implementation schedule; (4) estimated that program costs have

increased from \$32.9 million to \$479.4 million; (5) has not fully disclosed project costs in its congressional budget submissions; (6) had limited success at one of its four implementation sites, although STAFS has not yet operated under representative work loads or operating conditions; (7) did not adequately test the system to ensure successful deployment; (8) has not adequately explored less expensive alternatives; and (9) believes that it would have to redesign STAFS to accommodate the Department of Defense's (DOD) unsupported recommendation that it convert its center and laboratory funding from its industrial fund to an alternative funding method.

Open Recommendations to Agencies

Recommendation: The Assistant Secretary of the Navy for Financial Management should direct the Commander, Navy Accounting and Finance Center, to concurrently: (1) fully test STAFS as required by DOD policies to determine how effectively the system will operate under the work-load and operational conditions found at the sites; (2) evaluate the need for STAFS expanded capabilities in light of its intended mission; (3) fully explore alternatives to STAFS for satisfying the centers' and laboratories' accounting and financial management requirements; and (4) ensure that, in the interim,

spending for STAFS is held to the minimum necessary to complete these efforts.

Status: Action not yet initiated.

Recommendation: If the Navy decides to continue with STAFS, the Assistant Secretary of the Navy should provide the Office of the Secretary of Defense the information needed to review this

decision in accordance with its oversight responsibilities.

Status: Action not yet initiated.

Recommendation: The Secretary of Defense should provide Congress with a revised budget exhibit for STAFS based on a current estimate of project and life-cycle costs.

Status: Action not yet initiated.

Recommendation: The Secretary of Defense should permit the Assistant Secretary of the Navy for Financial Management to continue industrially funding the centers and laboratories, unless the need for a change can be clearly demonstrated.

Status: Action not yet initiated.

ADP Budget: Defense Logistics Agency's Automated Information Systems Budget Request

IMTEC-88-50BR, 09/23/88

Background

In response to a congressional request, GAO reviewed the Defense Logistics Agency's (DLA) fiscal year 1989 budget requests for selected general-purpose automated information systems.

Findings

GAO found that: (1) DLA failed to provide required cost data for some information systems and descriptions of required resources for acquisitions that

cost over \$2 million; and (2) planned to obligate \$24.1 million for more microcomputers and associated software as part of its program for the operation and maintenance of its basic automated data processing capability.

Open Recommendations to Congress

Recommendation: The Subcommittee may wish to direct DLA to document detailed system cost information and display all relevant costs in required

exhibits 43A-1 and 43B in future congressional budget submissions.

Status: Action not yet initiated.

Recommendation: The Subcommittee may wish to consider requesting that DLA postpone obligating the \$24.1 million until the agency develops and provides the Subcommittee with additional justification for including these purchases in an operations and maintenance program.

Status: Action not yet initiated.

Software Development: Better Management Controls Needed at Navy Regional Data Automation Center

IMTEC-88-46, 09/28/88

Background

Pursuant to a congressional request, GAO evaluated the Navy Regional Data

Automation Center (NARDAC) in the District of Columbia to determine how

effectively it provided system development services to customers.

Findings

GAO found that NARDAC did not have effective means to measure project progress or accurately collect project cost information, since its: (1) project status reports did not sufficiently track or monitor projects to determine progress in meeting user requirements, the percentage of completed work, or whether project completion would be on schedule and within budget; and (2) chargeback system did not show the costs of completed tasks and was incompatible with many of the computers that contained utilization data. GAO also found that: (1) NARDAC did not include all system development services costs in its fiscal year 1988 through 1989 budget exhibit to Congress; (2) two audit organizations also

identified problems similar to those it identified; and (3) NARDAC corrective actions included developing a system to track all project funds after obligation and conducting mid-year reviews of all project planning estimates.

Open Recommendations to Agencies

Recommendation: The Secretary of the Navy should direct the Commanding Officer, NARDAC District of Columbia, to ensure that actions taken to improve overall management controls will result in status reports that track and monitor work completed on major tasks and forecast the impact of changes and delays on final project milestones.
Status: Action not yet initiated.

Recommendation: The Secretary of the Navy should direct the Commanding Officer, NARDAC District of Columbia, to ensure that actions taken to improve overall management controls will result in a chargeback system that accumulates and reports current and complete cost information.
Status: Action not yet initiated.

Recommendation: The Secretary of the Navy should direct the Commanding Officer, NARDAC District of Columbia, to ensure that its required budget exhibit to Congress is revised to accurately reflect all system development costs.
Status: Action not yet initiated.

Commerce and Housing Credit

Federal Financing Bank

Financial Audit: Federal Financing Bank's Financial Statements for Fiscal Years 1985 and 1984

AFMD-87-31, 09/30/87

Background

GAO examined the Federal Financing Bank's financial statements as of September 30, 1985 and 1984, its system of internal accounting controls, the related statements of income and changes in retained earnings, and the changes in its financial position for the years then ended.

Findings

GAO found that the bank: (1) had significant weaknesses in its internal accounting control system; (2) did not have adequate safeguards for its assets, properly recorded transactions, or reliable financial reporting; and (3) did not have the formal accounting policies and procedures manuals to maintain correct records for its business activities. GAO also found that the financial statements presented fairly the bank's financial position as of September 30, 1985 and 1984, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally

accepted accounting principles applied on a consistent basis.

Open Recommendations to Agencies

Recommendation: The Secretary of the Treasury should direct the Bank's president, the Treasury Under Secretary for Finance, to develop formal accounting policies and procedures manuals, including examples of typical accounting entries for loan transactions. **Status:** Action in process. The Bank is currently developing policy and procedures manuals in conjunction with the new automated accounting system.

Recommendation: The Secretary of the Treasury should direct the Bank's president, the Treasury Under Secretary for Finance, to maintain the general ledger and subsidiary ledgers on a routine basis and perform periodic reconciliations of the ledgers. **Status:** Action in process. Estimated completion date: 12/88. The Bank began maintaining a general ledger in 1987;

however, not all of the subsidiary ledgers have been updated.

Recommendation: The Secretary of the Treasury should direct the Bank's president, the Treasury Under Secretary for Finance, to review and reconcile external reports, particularly Treasury reports on the loan accounts.

Status: Action not yet initiated. Bank staff shortages have prevented regular monthly reconciliations with external reports. The Bank expects to implement this by the end of 1988.

Recommendation: The Secretary of the Treasury should direct the Bank's president, the Treasury Under Secretary for Finance, to record transactions properly and consistently.

Status: Action in process. Estimated completion date: 12/88. The Bank is now recording transactions properly; however, complete and clear supporting documentation is not always available. The new automated system, due by December 1988, is expected to help resolve this problem.

Community and Regional Development

Disaster Relief and Insurance

Disaster Assistance: Response to West Virginia's November 1985 Flood Shows Need for Improvements

RCED-88-5, 02/04/88

Background

Pursuant to a congressional request, GAO reviewed the November 1985 West Virginia flood, focusing on: (1) state and local disaster planning and preparedness; (2) the effectiveness of existing warning systems and planned improvements; (3) the federal government's responsiveness to victims' needs; and (4) the type and amount of assistance the government provided to flood victims.

Findings

GAO found that, of West Virginia's 55 counties: (1) less than half participated in the Federal Emergency Management Agency's (FEMA) Emergency Management Assistance (EMA) Program; (2) some may withdraw from EMA because of program changes; and (3) all had poor emergency plans, according to FEMA guidelines. GAO also found that: (1) primary county flood

warning systems consisted of civil defense sirens and loudspeakers and media weather warnings; (2) some flood victims did not receive or recognize warnings; and (3) the National Weather Service's (NWS) Integrated Flood Observing and Warning System (IFLOWS) was ineffective for those counties unable to maintain it. In addition, GAO found that: (1) although the Small Business Administration was revising its procedures to reduce loan processing time, federal agencies generally took too long to complete and approve applications for initial and supplemental public assistance and frequently underestimated amounts necessary for initial assistance; (2) West Virginia averaged 26 days to pay recipients; (3) the Soil Conservation Service and the Army Corps of Engineers began cleanup work almost immediately after the flood, but without the required request from FEMA; (4) FEMA spent about \$27 million in

individual assistance programs; (5) family grant program limits did not meet the basic needs of about a third of the flood victims; (6) FEMA issued some supplemental assistance payments without reinspecting claimed damage; and (7) FEMA instructed the state to build 647 mobile home foundations, of which only half were used.

Open Recommendations to Agencies

Recommendation: The Director, FEMA, should pursue development of standards for how long the public assistance application process should take to better enable FEMA to identify opportunities to expedite the process.

Status: Action in process. Estimated completion date: 01/89. FEMA is developing standards for evaluating the public assistance application process. Interim standards are scheduled for January 1989.

Disaster Relief and Insurance

Crop Insurance: Participation in and Costs Associated With the Federal Program

RCED-88-171BR, 07/06/88

Background

In response to a congressional request, GAO reviewed the Federal Crop Insurance Corporation's (FCIC) crop

insurance programs to determine: (1) the level of farmer participation in the programs; (2) why participation rates varied; and (3) insurance experts'

reasons for the low participation rates and suggestions to increase the rates.

Findings

GAO reviewed crop insurance programs in 10 states, and found that: (1) participation rates among the states varied from 2.9 percent to 44.9 percent; (2) some crops had 60-percent participation, while others were not insured at all; (3) fluctuations in weather patterns, program promotion and education efforts influenced participation rates among both states and crops; (4) crop insurance experts cited crop diversification, the condition of the farm economy, and insurance agent problems as reasons for low participation rates; (5) crop insurance

premiums and cash flow also varied considerably among states and crops; and (6) there were no comprehensive, nationwide studies to determine the reasons for low program participation.

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should require the Manager, FCIC, to: (1) increase the emphasis on educating farmers and insurance agents about crop insurance on a regional or state basis with priority given to areas that FCIC has already identified as likely to increase participation with

more education; and (2) conduct a statistically sound, nationwide study to determine which of the major factors influencing participation could or should be addressed and obtain information on the kinds of changes needed to achieve more participation and the costs of such changes to the government and farmers. **Status:** Action not yet initiated. FCIC has indicated a willingness to act on GAO recommendations and, in fact, has agreed that both of the recommendations are warranted. However, so far, it has not done anything because of other legislative priorities.

Education, Training, Employment, and Social Services

Elementary, Secondary, and Vocational Education

Implementation of Public Law 94-142 as It Relates to Handicapped Delinquents in the District of Columbia

GGD-86-4, 10/17/85

Background

Pursuant to a congressional request, GAO reviewed the District of Columbia's (D.C.) implementation of the Education for All Handicapped Children Act of 1975, which pertains to learning-disabled and emotionally disturbed juvenile delinquents and requires that education and services for handicapped children be delineated in individualized education programs (IEP).

Findings

GAO found that D.C. is not meeting its commitments under the act because: (1) many handicapped delinquents are not given opportunities for special education; (2) IEP do not meet all the requirements of the act; and (3) most handicapped delinquents in Youth Services Administration (YSA) custody do not receive special education. In order to be in compliance, IEP must contain certain educational and procedural requirements against which to monitor

juvenile education and guardian participation in IEP. About 73 percent of IEP are missing these requirements. The "Mills Decree" court decision also requires that assessment, IEP development, and placement of handicapped juveniles be completed within a maximum of 60 calendar days from the date of referral; however, the central facility which performs these assessments averages 117 days. Three YSA facilities do not provide special education to handicapped delinquents and none of the teachers are certified to teach any subject. In addition, these facilities have no criteria and do not follow public school standards for determining which delinquents are handicapped. GAO also found that, although the D.C. Public Schools (DCPS) are required to monitor program effectiveness, they are not adequately reporting problems or corrective actions for the facilities. GAO believes that there is no focal point for coordination and information exchange among DCPS,

the D.C. Superior Court, and YSA for identifying and educating delinquents.

Open Recommendations to Agencies

Recommendation: The Mayor of the District of Columbia should direct YSA to establish a special education program for handicapped delinquents at Oak Hill, Cedar Knoll, and the Receiving Home for Children.

Status: Action in process. Estimated completion date: 09/89. A special education program was implemented at the Receiving Home for Children, which is operated by DCPS. Per signed agreement, the special education programs at Oak Hill and Cedar Knoll will be operated by YSA under a plan that is being reviewed by DCPS. Annual assessments by DCPS showed that the program at the Receiving Home was in full compliance, while Oak Hill was not in compliance.

Elementary, Secondary, and Vocational Education

DOD Schools: Funding and Operating Alternatives for Education of Dependents

HRD-87-16, 12/10/86

Background

In accordance with a legislative requirement, GAO reviewed the methods

the Department of Defense (DOD) uses to operate and fund its dependents' schools to: (1) determine the most suitable means of funding those schools;

and (2) identify legal, jurisdictional, and other impediments to changing the schools' funding and operating methods.

Findings

GAO noted that DOD uses three methods to educate military dependents living on military installations, including: (1) the local operation alternative, under which funding comes from federal, state, and local governments; (2) the contract operation alternative, which allows DOD to contract with local school districts and totally fund the students' education; and (3) the coterminous operation, under which dependents' schools operate as local school districts and the Department of Education and the state share the funding. GAO found that coterminous operation was the best alternative because it would save the federal government between \$44 and \$88 million and would increase states' education budgets by less than one-half of 1 percent. GAO noted that, at each installation, DOD and the state education agency: (1) should negotiate the change in school funding and operating methods; (2) might arrive at an alternative more appropriate than coterminous operation; and (3) should consider and resolve employee equity issues, as well as jurisdictional and other impediments. GAO also found that: (1) transferring military dependents' schools to local school districts or establishing new coterminous districts would cause an annual reallocation of impact aid

funds from other impacted districts; and (2) under the coterminous method, military school districts would receive more funds because states cannot consider federal impact aid payments when determining their funding of local school districts.

Open Recommendations to Congress

Recommendation: For dependents' schools established through mutual agreement among federal, state, and local officials as coterminous school districts or transferred to nearby school districts, Congress may want to consider whether impact aid should be increased to ensure that local districts nationwide do not lose funds because of a reallocation of impact aid to the districts absorbing the section 6 students.
Status: Action not yet initiated.

Recommendation: If the section 6 schools are established as new coterminous districts, Congress may want to consider amending the impact aid legislation to permit the states in which such districts are established to consider a portion of impact aid payments to these districts when determining the amount of their education payments, so that overall funding levels for these schools would not significantly increase.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Secretaries of Education and Defense should advocate the adoption of the new coterminous local school district alternative unless all parties agree that another alternative is more appropriate in a particular situation. The coterminous operation alternative would reduce overall federal expenditures, restore education responsibilities to the states, and minimize the direct funding and operational impact on local school districts.

Addressee: Department of Education

Status: Action taken not fully responsive. Although the Department of Education does not agree with the recommendation, it will have to resolve the issues with DOD and individual school districts.

Addressee: Department of Defense

Status: Action in process. Estimated completion date: 07/90. Although DOD agreed with this recommendation, its contracted study to determine the best alternative for each installation was not yet complete. DOD anticipates submitting a detailed transfer plan to Congress in July 1990.

Elementary, Secondary, and Vocational Education

Compensatory Education: Chapter 1's Comparability of Services Provision

HRD-87-102, 08/27/87

Background

GAO reviewed states' implementation of the comparability-of-services provision of

the Education Consolidation and Improvement Act of 1981.

Findings

GAO noted that the provision requires that children living in areas receiving

assistance under the act not receive fewer state- and local-funded services than children in areas not receiving such assistance. GAO found that: (1) there is confusion among the states concerning the need to maintain documentation to demonstrate comparability; (2) the majority of the states adopted means of measuring comparability that were less restrictive than formerly required and relaxed the percentage of variance allowed in determining comparability compliance

between schools in the same school district; and (3) the lack of uniformity among states' definitions of instructional staff could result in assisted schools having fewer classroom teachers per student than unassisted schools in the same school district.

Open Recommendations to Agencies

Recommendation: The Secretary of Education should publish provisions

under 34 C.F.R. 200.60 defining instructional staff for use in calculating and comparing the ratio of pupils to instructional staff for demonstrating comparability.

Status: Recommendation valid/action not intended. Education plans no action because it does not believe that this recommendation is justified.

Elementary, Secondary, and Vocational Education

Deaf Education: The National Mission of Gallaudet's Elementary and Secondary Schools

HRD-87-133, 09/30/87

Background

Pursuant to a congressional request, GAO reviewed Gallaudet University's precollege programs' national mission activities, focusing on: (1) the kinds of activities that make up the national mission; (2) the amount Gallaudet spends on national mission activities; (3) the effectiveness of research results dissemination; and (4) recommendations for improvement.

Findings

GAO found that: (1) Gallaudet operates two precollege schools, the Model Secondary School and the Kendall Demonstration Elementary School; (2) Gallaudet estimated that it spent about 46 percent of its precollege budget for fiscal year 1986 on the national mission; (3) Gallaudet could not account for

individual project costs and lacked written policies and procedures for approving and monitoring projects; (4) research and project development results did not reach as many hearing-impaired students as they might have; (5) precollege training and technical assistance have focused on residential schools, although they now include more public schools; and (6) about 90 percent of the recipients of training and technical assistance were highly satisfied with its quality.

Open Recommendations to Agencies

Recommendation: The President of Gallaudet University should establish a system to account for expenditures according to the precollege programs'

major functions—school operations or national mission.

Status: Action in process. Estimated completion date: 10/89. As of November 1988, Gallaudet stated that the accounting system had been deferred until a new version of the accounting software package could be implemented.

Recommendation: The President of Gallaudet University should reflect more accurately Gallaudet's research costs by accounting for costs by individual projects.

Status: Action in process. Estimated completion date: 10/89. As of November 23, 1988, Gallaudet stated that the subsystem had been deferred until a software package could be implemented.

Elementary, Secondary, and Vocational Education

Summer Youth Jobs Program: Congressional Action Has Increased Emphasis on Remedial Education

HRD-88-118, 09/30/88

Background

Pursuant to a congressional request, GAO discussed local programs' implementation of the requirement to provide youth with remedial education as part of the 1987 Summer Youth Employment and Training Program.

Findings

GAO found that: (1) the number of youths provided remedial education in the 1987 program increased from 55,000 to 112,000; (2) the money localities spent on remediation expanded from \$37 million to \$64 million; (3) although every program it surveyed provided remediation, the number of youths served and the intensity of remediation varied greatly; (4) the majority of programs planned to further expand remediation in 1988; (5) 60 percent of

program administrators believed that remediation improved their summer programs; and (6) although local administrators had anticipated service reductions in several aspects of their summer programs due to the cost of adding remediation, fewer than expected programs actually reported making such reductions.

Open Recommendations to Congress

Recommendation: Although most local program administrators believe the remediation component of the summer youth program has been successful, the component's overall effectiveness is unknown. Congress may wish to consider requiring the Department of Labor (DOL) to evaluate all or a sample of these programs' remediation

components, using standardized educational achievement tests.
Status: Action not yet initiated.

Recommendation: Although nearly all service delivery areas have added remediation to their programs, the proportion of youths receiving services varies greatly. Congress may wish to consider requiring that DOL define some minimal amount of remediation that must be provided during the summer.
Status: Action not yet initiated.

Recommendation: Although nearly all service delivery areas have added remediation to their programs, the proportion of youths receiving services varies greatly. Congress may wish to consider requiring that all youth in the program who are in need of remedial education receive such remediation.
Status: Action not yet initiated.

Higher Education

Defaulted Student Loans: Private Lender Collection Efforts Often Inadequate

HRD-87-48, 08/20/87

Background

GAO evaluated the Department of Education's and guaranty agencies' policies and procedures in paying default claims under the Guaranteed Student Loan Program to determine whether they adequately protected the federal

government's financial interest and minimized unnecessary insurance costs.

Findings

GAO found that: (1) although most of the guaranty agencies developed standards

for collecting loans and filing claims, Education never reviewed them; (2) agency standards were inadequate to ensure prompt collection of defaulted loans; (3) agencies poorly enforced claims paid by lenders without standards; (4) interest costs varied widely among the

guaranty agencies, since the average time between delinquency and claim payment ranged from 148 to 455 days; and (5) an average delay of 30 days in processing claims would increase federal interest costs by \$4.1 million.

Open Recommendations to Agencies

Recommendation: The Secretary of Education should develop and

implement a process to systematically review and approve guaranty agencies': (1) standards for collecting loans and filing claims; and (2) statements of internal controls and administrative procedures required to be developed and implemented under the new regulations. Such a system should include specific milestones and timetables for the Department of Education to use in approving the agencies' standards and statements.

Status: Action taken not fully responsive. In its 60-day letter, Education stated that it would take certain corrective actions. Until actions are complete and responsiveness assessed, this recommendation will remain open.

Higher Education

Guaranteed Student Loans: Legislative and Regulatory Changes Needed To Reduce Default Costs

HRD-87-76, 09/30/87

Background

Pursuant to a congressional request, GAO examined needed legislative and regulatory changes for the Department of Education's Guaranteed Student Loan Program, focusing on: (1) guaranty agencies' loan collection practices and procedures; (2) ways to reduce default costs; (3) the amount of time defaulters have to repay loans; and (4) whether guaranty agencies are promptly remitting Education's share of collections.

Findings

GAO found that: (1) new regulations require all guaranty agencies to standardize collection practices and follow specific actions to collect defaulted loans; (2) 1986 legislation should help to reduce defaults and increase collections by requiring guaranty agencies to report repayment patterns to credit bureaus and requiring defaulters to pay reasonable collection costs; (3) the establishment of a National

Student Loan Data System should help to further reduce costs by providing means to verify eligibility; (4) Education collected about \$38 million in income tax refund offsets from loan defaulters in 1985; (5) new regulations require guaranty agencies to share all default payments made on reinsured loans with Education; and (6) guaranty agencies allow longer repayment periods than Education and have 60 days to remit default collections to Education.

Open Recommendations to Congress

Recommendation: Congress should amend the Higher Education Act by requiring that a borrower's promissory note specify that, upon default, the loan interest rate will change to a variable rate with a ceiling of 12 percent, unless existing state law allows for a higher rate to be charged.

Status: Action not yet initiated.

Recommendation: Congress should amend the Higher Education Act by providing the Department of Education with the authority to require that guaranty agencies use the National Student Loan Data System to verify borrower eligibility after the system is established.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Secretary of Education should amend the regulations for the Guaranteed Student Loan Program to require that guaranty agencies adhere to criteria comparable to the Joint Standards, which require that, if possible, defaulted debts paid in installments be paid off in 3 years or less.

Status: Action not yet initiated. Education plans to implement this recommendation by regulatory change.

Recommendation: The Secretary of Education should: (1) amend the Guaranteed Student Loan Program regulations to require that guaranty agencies submit Education's share of collections on reinsured loans within 30 days; and (2) explore a mechanism to assess penalties, similar to those included in the Prompt Payment Act, against agencies who submit their payments late.

Status: Action not yet initiated. Education plans to implement this recommendation by regulatory change.

Recommendation: The Secretary of Education should amend the Guaranteed

Student Loan Program regulations by requiring that guaranty agencies share all borrower payments to offset collection costs on reinsured loans with Education.

Status: Action not yet initiated. Education plans to implement this recommendation by regulatory change.

Recommendation: The Secretary of Education should amend the Guaranteed Student Loan Program regulations by requiring that guaranty agencies post borrower payments in the same manner that federal agencies are required to in accordance with the Federal Claims Collections Standards.

Status: Action not yet initiated. Education plans to implement this recommendation by regulatory change.

Recommendation: The Secretary of Education should amend the Guaranteed Student Loan Program regulations by requiring that guaranty agencies capitalize interest on defaulters' unpaid costs when they fail to follow their repayment agreements.

Status: Action not yet initiated. Education plans to implement this recommendation by regulatory change.

Higher Education

Guaranteed Student Loans: Lenders' Interest Billings Often Result in Overpayments

HRD-88-72, 08/31/88

Background

GAO reviewed lenders' billings under the Guaranteed Student Loan Program to determine whether the Department of Education was incurring excessive costs related to its payment of interest and special-allowance subsidies, focusing on the extent to which: (1) lenders erred in billing Education for interest and special-allowance payments; (2) lender billing errors resulted in federal overpayments; and (3) Education established adequate procedures to detect billing errors and prevent overpayments.

Findings

GAO found that, from its review of 16 lenders' accounts over one quarterly billing period: (1) all 16 lenders submitted erroneous billings to

Education, resulting in a net overpayment of at least \$1.8 million; (2) 18 percent of loan accounts contained errors or lacked adequate documentation to support the billed amount; (3) errors typically resulted from lenders miscalculating loan principal balances and interest subsidies or continuing to bill Education after borrowers began repaying; and (4) three of the lenders voluntarily repaid Education for overbillings. GAO found that Education: (1) relied on lenders to maintain current and complete loan files, submit accurate billings, and make adjustments promptly; (2) required only summary information from lenders regarding bills, since supporting documentation was too voluminous for it to validate; (3) limited its verification of bills to checking mathematical accuracy and completeness; (4) conducted fewer than

500 on-site reviews of the 14,000 participating lenders in 1986; and (5) charged lenders interest on overbillings from the date it notified lenders of the error, but lacked authority to charge interest from the date of the actual overpayments.

Open Recommendations to Congress

Recommendation: Congress should amend the Higher Education Act to authorize the Secretary of Education to assess lenders' interest due to lender billing errors from the date of overpayment of interest and special allowance.

Status: Action not yet initiated.

Recommendation: Congress should amend the Higher Education Act to

require lenders to: (1) specify to their independent auditors that the verification of loan accounts and interest and special-allowance billing should be included in periodic independent financial audits; and (2) provide that errors identified are promptly reported to Education and the guaranty agency. Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Secretary of Education should revise the Guaranteed Student Loan Program regulations to require the Office of the Inspector General to assist program officials in developing audit standards for the guaranty agencies to use in reviewing lender billing systems and practices. Status: Action not yet initiated.

Recommendation: The Secretary of Education should revise the Guaranteed Student Loan Program regulations to stipulate that Education and guaranty agency audits of lenders include tests of the accuracy of lender loan accounts and billing statements to provide a statistically valid basis for recovering overpayments. Status: Action not yet initiated.

Other Labor Services

Strong Leadership Needed To Improve Management at the Department of Labor

HRD-86-12, 10/21/85

Background

GAO reviewed how the Department of Labor could improve management by: (1) identifying and handling emerging issues; (2) minimizing vulnerability in implementing and controlling management systems for efficient and effective program delivery; and (3) operating financial, procurement and automatic data processing (ADP) systems in a business-like way.

Findings

GAO found that Labor had no systematic, departmentwide, long-range policy planning process in such problem areas as: (1) determining how to best use the agency's investigators to achieve a credible enforcement program for pension plans; (2) reducing the lengthy time involved in issuing regulations; and (3) integrating the acquisition and use of ADP resources without unduly constraining component operations. GAO also found that the Secretary generally did not identify key priorities or

systematically track progress; however, where he did identify priorities, results were achieved. In addition, GAO found that: (1) information systems did not always provide sufficient data on mission attainment; (2) the monitoring of programs primarily operating at the state and local levels may not be identifying vulnerable areas; (3) program managers often did not perceive audits, reviews, and evaluations as identifying and resolving problems; (4) the agency might have lessened the adverse effect of reductions in force through better identification and planning for long-term staffing needs; (5) Labor's training and management development programs lacked credibility among many program managers; and (6) Labor has not operated key support functions such as financial management, ADP, procurement, and productivity improvement as effectively or efficiently as possible.

Open Recommendations to Agencies

Recommendation: The Secretary of Labor should direct the senior information resources management (IRM) official and the Assistant Secretary for Administration and Management (OASAM) to: (1) complete the development of a departmental strategy and ADP/telecommunications plan leading to a departmental plan for IRM; (2) improve guidance on conducting inventories and monitor the process of taking the inventory; (3) adequately review and approve/disapprove agency plans, systems needs, requirements, cost-benefit analyses, and proposed deviations from generally accepted testing procedures before systems are acquired or accepted; (4) periodically conduct IRM reviews covering system utilization and potential for functional consolidation; and (5) assess staffing needs to fulfill increased responsibilities. Status: Action in process. Labor has taken steps to improve its IRM, including: (1) consolidating IRM

functions in OASAM; (2) issuing a departmentwide IRM strategy; (3) preparing a departmental long-range IRM plan; (4) preparing IRM policies; (5) developing a program for IRM reviews; and (6) assessing staffing needs. Labor needs to issue guidance on how new systems will be tested, documented, and implemented.

Recommendation: The Secretary of Labor should reassess the emphasis

given to program evaluation within the Department to determine whether additional evaluations of key departmental activities would enable the Secretary to make more informed policy decisions and better control operations. **Status:** Action in process. Labor identified existing program evaluation activities and is assessing their usefulness in addressing policy matters.

Recommendation: The Secretary of Labor should implement a more systematic productivity improvement effort by directing program managers to routinely perform comparative trend and productivity analyses for their field offices.

Status: Action in process. When significant portions of Labor's functions are accepted by OMB for inclusion in the President's productivity program, comparative trend analyses will be done.

Social Services

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits

HRD-88-7, 10/01/87

Background

Pursuant to a legislative requirement, GAO reviewed the problems states encountered in verifying with the Immigration and Naturalization Service (INS) the eligibility of alien applicants for various federal aid programs.

Findings

GAO found that: (1) four of the six states it reviewed estimated costs and savings of about \$127,000 and \$3.1 million, respectively, in unemployment compensation as a result of alien verification pilot projects; (2) in 1983, California realized over \$19 million in savings before it abandoned its verification program as a result of a lawsuit; (3) New York realized about \$52,000 in savings but included erroneous payments; (4) only Colorado verified the eligibility of alien applicants for the Medicaid, Food Stamp, and Aid to Families with Dependent Children programs, but state officials did not

favor continuance of the pilot project because they believed that savings were small and few aliens sought benefits; (5) the six states it reviewed realized savings of about \$579,000 in education assistance programs; (6) there was no alien verification for housing programs in the six states, since federal law and the courts prohibited denial of assistance to aliens; and (7) the federal and state governments do not collect data on alien program applicants and verification costs, making savings estimates difficult and unprojectable.

Open Recommendations to Agencies

Recommendation: The Attorney General should direct the Commissioner, INS, to increase efforts with federal program agencies, through user groups, to determine what information is needed to make eligibility verifications, such as on aliens permanently residing in the United States under color of law and

certain other aliens, should be included in the INS automated data base. Correspondingly, the Commissioner should develop plans to improve the completeness and quality of the automated data base.

Status: Action in process. Through an interagency users' group, INS has periodically discussed data needs for alien verification. An INS task force has identified data base inadequacies and errors and proposed resolution of them. In January 1988, some modifications were made to the data base that resulted in improved primary verification of alien status. Additional modifications continued through September 1988.

Recommendation: The Secretaries of Agriculture, Education, Health and Human Services, Housing and Urban Development, and Labor should begin developing criteria and methodologies for granting waivers and ensure that states and other administering agencies begin developing, through such means as

pilot tests, empirical performance data related to Immigration Reform and Control Act (IRCA) verification procedures for use in deciding waivers.

Addressee: Department of Agriculture
Status: Action in process. The Food and Nutrition Service (FNS) completed a study of the cost-effectiveness of IRCA verification procedures for the Food Stamp Program. FNS concluded that IRCA procedures did not appear cost-effective compared to the usual food stamp verification procedures. Interim final regulations including criteria for requesting and approving waivers were published October 1988.

Addressee: Department of Education
Status: Action in process. The Department of Education completed its national pilot test and determined that applying IRCA verification procedures to 8,000 postsecondary institutions would not be cost-effective. In its March 1988 report to Congress, Education waived its participation in the IRCA verification program. It is exploring centralized access to INS data that may be more cost-effective and efficient.

Addressee: Department of Health and Human Services
Status: Action in process. The Department of Health and Human Services (HHS) responded to the requirements of 31 U.S.C. 720 on May 23, 1988. HHS completed a study which indicated the IRCA verification requirements were cost-effective for the AFDC and Medicaid programs, but has not provided the required report to Congress on the cost-effectiveness of IRCA procedures or the criteria it will use to decide waiver requests.

Addressee: Department of Housing and Urban Development
Status: Action in process. The Department of Housing and Urban Development (HUD) sees no reasonable basis to grant waivers and believes that the telephone access method would be cost-effective even for the smallest administering entities. HUD wants 1

year of experience in verifying all documented aliens before developing waiver criteria. HUD issued proposed rules on restrictions on use of assisted housing by aliens.

Addressee: Department of Labor
Status: Action in process. On March 15, 1988, the Department of Labor (DOL) issued its bases for granting waivers only from automated verification and provided states with descriptions of data and information needed to support waiver requests. As of October 13, 1988, DOL had received 11 state requests to waive automated verification, had granted 8 of them, and denied the other 3.

Recommendation: The Secretaries of Agriculture, Education, Health and Human Services, Housing and Urban Development, and Labor should increase efforts to provide guidance to administering entities on IRCA requirements, the criteria and procedures for granting waivers, and the types of verification costs that will be reimbursable.

Addressee: Department of Agriculture
Status: Action in process. The Department of Agriculture (USDA) issued an interim rule on implementation requirements and reimbursable verification costs on October 7, 1988. Criteria and procedures for requesting waivers are being developed.

Addressee: Department of Health and Human Services
Status: Action in process. HHS has provided some interim guidance on IRCA verification requirements, but as of October 24, 1988, has not issued draft rules covering waiver criteria or reimbursable verification costs.

Addressee: Department of Housing and Urban Development
Status: Action in process. On October 19, 1988, HUD issued proposed rules for administering entities on the IRCA verification requirements.

Recommendation: The Secretaries of Agriculture, Education, Health and Human Services, Housing and Urban Development, and Labor should develop and implement plans for capturing data on numbers of alien applicants, savings, and costs of verification with INS and for monitoring the system to ensure that administering entities use the most effective and economical verification means.

Addressee: Department of Agriculture
Status: Action in process. The USDA interim rule guiding state food stamp agencies opting to implement IRCA verification procedures before October 1, 1988, requires them to submit for review and approval a state plan attachment and budget projection statement that provides data on the numbers of alien applicants, expected savings, and verification costs. USDA plans to retain this requirement after October 1, 1988.

Addressee: Department of Health and Human Services
Status: Action in process. In its response to the requirements of 31 U.S.C. 720, dated May 23, 1988, HHS plans to develop updated estimates of avoided costs by using alien data captured in ongoing program reports and data supplied by INS. Normal program and financial procedures will be used to monitor verification implementation and associated costs charged to AFDC and Medicaid programs.

Addressee: Department of Housing and Urban Development
Status: Action in process. HUD procedures will include minimal recordkeeping requirements to capture sufficient data. HUD believes that existing systems will be sufficient for monitoring and stated that administering entities are responsible for determining the most effective means of administering its programs, including verification. In its proposed rule, HUD

plans to arrange to pay all verification costs.

Addressee: Department of Labor

Status: Action in process. DOL is developing plans for data collection and monitoring.

Training and Employment

Emergency Jobs Act of 1983: Funds Spent Slowly, Few Jobs Created

HRD-87-1, 12/31/86

Background

In response to a congressional request, GAO provided information on federal agencies' and local governments' use of funds the Emergency Jobs Appropriations Act of 1983 provided, specifically: (1) when they spent the funds; (2) how many people they employed; (3) how many unemployed persons received jobs; (4) what efforts they made to provide employment to the unemployed; and (5) what benefits, other than employment, they provided.

Findings

GAO found that: (1) most programs and activities failed to spend their funds before June 1984, when economic recovery began; (2) public works programs spent their funds much more slowly than public service programs; (3) 34,000 people found jobs as a result of the act; (4) an estimated 131,000 people could have found jobs if agencies and local governments had spent all of the available funds during the first year; (5) only 35 percent of the unemployed found jobs as of September 1984; (6) in 7 of the 10 programs GAO surveyed, only 20 percent of the project officials made a

moderate attempt to hire persons unemployed at least 15 of the 26 weeks before passage of the act, while only half made an attempt to provide employment to unemployed persons, regardless of how long they had been unemployed; (7) unemployed persons obtained a relatively small percentage of the created jobs; and (8) the funds also provided for the construction of public libraries and roads, humanitarian assistance, including food and health services for the indigent, and the rehabilitation of public buildings and facilities, such as schools and parks.

Open Recommendations to Congress

Recommendation: In considering any future job creation legislation in response to an economic recession, Congress should emphasize programs and activities that historically have been able to quickly spend funds or that have projects available for immediate implementation to provide jobs when the economy needs them the most, placing less emphasis on public works programs and activities that traditionally have spent funds slowly.

Status: Recommendation valid/action not intended.

Recommendation: In considering any future job creation legislation in response to an economic recession, Congress should require that these programs and activities obligate and, to the extent practicable, spend funds within a specified time period following the end of the recession or after enactment of the legislation to ensure that jobs are created when most needed, allowing federal departments and agencies involved some discretion in granting exceptions where they are in the best interest of the government.

Status: Recommendation valid/action not intended.

Recommendation: In deliberating any future job creation legislation, Congress may wish to consider requiring federal departments and agencies that receive funds to maintain specific expenditure, employment, and other information needed to evaluate the program and to improve congressional oversight.

Status: Recommendation valid/action not intended.

Training and Employment

OSHA's Monitoring and Evaluation of State Programs

T-HRD-88-13, 04/20/88

Background

GAO discussed the Occupational Safety and Health Administration's (OSHA) efforts to: (1) monitor and evaluate state-operated safety and health programs; and (2) resume enforcement within the private sector in California.

Findings

GAO found that OSHA: (1) lacked effective monitoring and evaluation procedures; (2) relied primarily on its computerized management information system to assess state program quality; (3) did not provide for the collection and analysis of information that directly related to state program quality; and (4) did not establish performance levels or incentives for states to use in attaining occupational and health safety. GAO also found that: (1) diversion of its staff resources to provide enforcement in California hampered OSHA inspection efforts nationwide; (2) OSHA occupational safety and health standards

were limited in scope compared with California standards; (3) the number of safety and health inspections OSHA performed in California decreased because it was unable to fill staff positions; and (4) in 1988, total funding for worker protection activities in California decreased from \$33 million to \$16 million.

Open Recommendations to Agencies

Recommendation: OSHA should establish desired performance levels for use by state programs and consider providing incentives for states to attain them.

Status: Action not yet initiated. In June 1988, OSHA gave GAO a general response to this recommendation, but declined to provide a specific response or corrective action plan pending completion of a Department of Labor Inspector General study on the same topic.

Recommendation: OSHA should require that states establish quality assurance programs and then periodically review those efforts.

Status: Action not yet initiated. In June 1988, OSHA gave GAO a general response to this recommendation, but declined to provide a specific response or corrective action plan pending completion of a Department of Labor Inspector General study on the same topic.

Recommendation: OSHA should work with states to help them evaluate their programs' impact on worker safety and health.

Status: Action not yet initiated. In June 1988, OSHA gave GAO a general response to this recommendation, but declined to provide a specific response or corrective action plan pending completion of a Department of Labor Inspector General study on the same topic.

Training and Employment

Unemployment Insurance: Trust Fund Reserves Inadequate

HRD-88-55, 09/26/88

Background

GAO assessed the current financial status of states' unemployment insurance systems, focusing on: (1) trends in trust fund reserve balances

and borrowing; (2) the possible effects of future recessions on reserve balances and borrowing needs; and (3) the effects of recent federal policy changes on the systems' financial conditions and benefit eligibility.

Findings

GAO found that: (1) although the June 1987 reserve levels were at an all-time high of \$19.4 billion, they were inadequate to finance benefits that

states would need to pay during a recession; (2) the reserves would last about 5 months in a severe recession, while recent recessions have averaged 12 months, and the Department of Labor recommended 18 months as a state minimum; (3) by 1983, no state fund had adequate reserves and 23 were insolvent; (4) improved economic conditions helped states to reduce federal indebtedness, although reserves remained inadequate to cover recession-level benefit payments; (5) state trust funds will not accumulate adequate reserves even if the current economic expansion continues; (6) federal policies increased the costs of insolvency to states to encourage them to repay federal loans

promptly; and (7) states reduced the percentage of the unemployed eligible for benefits, from nearly 55 percent in 1952 to 32 percent in 1986. GAO believes that the failure of most state unemployment insurance funds to maintain adequate reserves has eroded the system's self-financing feature and increased the potential for massive borrowing.

Open Recommendations to Congress

Recommendation: Congress may wish to establish a standard for the level of reserves to be maintained by state unemployment insurance trust funds.

Status: Action not yet initiated.

Recommendation: Because current policy regarding federal lending to state trust funds has had the effect of encouraging an erosion of benefits to many workers, Congress may wish to craft any measure to improve reserve adequacy in a manner that does not further erode benefit eligibility.
Status: Action not yet initiated.

Recommendation: Congress may wish to consider program changes that would help offset the fiscal burden that falls on states with chronically high unemployment rates.
Status: Action not yet initiated.

Training and Employment

Job Training Partnership Act: Participants, Services, and Outcomes

T-HRD-88-31, 09/29/88

Background

GAO discussed its review of the Job Training Partnership Act (JTPA) to determine the: (1) characteristics of individual participants; (2) kinds and intensity of services they received; and (3) occupations in which they received employment after leaving the program.

Findings

GAO found that: (1) in the two job readiness groups, the program served significantly fewer school dropouts than among the eligible population; (2) JTPA participants spent an average of 18 weeks enrolled in the program, but little of that was basic education or work experience; (3) the less job-ready

participants received less intensive training and more job search assistance; (4) although those who received only job search assistance had higher placement rates, those who received occupational training generally received higher-skilled jobs with higher wages; (5) although on-the-job training (OJT) allowed JTPA participants to earn wages while training, over 40 percent of those were lower-skill occupations; (6) 85 percent of the OJT contracts for training exceeded the Department of Labor's suggested training time; and (7) contracts that provide excessive OJT may provide employers with a wage subsidy, since JTPA participants reimburse employers for one-half of their wages while in training.

Open Recommendations to Congress

Recommendation: Congress may wish to consider whether some additional guidance on program targeting is desirable.
Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Department of Labor should exercise more explicit oversight and provide clearer guidance on what duration of OJT is appropriate for specific occupations.
Status: Action not yet initiated.

Emergency Energy Preparedness

More Assurance Is Needed That Strategic Petroleum Reserve Oil Can Be Withdrawn as Designed

RCED-85-104, 09/27/85

Background

Pursuant to a congressional request, GAO conducted a review to determine whether the Department of Energy (DOE) will be able to withdraw Strategic Petroleum Reserve (SPR) oil at the designed rate and sustain that rate over time. DOE has been implementing a three-phase plan to develop a 750-million barrel SPR at six sites in Louisiana and Texas, of which 483.5 million barrels were in storage.

Findings

GAO found that DOE is continuing to develop additional storage capacity at three of the sites and is using a process known as leaching to remove salt deposits at another site. While SPR was designed so that oil could be withdrawn at any time, DOE has established specific withdrawal rates to be achieved at the completion of each phase. Operational and technical problems exist in pipelines and pumping equipment

that may affect the ability to achieve the designed drawdown rate and, although marine growth and debris have reduced the amount of water available to force oil out of storage, DOE has not determined the impact. DOE contractor reports state that there is a high degree of corrosion in one major oil pipeline and uncertainty about the quality of some of the buried pipe's ability to hold up under the pressure required for drawdown. DOE has been aware of maintenance, support, and repair problems, but has been slow in initiating corrective actions. DOE used a computer model to simulate SPR capabilities for an extended drawdown; however, because of the operational problems and delays in corrective actions, GAO believes that reliance on the computer, which assumes ideal operating conditions, is questionable. Although tests showed that oil could be withdrawn from the sites, the test duration was not long enough to adequately assess equipment reliability.

Open Recommendations to Agencies

Recommendation: To ensure that the SPR system has the capability to provide a readily available supply of oil, the Secretary of Energy should direct the Manager, Oak Ridge Operations Office, to test the raw water systems to ensure that drawdown is not limited by inadequate water supplies, after making the planned modifications to the Bryan Mound and West Hackberry raw water lines and the intake channel at Bryan Mound.

Status: Action in process. Estimated completion date: 12/89. DOE continues to modify the raw water systems at Bryan Mound and West Hackberry. A new 36-inch pipeline will be constructed at Bryan Mound in August 1989 and tested the following quarter. Subsequently, the drawdown criteria at West Hackberry will be revised and tested, probably in 1989.

Emergency Energy Preparedness

Naval Petroleum Reserve-1: Data Inaccuracies Complicate Production and Ownership Issues

RCED-87-105BR, 03/24/87

Background

In response to a congressional request, GAO examined: (1) whether the rate of

oil production at the Naval Petroleum Reserve (NPR-1) meets the requirements of the Naval Petroleum Reserves Production Act; and (2) the effects of

production data inaccuracies and omissions on the Department of Energy's (DOE) final settlement of each owner's account.

Findings

GAO found that production data for NPR-1 showed that: (1) the allocation of oil, gas, and water produced from commingled wells was inaccurate; (2) computer-generated reports were inaccurate because of programming and data entry errors; (3) DOE made unexplained changes to records; (4) since production data were inaccurate, production rates may not have met statutory requirements; and (5) there was an absence of effective internal controls that could have prevented or limited the impact of these problems. In addition, the methods that DOE used to determine the production of various pools and strata in commingled wells compounded production inaccuracies and added to the uncertainties about oil production from each pool and computation of owners' shares. Although DOE acknowledged its production data

problems and took action to correct its data entry and computer program errors and allocation factors for commingled wells, it was not concerned about the potential effects of these problems on divestiture of the government's share of NPR-1 or the ability to produce at the maximum efficient rate.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should give priority attention to correcting the production data inaccuracies, establishing an allocation system that more accurately reflects the source of petroleum production in commingled wells, and developing a system to better define production ownership.

Status: Action in process. In April 1987, DOE initiated actions to correct

computer programs and data entry errors. Errors are still occurring in NPR-1 production data and DOE does not know how much oil belongs to the government. Actions were taken to revise commingled well allocation factors. A reserve study was delivered to DOE in 1988; however, it has not produced the information DOE needs to better define ownership.

Recommendation: The Secretary of Energy should ensure that the government's interests concerning the allocation of past production and remaining recoverable reserves are protected in any proposed sale of NPR-1. **Status:** Action not yet initiated. The proposed sale has not been approved by Congress. DOE has not explained how it will ensure a fair and equitable settlement with Chevron.

Emergency Energy Preparedness

Naval Petroleum Reserve No. 1: Examination of DOE's Report on Divestiture

RCED-88-151, 08/25/88

Background

In response to a congressional request, GAO examined: (1) the Department of Energy's (DOE) report on the proposed divestiture of Naval Petroleum Reserve 1 (NPR-1); and (2) whether DOE could lease the reserve instead of selling it.

Findings

GAO found that the report did not justify the sale of NPR-1 assets, since it: (1) lacked a comprehensive study of all producing pools at NPR-1 to estimate the reserve's value, but relied instead on

1987 long-range-production data; (2) estimated the reserve's value from an industry perspective but did not provide adequate information on the government's ownership interest in NPR-1; (3) covered such issues as defense requirements, foreign ownership, and state claims to certain NPR-1 lands, but discounted the Department of Defense's need for access to an oil reserve for national security reasons; and (4) did not consider leasing as an alternative to either selling or keeping NPR-1. GAO also found that the report's: (1) marketing plan would not sufficiently promote competition or maximize sales

revenue because it provided an undue advantage to the firm that had joint ownership of the reserve; and (2) proposed sales date of September 30, 1989, would not allow sufficient time to complete a new study, negotiate an agreement with the joint owner, and complete the sales process. GAO believes that DOE should study leasing NPR-1 as a way to protect government interests.

Open Recommendations to Agencies

Recommendation: To provide better information on whether an NPR-1 sale is in the public interest and on whether a divestiture determination by Congress could be formulated, the Secretary of Energy should revise the June 30, 1987, report to Congress by assessing the value to the government of retaining and producing NPR-1, using revised estimates for reserve data, production schedules and operating costs from the comprehensive reserve study, government-generated oil and gas price forecasts, and a discount rate based on the government's borrowing costs.
Status: Action not yet initiated.

Recommendation: To provide better information on whether an NPR-1 sale is in the public interest and on whether a divestiture determination by Congress could be formulated, the Secretary of Energy should assess where the private sector's assumptions concerning the valuation factors would likely differ and

then: (1) develop sensitivity analyses to show the magnitude of these differences on the NPR-1 net present value; and (2) identify the advantages of private versus government ownership.
Status: Action not yet initiated.

Recommendation: To provide better information on whether an NPR-1 sale is in the public interest and on whether a divestiture determination by Congress could be formulated, the Secretary of Energy should prepare an analysis of the feasibility and the potential benefits to the government of leasing NPR-1 and determine what actions would be required to enter a leasing program.
Status: Action not yet initiated.

Recommendation: In the event that Congress elects to authorize an NPR-1 sale, the Secretary of Energy should ensure that the maximum amount of data DOE has on NPR-1 is available to all potential bidders so as to minimize any advantages that Chevron may have over other bidders in the sales process.
Status: Action not yet initiated.

Recommendation: In the event that Congress elects to authorize an NPR-1 sale, the Secretary of Energy should ascertain the validity of small and independent refiners' claims that they would be excluded from bidding on a portion of NPR-1, and, if the claims are valid, determine: (1) how that fact might affect the competitive bid process envisioned; and (2) alternate means of ensuring supplies of light oil to these users.
Status: Action not yet initiated.

Recommendation: In the event that Congress elects to authorize an NPR-1 sale, the Secretary of Energy should examine the impact of the possibility that a single large company could buy all or most of NPR-1, determine what Department of Justice involvement in the sale might do to the timely nature envisioned for completing the sale and, if necessary, assess the impact on the sale of restricting any one bidder to a certain maximum share of NPR-1.
Status: Action not yet initiated.

Energy Conservation

Energy Conservation: States' Use of Interest Earned on Oil Overcharge Funds

RCED-88-51, 02/04/88

Background

In response to a congressional request, GAO reviewed the Department of Energy's (DOE) compliance with a GAO recommendation that it implement a policy requiring states to use the interest earned on oil overcharges for energy assistance programs.

Findings

GAO found that: (1) DOE failed to adequately ensure that states implemented its policy requiring them to use oil overcharge interest only for energy assistance programs; (2) eight states stated that DOE failed to inform them of its policy on the use of oil overcharge interest; (3) four of the eight states did not use the interest for energy assistance programs; (4) a DOE survey of

states' use of oil overcharge interest showed that some were using the funds for purposes other than energy assistance; and (5) in California, officials deposited oil overcharge interest to the state's general fund because they were unaware of DOE requirements. GAO believes that other states may be improperly using oil overcharge interest.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should formally notify states that interest earned on Warner funds must be used for the authorized energy assistance programs. As part of this notification, the Secretary should

require states to: (1) report interest earned on Warner funds; and (2) certify that this interest has been or will be used for the authorized energy assistance programs.

Status: Action in process. The states are to notify DOE by September 30, 1988 of the amount of interest earned on

Warner funds and certify that the funds were used for authorized energy assistance programs or remit any funds not used for these programs. DOE is following up on some of the states' responses and should complete its actions by November 30, 1988.

Energy Information, Policy, and Regulation

Department of Energy: Allegations About the Director of the Office of Minority Economic Impact

RCED-86-95, 06/12/86

Background

Pursuant to a congressional request, GAO investigated various allegations against the former Director of the Department of Energy's (DOE) Office of Minority Economic Impact (OMEI), focusing on allegations that the Director: (1) proposed a reduction in force (RIF) to retaliate against the two affected employees; (2) claimed travel expenses for trips not related to government business; and (3) misused government telephones and vehicles.

Findings

GAO found that: (1) there was no direct evidence to support the allegation that the Director proposed RIF to retaliate against employees; (2) there was substantial circumstantial evidence supporting the view that retaliation was a significant factor in her decision to

propose RIF; (3) the Director failed to follow established DOE RIF procedures in proposing, conducting, and notifying the employees of RIF; (4) the Director made a number of trips to her home state and there were discrepancies between her itineraries and vouchers regarding the purposes of the trips and the length of stay necessary to accomplish official business; (5) on one occasion, an OMEI grantee improperly paid the Director's hotel bill; (6) the Director extensively used federal telephones for what appeared to be personal calls; (7) the Director used DOE vehicles and drivers for a number of trips that may have been related to personal business; (8) there was little support for an allegation that the Director used OMEI staff and supplies to conduct personal business; and (9) there was no evidence that the Director engaged in illegal contracting activities.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should request the Inspector General to determine the extent to which the Director's trips were personal, and whether regulations covering conflict of interest, salary, and appropriation augmentation were violated. Based on these determinations, the Secretary should take cost recovery and other actions, as appropriate.

Status: Action in process. The Secretary of Energy has determined that the trips in question were official government travel. The Secretary also determined that the Mendez Foundation improperly paid for the expenses for one of the Director's trips to Puerto Rico. It is not known yet whether the Director has returned the money received to the grantee and filed a travel voucher for the trip.

Energy Information, Policy, and Regulation

Nuclear Security: DOE's Reinvestigation of Employees Has Not Been Timely

RCED-87-72, 03/10/87

Background

In response to a congressional request, GAO provided information on the adequacy of the Department of Energy's (DOE) periodic reinvestigations of employees' security clearances for access to nuclear defense programs.

Findings

GAO found that DOE: (1) has been unable to meet its goals to reinvestigate security clearances at headquarters and some field offices; (2) may have cleared employees in its work force who were unsuitable for clearance because of serious drug, alcohol, or other problems; (3) should develop a plan to ensure timely reinvestigations; and (4) should review the appropriateness of the

number and level of active clearances, since these factors largely determine the reinvestigation work load.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should develop a plan to bring headquarters and the field offices into compliance with the December 1985 Personnel Security Program Order. The first step in the planning process should focus on how the numbers and levels of active clearances can be reduced. DOE may be able to reduce clearance numbers and levels by ensuring that only employees who require clearances have them, that employees have the lowest clearance level needed to do their

jobs, and that clearances for individuals who are no longer associated with DOE are promptly terminated. The plan should consider: (1) reinvestigation work-load requirements; and (2) resources needed to meet those requirements. In addition, the Secretary should direct the Assistant Secretary for Defense Programs (ASDP) to review and approve the plans, monitor their implementation, and annually report to him on compliance with the order.

Status: Action in process. Plans for all 11 offices have been received. Four are being revised, and seven are being reviewed for ASDP approval. All will be coordinated with the Assistant Secretary for Management and Administration (ASMA) prior to approval. Annual monitoring is provided for.

Energy Information, Policy, and Regulation

Nuclear Nonproliferation: Department of Energy Needs Tighter Controls Over Reprocessing Information

RCED-87-150, 08/17/87

Background

In response to a congressional request, GAO examined Department of Energy (DOE) activities that may assist foreign countries in the development of nuclear weapons material, focusing on DOE controls over: (1) dissemination of information related to the reprocessing of spent nuclear fuel; (2) cooperative

research activities it conducts with foreign countries; and (3) involvement of foreign nationals in sensitive nuclear activities and research.

Findings

GAO found that: (1) in 1984 and 1985, DOE produced 258 documents related to the reprocessing of spent nuclear fuel

that were available to anyone who wanted them; (2) countries posing a proliferation or security risk obtained copies of these documents, some of which contained information on improved methods of purifying plutonium to weapons-useable levels; (3) DOE has not applied for a Freedom of Information Act (FOIA) exemption for applied technology related to reprocessing, since

its position is that it should honor such requests; and (4) the Nuclear Non-Proliferation Act of 1978 (NNPA) does not support the DOE method of determining when to conduct sensitive nuclear technology (SNT) transfers with other countries. GAO also found that: (1) foreign nationals comprised 30 percent of masters program enrollments and 50 percent of doctoral program enrollments in U.S. university nuclear engineering programs in 1985; and (2) DOE does not

have effective administrative control over the 15,000 to 20,000 foreign nationals who visit or work at its facilities each year.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should seek an exemption from FOIA for all reprocessing technology developed by DOE. Such an exemption

can take the form of a revision to section 148 of the Atomic Energy Act or a provision specifically exempting reprocessing data from FOIA.

Status: Action in process. DOE is exploring the recommended approach to resolving this problem. In the interim, it is controlling the dissemination of reprocessing data through currently available means.

Energy Information, Policy, and Regulation

Energy Management: DOE Controls Over Contractor Expenditures Need Strengthening

RCED-87-166, 08/28/87

Background

In response to a congressional request, GAO evaluated the Department of Energy's (DOE) management controls over procurement practices, specifically: (1) subcontract activities; (2) procedures to protect against bribes and kickbacks; and (3) payment practices. In addition, GAO gathered information on the cost to the federal government of state-imposed taxes on DOE contractors.

Findings

GAO found that DOE had: (1) not established a common definition of competition for its contractors; (2) waived its requirement that contractors publish procurement notices for proposed contracts over \$100,000; and (3) not regularly reviewed contractors' procurement in two categories that it exempted from competition. As a result, DOE has little assurance that its contractors procure items fairly and at the lowest possible cost.

Open Recommendations to Congress

Recommendation: In view of congressional concern about the national debt and the need to reduce federal expenditures, Congress may wish to consider exempting federal agencies' operating contractors from certain state taxes.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should ensure that DOE defense-related operating contractors stress competition in awarding subcontracts and establish a common definition of competition to ensure consistent application and reporting among operating contractors. In developing this definition, DOE should consider the requirements of federal procurement statutes and regulations.

Status: Action taken not fully responsive. DOE issued a rulemaking

which it believed was responsive to this recommendation; however, GAO believes the rulemaking was not specific enough to be responsive. GAO written analyses of DOE comments were sent to the requesting subcommittee chairman on May 5, 1988 at his request. The chairman plans to forward GAO and staff comments to DOE and ask DOE to fully implement the recommendation.

Recommendation: The Secretary of Energy should ensure that DOE defense-related operating contractors stress competition in awarding subcontracts and enforce the DOE procedure that the DOE operating contractors publish notices in the Commerce Business Daily for all proposed procurements over \$100,000 with certain exceptions, as specified in the Federal Acquisition Regulation.

Status: Recommendation valid/action not intended. DOE altered its regulation to delete the DOE requirement that contractors publish notices in Commerce Business Daily for all proposed

procurements over \$100,000 with certain exceptions. GAO does not believe that DOE provided adequate justification for deleting the requirement.

Recommendation: The Secretary of Energy should ensure that DOE defense-related operating contractors stress competition in awarding subcontracts and establish standard procedures for operating contractors to follow in seeking to obtain competition, including requirements to conduct and document thorough market searches. In addition, the Secretary should establish a task force to study whether or not the operating contractors' administrative costs of extending the requirement for publishing notices to procurements between \$25,000 to \$100,000 outweigh the benefits resulting from increased competition.

Status: Recommendation valid/action not intended. DOE disagreed with this recommendation for various reasons. GAO does not believe the DOE reasons are valid.

Recommendation: The Secretary of Energy should ensure that DOE defense-related operating contractors stress competition in awarding subcontracts and regularly review contractors' use of B-items and integrated contractor orders

to ensure that the noncompetitive status of procurements that are exempted from competition is justified.

Status: Action taken not fully responsive. DOE agreed with this recommendation as it pertains to B-items and has taken action to implement it. But DOE disagreed regarding integrated contractor orders, stating that its procedures allow oversight of such orders. Nevertheless, GAO found that DOE was not regularly reviewing these orders.

Recommendation: The Secretary of Energy should develop uniform, minimum anti-kickback procedures to be used in implementing the Anti-Kickback Enforcement Act of 1986. These procedures should be consistent with the government-wide procedures being developed by the General Services Administration and expeditiously incorporated into DOE defense-related operating contracts.

Status: Recommendation valid/action not intended. DOE stated that the procedures described in the Federal Acquisition Regulation were adequate to fully comply with the act, and that each contractor should have the latitude to institute its own standards of conduct. GAO noted that DOE plans to implement the act will not satisfy the

recommendation and GAO believes that DOE should prescribe mandatory, uniform, minimum procedures to follow.

Recommendation: The Secretary of Energy should require contractors to implement practices consistent with the Prompt Payment Act and maintain records to allow evaluation of their practices.

Status: Recommendation valid/action not intended. DOE stated that: (1) contractors are not required to follow the Prompt Payment Act; and (2) the small interest penalties involved do not warrant any action. GAO acknowledged that the act does not apply to contractors and that the interest penalties were small. GAO pointed out that, nevertheless, competition could be enhanced if DOE instituted a prompt payment provision for contractors.

Recommendation: The Secretary of Energy should require DOE operations office managers to evaluate contractor payment practices as part of their contractor procurement system reviews. This would include follow-up of any promised corrective actions.

Status: Action not yet initiated. DOE did not respond to this recommendation, which GAO believes is valid.

Energy Information, Policy, and Regulation

Nuclear Security: DOE Needs a More Accurate and Efficient Security Clearance Program

RCED-88-28, 12/29/87

Background

In response to a congressional request, GAO reviewed the Department of Energy's (DOE) personnel clearance and security program, including: (1) the

timeliness of the process for granting, suspending, and revoking clearances; (2) factors that affect the clearance work load; and (3) the accuracy of DOE clearance data bases.

Findings

GAO found that: (1) because DOE personnel security clearance processes were lengthy, they lowered productivity,

increased costs, and posed security concerns; (2) clearance staffs lacked resources to complete some clearance steps; (3) DOE has not fully implemented steps to reduce clearance levels that are too high or to terminate unnecessary clearances; and (4) contractors failed to obtain pre-employment information (PEI) on job applicants before hiring them. GAO also found that DOE security clearance files were inaccurate because: (1) DOE created new data bases without validating the data; (2) field offices often failed to enter new data; (3) contractors', field offices', and headquarters' data bases did not communicate effectively; and (4) DOE did not always validate data base information.

Open Recommendations to Agencies

Recommendation: To improve the effectiveness of the PEI process, the Secretary of Energy should ensure contractor compliance with security clearance PEI requirements.

Status: Action in process. Estimated completion date: 03/89. DOE-wide compliance evaluations are underway.

Recommendation: To improve the effectiveness of the PEI process, the Secretary of Energy should amend its regulations to require contractors, as part of PEI, to specifically address drug

and other substance abuse in the determination of employee suitability. **Status:** Action in process. Estimated completion date: 05/89. DOE orders on drugs in facilities are under revision.

Recommendation: To improve the timeliness of security clearance processing and avoid unnecessary costs and adverse impacts on security and productivity, the Secretary of Energy should take needed actions to ensure that sufficient staff are assigned to implement and adhere to those time frames.

Status: Action in process. DOE is continuing its re-evaluation of the potential for staff realignments and use of contractors.

Recommendation: To improve the timeliness of security clearance processing and avoid unnecessary costs and adverse impacts on security and productivity, the Secretary of Energy should assess whether a simplified administrative review process is appropriate for DOE and, if so, adopt it.

Status: Action in process. Estimated completion date: 12/88. A study is underway that will recommend steps to increase efficiency.

Recommendation: To ensure a reliable and efficient security clearance data base, the Secretary of Energy should validate the accuracy and completeness

of its security clearance data base from the contractor files to the Central Personnel Clearance Index and develop appropriate updating techniques to ensure they remain current.

Status: Action in process. Estimated completion date: 12/88. Modernization of system and data file reconciliation is underway.

Recommendation: To ensure a reliable and efficient security clearance data base, the Secretary of Energy should determine whether one DOE data base, properly maintained, can serve all DOE clearance needs, including those of its contractors, rather than keeping the current multi-layered system.

Status: Action in process. Estimated completion date: 12/88. A decision is to be made at the end of the modernization project.

Recommendation: To improve control of classified information, the Secretary of Energy should revise its security training program to: (1) develop more uniform need-to-know training materials that cover all aspects of the principle, including specific instructions on implementation; and (2) ensure that such training is provided annually to employees as currently required.

Status: Action in process. Estimated completion date: 12/88. The first of four video tapes was completed and is in the process of distribution to facilities.

Energy Information, Policy, and Regulation
Energy Regulation: Opportunities for Strengthening Hydropower Cumulative Impact Assessments

RCED-88-82, 03/10/88

Background

In response to a congressional request, GAO examined the Federal Energy Regulatory Commission's (FERC) responsibilities under the Federal Power Act for assessing the cumulative impact of hydroelectric power projects on natural resources, specifically: (1) FERC plans for using the River Basin Environmental Impact Statement Procedure (EIS) as an alternative to the Cluster Impact Assessment Procedure (CIAP); and (2) deficiencies in FERC impact assessment procedures and whether the development of comprehensive plans can address these deficiencies.

Findings

GAO found that: (1) FERC designed CIAP to ensure early and extensive state

and federal resource agency involvement in assessments through several public meetings and workshops, whereas EIS required only one public meeting; (2) although FERC was not legally required to formally notify the public of its decision to use EIS as it did before using CIAP, its failure to do so could appear to be a withdrawal from its earlier efforts to encourage public involvement in the assessments; (3) interested parties felt that FERC had inadequate data on the extent to which other land and water uses could adversely affect resources to carry out a reasoned evaluation; and (4) although Congress amended the act to require FERC to consider the extent to which hydroelectric projects were consistent with federal and state comprehensive plans, FERC had no further plans for implementing the amendment other than issuing

requirements for comprehensive development.

Open Recommendations to Agencies

Recommendation: The Chairman, FERC, should formally announce FERC plans for using CIAP, EIS, or some other procedure to carry out future assessments and provide interested parties with an opportunity to comment on such plans.

Status: Action in process. FERC stated that it would decide on the cumulative impact procedures to be used in major river basins. GAO plans to review such decisions to see if they clearly set forth the procedures to be used in each basin.

Energy Information, Policy, and Regulation
Nuclear Regulation: Action Needed To Ensure That Utilities Monitor and Repair Pipe Damage

RCED-88-73, 03/18/88

Background

In response to a congressional request, GAO: (1) assessed the pipe degradation problems at the Surry and Trojan nuclear power plants; and (2) addressed actions that the Nuclear Regulatory Commission (NRC) and the utilities took

to identify and correct pipe system problems.

Findings

GAO found that: (1) prior to the Surry accident, neither NRC nor the industry believed that nuclear plants were

susceptible to pipe deterioration; (2) neither NRC regulations nor industry standards required monitoring of erosion and corrosion in single-phase pipes; (3) utility companies found widespread damage at Surry and widespread erosion and corrosion in both the regulated and unregulated portions of Trojan; (4)

although the utilities took corrective action to replace unacceptable pipes, no industry-wide commitment exists to ensure that all utilities monitor pipe system integrity; and (5) after NRC required all utilities to report the extent of known damage due to erosion or corrosion, it identified 34 nuclear plants with some damage.

Open Recommendations to Agencies

Recommendation: Due to the significance of the information that has been developed concerning erosion and corrosion at nuclear power plants, the Chairman, NRC, should require utilities to: (1) inspect all nuclear plants to develop data regarding the extent that erosion and corrosion exist in pipe systems, including straight sections of

pipe; (2) replace pipe that does not meet the industry's minimum allowable thickness standards; and (3) periodically monitor pipe systems and use the data developed during these inspections to monitor the spread of erosion and corrosion in the plants.

Status: Action in process. After NRC completes its inspection of selected plants, NRC will decide whether to impose additional requirements.

Energy Information, Policy, and Regulation

Energy Management: States' Use and DOE Oversight of Exxon and Stripper Well Overcharge Funds

RCED-88-152, 06/14/88

Background

In response to a congressional request, GAO evaluated states' use of over \$3 billion from certain oil overcharge cases to determine whether: (1) states' use of the funds, including interest, met legislative and judicial requirements; and (2) the Department of Energy's (DOE) plans for monitoring states' use of the funds also met the requirements.

Findings

GAO found that: (1) the seven states it reviewed planned to use the funds on allowable projects, such as providing restitution to injured parties through energy conservation or energy assistance; (2) DOE approved the states plans to use \$57.8 million, or 16 percent of the funds, for road and bridge repair, research, and other projects that directly benefited state and local governments, but which DOE had previously

considered not to be restitutionary or energy-related; and (3) DOE relied on states to carry out on-site monitoring of the funds' use. GAO also found that: (1) DOE procedures for monitoring state use of nongrant funds were inadequate because they did not provide on-site monitoring or establish expectations for states; (2) as of June 30, 1987, the states approved plans to spend an estimated \$67 million on nongrant projects; (3) DOE relied on field offices to develop monitoring procedures to ensure that states spent interest earned from the funds on energy-related programs; (4) five of the seven states it reviewed met the requirement to credit interest earned to oil overcharge accounts, while the other two credited approximately \$3 million in interest to other program accounts; and (5) two states used about \$17.7 million of the funds to supplant state funds, while another used \$1.7 million to reduce its funding of a project.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should direct the Assistant Secretary for Conservation and Renewable Energy to: (1) formulate, for stripper well funds used for nongrant projects, monitoring procedures that comply with the Petroleum Overcharge Distribution and Restitution Act of 1986 requirement that all stripper well funds distributed to states be monitored in a manner substantially similar to the distribution of funds under the Warner Amendment; and (2) ensure that DOE field offices develop and implement monitoring procedures that adequately detect states' improper use of interest earned on Exxon and stripper well funds and states' use of Exxon and stripper well funds to supplant state funds.

Status: Action taken not fully responsive. DOE believed its existing procedures are adequate.

Energy Information, Policy, and Regulation

Nuclear Health and Safety: Oversight at DOE's Nuclear Facilities Can Be Strengthened

RCED-88-137, 07/08/88

Background

In response to a congressional request, GAO examined the Department of Energy's (DOE) environment, safety, and health (ES&H) activities, including: (1) the possibility that DOE could reduce the visibility and management it currently gives to safety and health issues; (2) legislatively mandated independent oversight of DOE nuclear facilities; and (3) unclear safety standards.

Findings

GAO found that: (1) DOE created an Assistant Secretary for ES&H in 1985 to oversee the operations and contractors responsible for its nuclear defense facilities; (2) since the health and safety

functions of the office were not legislatively mandated, DOE could relegate these issues to a level that would not provide top management attention; (3) although DOE created an advisory committee on nuclear facility safety, it did not meet GAO criteria for effective and independent oversight; and (4) since DOE did not determine what commercial safety standards were applicable to its nuclear facilities, it could not determine if its facilities were safe compared to commercial nuclear facilities.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should revise DOE orders to

establish meaningful safety standards and implementation policies to guide continued operation of existing facilities and to use as baseline safety criteria for developing its future strategy for the defense complex. This revision should include a formal process to: (1) clearly identify the commercial standards, guides, and codes that should be applied to DOE nuclear facilities; and (2) justify when a standard is not met.

Status: Action in process. DOE has indicated its agreement with this recommendation and states that full implementation is underway. However, DOE is not specific on actions being taken or estimated time frames for completion.

Energy Information, Policy, and Regulation

Nuclear Health and Safety: Stronger Oversight of Asbestos Control Needed at Hanford Tank Farms

RCED-88-150, 07/29/88

Background

Pursuant to a congressional request, GAO investigated potential asbestos exposure problems at the Department of Energy's Hanford site in Richland, Washington (DOE/RL), focusing on the activities of the: (1) contractor who operated the site's tank farms until June 1987; and (2) current contractor.

Findings

GAO found that the original contractor: (1) performed four asbestos removal and repair jobs in 1987; (2) did not provide employee monitoring and supervision for the jobs; (3) did not begin to provide training for such work until April 1987; (4) requested an exemption, which DOE/RL improperly granted, exempting

it from full compliance with 8 of 14 revised Occupational Health and Safety Administration (OSHA) requirements by the mandated deadline; (5) established an asbestos control plan for implementing the guidelines within 9 months; and (6) did not ensure compliance with the asbestos requirements. GAO also found that the

current contractor: (1) did not provide employee monitoring or supervision for the two asbestos removal and repair jobs it performed in 1987; (2) continued to use the first contractor's asbestos control plan when it replaced that contractor; (3) conducted inadequate oversight of asbestos jobs and failed to ensure compliance with safety and health requirements; and (4) plans to improve its operations by providing asbestos medical examinations, clarifying the role of tank-farm operators in assisting

asbestos workers, providing employee exposure monitoring, and providing competent supervision of asbestos jobs.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should direct the Manager, DOE/RL, to build on recent corrective initiatives by actively overseeing the asbestos program to ensure that its contractors effectively implement and

comply with all DOE/OSHA asbestos requirements.

Status: Action in process. DOE agreed with the recommendation. Although DOE has not yet fulfilled the requirements of 31 U.S.C. 720, it has requested its field office managers to maintain active oversight of its asbestos program to ensure compliance with DOE/OSHA requirements. DOE issued guidance on implementation of asbestos control and initiated two special reviews of its contractor's asbestos programs.

Energy Information, Policy, and Regulation

Nuclear Regulation: NRC's Decommissioning Cost Estimates Appear Low

RCED-88-184, 07/29/88

Background

In response to a congressional request, GAO discussed the: (1) adequacy of the Nuclear Regulatory Commission's (NRC) cost estimates for decommissioning nuclear power plants and fuel-cycle facilities; and (2) methods that utilities and operators could use to ensure the availability of decommissioning funds.

Findings

GAO found that: (1) the NRC cost estimates were low because they did not consider the costs of shipping spent fuel and demolishing nonradioactive structures as decommissioning activities; (2) NRC regulations did not include requirements to clean up either on-site

or off-site facilities in the event of an accident; (3) since the full extent of decommissioning costs was unknown, estimates from various sources ranged from \$10 million to about \$3 billion per nuclear power plant; (4) most experts believed that the NRC estimate of \$750,000 to decommission fuel-cycle facilities was low; and (5) new NRC regulations requiring utilities and fuel-cycle operators to accumulate funds through prepayment, an external sinking fund, surety bonds, or insurance would provide reasonable assurance that funds will be available for decommissioning.

Open Recommendations to Agencies

Recommendation: The Chairman, NRC, should reexamine NRC estimates to determine whether they appropriately reflect all the costs that utilities and fuel-cycle operators believe are needed to decommission their facilities. NRC should use information being developed to decommission Shippingport and the information gained in resolving the differences between the Battelle Pacific Northwest Laboratory and TLG Engineering, Inc. estimates for the Washington Public Power Supply System Unit 2 plant.

Status: Action not yet initiated. NRC expected to respond to this recommendation by November 18, 1988.

Energy Information, Policy, and Regulation

Energy Management: DOE/Martin Marietta Royalty-Sharing Agreement

RCED-88-194, 08/12/88

Background

In response to a congressional request, GAO reviewed an agreement between the Department of Energy (DOE) and the operator of two of its facilities to determine whether the agreement violated a legislative restriction against DOE augmentation of its appropriation.

Findings

GAO found that: (1) the contractor's deposit of royalties into an account which it controlled was not an improper

augmentation of the DOE appropriation; (2) the contractor could also use the royalties to carry out technology transfer activities authorized under the agreement without improperly augmenting the DOE appropriation; (3) DOE decided to continue depositing reimbursements of DOE patent costs into the Treasury; and (4) DOE had not decided whether it would use the reimbursements for patent and licensing costs of waived inventions for the contractor to cover other contract

activities or deposit them into the Treasury.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should direct the Oak Ridge Operations Office Manager to deposit into the U.S. Treasury all royalties received under Article 69 that are used to provide reimbursement for seed money provided to the contractor.
Status: Action not yet initiated.

Energy Information, Policy, and Regulation

Nuclear Health and Safety: DOE Needs to Take Further Actions to Ensure Safe Transportation of Radioactive Materials

RCED-88-195, 09/27/88

Background

Pursuant to a congressional request, GAO reviewed the Department of Energy's (DOE) regulation of its program for transporting high-level radioactive materials.

Findings

GAO found that: (1) the Nuclear Regulatory Commission (NRC) identified safety-related concerns with DOE-certified containers for transporting radioactive material, involving structure,

containment, shielding, thermal, criticality, and acceptance testing and maintenance conditions; (2) these concerns prompted DOE to revamp container certification procedures, consolidate certification responsibility at national headquarters, and remove many of the containers from the transport program; (3) a DOE contractor's review identified inadequate documentation that the containers complied with safety requirements, the use of nonconservative analyses, and calculation errors; (4) DOE continued to

use the containers up to 3 months after the contractor identified these problems; (5) DOE used three containers for several years without ever obtaining certification; (6) DOE used four containers with only 60-day approvals for several years; and (7) DOE regarded inadequate demonstration and certification as documentation problems not affecting container safety.

Open Recommendations to Agencies

Recommendation: In accordance with the provisions of DOE Order 5480.3, the Secretary of Energy should promptly develop written guidance for addressing and resolving safety-related concerns raised about the packages used to ship nonweapons, high-level radioactive

materials. This guidance should include provisions for approving the continued use of these packages by an organization that does not manage their use.
Status: Action not yet initiated.

Recommendation: The Secretary of Energy should: (1) promptly conduct an independent review of all available documentation to ensure that package

designs approved for transporting nuclear explosives, nuclear components, and special assemblies meet all applicable safety regulations; and (2) consolidate certification responsibilities for these packages with the centralized package certification program at DOE headquarters.
Status: Action not yet initiated.

Energy Supply

Uranium Enrichment: Congressional Action Needed To Revitalize the Program

RCED-88-18, 10/19/87

Background

In response to a congressional request, GAO assessed the problems of the Department of Energy's (DOE) uranium enrichment program and identified options to revitalize it.

production would cost more than \$80 million over the next few years; and (5) DOE proposed to restructure the program as a federal corporation to increase competition, free it from budget restrictions, and permit flexible pricing.

legislation to provide the enrichment program with sufficient budget and management flexibility to ensure that optimum production schedules are followed and long-term customer commitments are not compromised.
Status: Action in process.

Findings

GAO found that: (1) the program's financial problems include \$8.8 billion in unrecovered costs, multibillion-dollar payments for unused power, market uncertainties due to ongoing litigation, and potentially large decommissioning costs; (2) DOE proposed to write off its unproductive assets, which would leave about \$3.4 billion in unrecovered costs; (3) price flexibility would allow DOE to balance cost recovery objectives with other program objectives; (4) DOE lowered its production levels to meet the objectives even though the continued low

Open Recommendations to Congress

Recommendation: In order to place the enrichment program on firm financial footing, Congress should enact legislation to define a reasonable amount of costs the program needs to recover. In defining the amount of costs to be recovered, Congress should allow the write-off of unproductive assets and consider freezing total interest charges.
Status: Action in process.

Recommendation: In order to place the enrichment program on firm financial footing, Congress should enact legislation to allow DOE sufficient flexibility in setting its pricing strategy to allow it to meet market competition.
Status: Action in process.

Recommendation: In order to place the enrichment program on firm financial footing, Congress should enact

Recommendation: In order to place the enrichment program on firm financial footing, Congress should enact legislation to require that DOE include future decontamination and decommissioning costs in its base of costs to be recovered.
Status: Action in process.

Energy Supply

Naval Petroleum Reserves-1: Data Corrections Made but More Accurate Reserve Data Needed

RCED-88-174, 06/28/88

Background

Pursuant to a congressional request, GAO reviewed the Department of Energy's (DOE) actions to correct Naval Petroleum Reserve No. 1 (NPR-1) production data inaccuracies which GAO believed: (1) resulted from a lack of effective internal controls; (2) caused incorrect computation of the reserve's maximum efficient production rates; and (3) could result in the government's not receiving its entire share of remaining recoverable reserves if NPR-1 were sold.

Findings

GAO found that DOE promptly initiated actions to correct data inaccuracy problems, including: (1) rewriting computer programs; (2) conducting tests of corrected data to validate the

production accounting system's accuracy; (3) developing new allocation factors for the production accounting system; (4) establishing standards for developing new allocation factors; and (5) validating all historical monthly production data. GAO also found that DOE: (1) will take almost a year to complete all corrective actions and will require additional time to measure the effectiveness of its newly implemented internal controls; (2) did not detect certain errors in allocation factors that had cleared its review process; and (3) has not exercised a study contract option that would provide it with the specific geologic data it needs to protect the government's interests if it should choose to sell or manage the reserve.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should authorize the Director, Office of Naval Petroleum and Oil Shale Reserves, to exercise the government's option for phase IVb under the current contract to obtain more detailed geologic and engineering data needed to accurately determine the ownership of oil produced to date.

Status: Action not yet initiated. The contractor delivered final reports on the first three phases of the reserve study in August 1988. The results of phases II and III are being reviewed by DOE technical staff. DOE believes it would be inappropriate at this time to exercise the phase III B option without considering the results of its technical evaluation of phases II and III.

Energy Supply

Nuclear Waste: DOE Should Base Disposal Fee Assessment on Realistic Inflation Rate

RCED-88-129, 07/22/88

Background

GAO reviewed the Department of Energy's (DOE) annual assessment of the nuclear waste disposal program fee, focusing on DOE treatment of inflation in assessing fee adequacy.

Findings

GAO found that: (1) in June 1987, DOE recommended that the disposal fee remain unchanged, even though its analysis showed that, at a 4-percent inflation rate, the current fee would result in end-of-program deficits of \$21 billion to \$76 billion; (2) DOE should

have proposed a fee increase to Congress, based on the inflation rate, to ensure that revenues would cover program costs; and (3) future program changes and reduced costs should enable DOE to begin using a realistic inflation rate in determining fee adequacy in 1988.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should use a realistic base-case

inflation rate estimate in determining the waste disposal fee needed to produce sufficient revenues to recover total program costs.

Status: Recommendation valid/action not intended. DOE does not concur with this recommendation.

Energy Supply

Electric Power: Issues Concerning Expansion of the Pacific Northwest-Southwest Intertie

RCED-88-199, 09/14/88

Background

Pursuant to a congressional request, GAO discussed the Bonneville Power Administration's (BPA) plans to expand the Pacific Northwest-Southwest Intertie, focusing on the: (1) BPA justification for the expansion; (2) relationship of Canadian power imports to the intertie expansion; and (3) potential impacts on salmon and steelhead trout.

Findings

GAO found that: (1) BPA estimated that its costs for the 1600-megawatt (MW) addition would be \$327 million, the net economic benefit of the addition through 2030 would be \$661 million, and its share of net benefits would be \$199 million; (2) BPA projected losses for the first 4 years and estimated that it would take 18 years to recover its investment; and (3) it was unclear whether the second 800-MW

increment of capacity increase would result in net benefits to BPA. GAO also found that BPA estimated that: (1) Canada could receive \$161 million of the net benefits and could further benefit if it decided to increase exports; and (2) losses of salmon and steelhead trout related to the expansion would be under 3 percent, but made its estimates with a controversial computer model called FISHPASS.

Open Recommendations to Agencies

Recommendation: The Administrator, BPA, should clarify the BPA economic analysis by providing a breakout of BPA costs and the sources and extent of revenues it expects for each 800-MW increment of the addition. Doing the analysis for each using the same regionwide net benefits approach that BPA employed in its original analysis

would be useful. This information should help clarify the relationship between the economic basis for the BPA investment and noneconomic considerations, and it may also contribute to the decision about how much capacity BPA should pay for.

Status: Action not yet initiated. Agency has not yet responded to this recommendation.

Recommendation: The Administrator, BPA, should contract for an independent review of FISHPASS and include the activities generally undertaken in Environmental Protection Agency (EPA) reviews of models. The Administrator may wish to consult with EPA officials concerning the content and methods used in these reviews.

Status: Action not yet initiated. Agency has not yet responded to this recommendation.

Energy Supply
Nuclear Waste: Fourth Annual Report on DOE's Nuclear Waste Program

RCED-88-131, 09/28/88

Background

Pursuant to a legislative requirement, GAO assessed the Department of Energy's (DOE) efforts to implement the Nuclear Waste Policy Act of 1982, focusing on the: (1) implications of declining nuclear waste quantities; (2) increased program costs; and (3) effects of the 1987 revisions to the act on the DOE plan for a facility to receive and store nuclear wastes.

Findings

GAO found that: (1) waste disposal projections have declined because utilities have not ordered new nuclear power plants since 1978; (2) despite this decline, estimates of waste program costs increased from \$23 billion in 1983 to \$33 billion in 1987; (3) DOE estimated that it would cost \$23 billion to implement the

revised program, with Yucca Mountain as the sole repository, and about \$31 billion if it constructed a second repository; (4) DOE expected the Yucca Mountain site in Nevada to hold 70,000 metric tons of wastes but was uncertain about the site's potential for expansion; and (5) the act's revisions limited DOE authority to construct and operate a monitored retrievable storage (MRS) facility in advance of a repository.

Open Recommendations to Congress

Recommendation: Congress may wish to explore with DOE the advantages of earlier and more complete site characterization information on the secondary rock formations at Yucca Mountain, in view of the continuing decline in the estimates of waste to be

disposed of and uncertainty about the capacity of the currently defined primary disposal area at that site.
Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: To provide the Monitored Retrievable Storage Review Commission with the best possible information for its evaluation and report to Congress on June 1, 1989, the Secretary of Energy should supplement the original DOE MRS facility proposal by identifying, with supporting analyses, the benefits of adding a facility to the nuclear waste system under the conditions established in the Nuclear Waste Policy Amendments Act of 1987.
Status: Action not yet initiated.

Energy Supply
Nuclear Waste: Repository Work Should Not Proceed Until Quality Assurance Is Adequate

RCED-88-159, 09/29/88

Background

Pursuant to a congressional request, GAO examined the Department of Energy's (DOE): (1) progress in developing a quality assurance program for characterizing the Yucca Mountain, Nevada, site for possible use as a nuclear

waste repository; and (2) interaction with the Nuclear Regulatory Commission (NRC) in identifying and resolving potential quality-related licensing problems.

Findings

GAO found that: (1) NRC oversight of quality assurance program development was limited due to problems and delays in DOE program development; (2) NRC identified several concerns about the program regarding document

inadequacy, noncompliance with quality assurance standards, ineffective contractor auditing, general program management and development, and lack of direct control over the contractor's quality assurance programs; (3) NRC formally concluded that it lacked confidence in the program's adequacy; and (4) DOE acknowledged that, although its present quality assurance was inadequate, it would be ready for NRC verification before site characterization began. GAO also found that neither DOE nor NRC have sufficiently attempted to timely address these concerns, since: (1) DOE assigned a higher priority to other project activities and did not resolve any of the problems NRC identified; and (2) NRC has not aggressively pursued opportunities to more adequately assess the quality assurance program and has not raised unresolved issues to higher-level NRC or

DOE management for possible resolution.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should proceed with site characterization work segments only after the Secretary determines that all quality assurance programs related to regulatory-related work are in place and meet NRC standards.

Status: Action not yet initiated.

Recommendation: The Secretary of Energy should proceed with site characterization work segments only after NRC has notified DOE that it concurs with the Secretary's determination.

Status: Action not yet initiated.

Recommendation: To help ensure that quality assurance concerns are addressed in a timely manner, the Chairman, NRC, should use NRC nuclear waste quarterly progress reports as a vehicle for bringing these concerns to the attention of senior NRC management.

Status: Action not yet initiated.

Recommendation: To ensure that issues raised as a result of the interaction between NRC and DOE are resolved early, the Secretary of Energy and the Chairman, NRC, should incorporate into the pre-licensing consultation agreement procedures for ensuring that issues will be resolved on mutually agreeable schedules.

Addressee: Department of Energy
Status: Action not yet initiated.

Addressee: Nuclear Regulatory Commission

Status: Action not yet initiated.

Financial Management and Information Systems

CPA Audit Quality: Many Governmental Audits Do Not Comply With Professional Standards

AFMD-86-33, 03/19/86

Background

In response to a congressional request, GAO reviewed the quality of certified public accountants' (CPA) audits of federal assistance programs.

Findings

GAO found that: (1) CPA did not satisfactorily comply with auditing standards on 34 percent of the governmental audits they performed; (2) more than half of the unsatisfactory audits had severe standards violations; (3) two predominant CPA problems were insufficient audit work or working paper evidence showing testing of compliance with laws and regulations, and evidence showing studies and evaluations of

internal controls; and (4) smaller CPA firms had greater problems than larger firms in satisfactorily complying with standards. GAO believes that, to improve the quality of governmental audits: (1) CPA must have the expertise to perform governmental audits; (2) the profession should develop and maintain positive enforcement programs to randomly or periodically review CPA who perform poor quality audits; (3) the profession should work actively with agency inspectors general (IG) to improve the systems that IG have for reviewing, compiling, analyzing, and using data on individual audits to identify and correct trends or patterns of quality problems; and (4) state boards of accountancy and the American Institute

of Certified Public Accountants should act promptly and decisively to address professional standards violations referred to them.

Open Recommendations to Agencies

Recommendation: The Director of the Office of Management and Budget (OMB) should establish, consistent with the Single Audit Act, more definitive criteria for prohibiting the cost of substandard audits to be charged to federally assisted programs.
Status: Recommendation valid/action not intended. OMB has not followed through on its stated intentions to address this issue.

Internal Controls: Weaknesses in HUD's Single Family Housing Appraisal Program

RCED-87-165, 09/30/87

Background

GAO analyzed the Department of Housing and Urban Development's (HUD) efforts to correct weaknesses in its single-family housing appraisal program.

Findings

GAO found that HUD: (1) selected appraisals for review without a

systematic, statistical sample; (2) did not meet the requirements of its present review program; and (3) used fee appraisers to perform field reviews of other appraisers' work, despite indications that this practice increased the potential for fraud, waste, and abuse. GAO also found that HUD field offices: (1) overrode random computer selections of appraisers and assigned them manually without adequate supervision

of documentation; (2) did not provide regularly scheduled training for fee appraisers; and (3) failed to terminate appraisers who were performing unsatisfactorily.

Open Recommendations to Agencies

Recommendation: The Secretary of Housing and Urban Development should

direct the Assistant Secretary for Housing to develop, at field offices where it is cost-beneficial, a systematic plan with a sound methodological basis, such as statistical sampling, to produce accurate estimates of the appraisal quality at each of its field offices. In conjunction with the development and

implementation of this plan, the Assistant Secretary should ensure that each field office will continue to identify the poor performers and, if necessary in the large offices, use some of the reviews no longer needed for general oversight to monitor their performance.

Status: Action in process. A sampling plan is being installed in all HUD offices, but has not yet started. HUD anticipates that the plan will begin in the near future, but did not pinpoint a date.

Internal Controls: EPA Needs To Improve Controls Over Change Orders and Claims

RCED-88-16, 11/17/87

Background

GAO provided information on the Environmental Protection Agency's (EPA) internal controls over its Construction Grants Program and the actions taken to correct three grants management weaknesses that GAO identified.

Findings

GAO found that, while EPA has alleviated three identified grants management weaknesses: (1) many of

the change orders and claims that GAO reviewed had missing or incomplete documentation; (2) reviewing agencies misinterpreted and inconsistently applied EPA guidance; and (3) EPA was not monitoring the reviewing agencies.

Open Recommendations to Agencies

Recommendation: The Administrator, EPA, should direct the Director, Office of Municipal Pollution Control, to perform follow-up reviews of the

corrective actions to ascertain that the internal controls are in place, being implemented, and are effective in providing reasonable assurance that change orders and claims are adequately supported and properly evaluated.

Status: Action not yet initiated. EPA is planning to conduct an Internal Control Review in 1989, allowing time for the corrective actions to be implemented, to assess the documentation of change orders and claims that are submitted for review and approval.

ADP Internal Controls: Actions To Correct System Weaknesses for Federal Employees' Compensation

IMTEC-88-9, 12/22/87

Background

Pursuant to a congressional request, GAO evaluated the Employment Standards Administration's (ESA) Federal Employees' Compensation Act

(FECA) Program, focusing on its: (1) progress in correcting material automatic data processing (ADP) weaknesses identified by the Department of Labor; (2) identification of all material ADP weaknesses; and (3)

process for identifying and correcting ADP internal control weaknesses.

Findings

GAO found that, although ESA has made progress in correcting its administrative control weaknesses, it has not: (1) expanded the automated medical fee schedule; (2) completed replacement of its computerized system; and (3) corrected security weaknesses that allow inappropriate access to payment systems. GAO found no additional material ADP weaknesses. In addition, GAO found that, although ESA generally complied with applicable guidelines for identifying and correcting ADP weaknesses, it: (1) frequently closed or planned to close material ADP weakness cases before it verified correction of the weaknesses; and (2) made only limited use of the results of FECA district offices' accountability reviews.

Open Recommendations to Agencies

Recommendation: The Secretary of Labor should reopen the closed corrective action with respect to expanding the automated medical fee schedule to include noncovered provider types, such as hospitals and pharmacies, and direct the Assistant Secretary, ESA, to determine the feasibility of expanding its automated medical fee schedule to include the currently uncovered provider types, as part of completing this corrective action. The Secretary should continue to report this issue as an open corrective action until appropriate internal controls are implemented.

Status: Action in process. To assess the feasibility of medical fees, the Medical Director of the Office of Workers' Compensation Program has completed visits to two state compensation systems, and is also examining the Health and Human Services Health Care Financing

System. No completion date has been set.

Recommendation: The Secretary of Labor should ensure that the Assistant Secretary, ESA, provides for adequate internal controls to protect FECA ADP systems and requires that ADP security procedures are followed. As part of this requirement, the Assistant Secretary should ensure that actions are implemented to improve ADP internal controls which protect system access by providing each authorized FECA user with a unique user identifier and password so that user accountability can be effectively tracked, in accordance with Federal Information Processing Standard (FIPS) Publication 83 and FECA procedures.

Status: Action in process. Security measures are being developed as part of this FECA data system enhancements for the new FECA system (1990-1994).

ADP Management Controls: Farmers Home Administration Can Improve Reporting of Weaknesses

IMTEC-88-38, 07/25/88

Background

GAO determined whether the Farmers Home Administration (FmHA) identified, corrected, and reported its automatic data processing (ADP) weaknesses in compliance with the Federal Managers' Financial Integrity Act of 1982 (FMFIA).

Findings

GAO found that FmHA failed to: (1) submit for inclusion in the Department of Agriculture's (USDA) annual FMFIA

reports the specific ADP management weaknesses which USDA and Treasury identified in their management reviews; (2) identify widespread patterns of weaknesses occurring among states in its management control reviews of field offices; (3) report that field office internal controls over loan servicing and collection activities were inadequate; (4) correct two ADP weaknesses concerning access controls and its priority-setting process for system design requests, which it had previously reported as corrected; or (5) verify the implementation or effectiveness of

corrective actions for uncorrected weaknesses.

Open Recommendations to Agencies

Recommendation: To ensure that the FmHA FMFIA process identifies, corrects, and reports all FmHA ADP management weaknesses, as called for by USDA implementation of that act, the Secretary of Agriculture should include in the USDA FMFIA annual report specific ADP management

weaknesses identified by the 1986 and 1987 USDA and Treasury studies, along with planned corrective actions.

Status: Action in process. The weaknesses cited are to be included in the USDA 1988 Financial Integrity Act report.

Recommendation: To ensure that the FmHA FMFIA process identifies, corrects, and reports all FmHA ADP management weaknesses, as called for by USDA implementation of that act, the Secretary of Agriculture should ensure that field office evaluations are an integral part of the FmHA FMFIA process by requiring that evaluation results be fully analyzed so that widespread patterns of weaknesses are properly identified and included in the USDA FMFIA reports.

Status: Action in process. Recurring ADP weaknesses identified through the recommended analysis are to be included

in the USDA 1988 Financial Integrity Act report.

Recommendation: To ensure that the FmHA FMFIA process identifies, corrects, and reports all FmHA ADP management weaknesses, as called for by USDA implementation of that act, the Secretary of Agriculture should include in future USDA FMFIA reports the specific weakness that FmHA field office internal controls over loan servicing and processing are inadequate, until the weakness is corrected.

Status: Action in process. The weakness cited is to be included in the USDA 1988 Financial Integrity Act report.

Recommendation: To ensure that the FmHA FMFIA process identifies, corrects, and reports all FmHA ADP management weaknesses, as called for by USDA implementation of that act, the Secretary of Agriculture should ensure that proposed actions to correct

weaknesses are adequate, by verifying their implementation and effectiveness before reporting that the weaknesses are corrected.

Status: Action in process. The verification process is scheduled to be part of the USDA internal control process in the future.

Recommendation: To ensure that the FmHA FMFIA process identifies, corrects, and reports all FmHA ADP management weaknesses, as called for by USDA implementation of that act, the Secretary of Agriculture should include in future USDA FMFIA reports the weakness and planned corrective actions concerning the ineffective priority-setting process for reducing the backlog of system change requests until the weakness is corrected.

Status: Action in process. The weakness cited is to be included in the USDA 1988 Financial Integrity Act report.

Budget Issues: USDA's Commodity Certificates Should Be Recognized in Budget Totals

AFMD-88-27, 08/16/88

Background

In response to a congressional request, GAO examined the current budget treatment of the Commodity Credit Corporation's (CCC) commodity certificates to: (1) determine if CCC should treat the certificates as cash for budget purposes; and (2) develop alternative budget reporting methods.

Findings

GAO evaluated three budget reporting methods for commodity certificates, and

found that: (1) continuing to treat certificate issuances as noncash transactions, excluding them from the budget authority and outlay totals and including a supplementary table would involve no change, but would not ensure systematic congressional review; (2) treating the certificates as cash transactions and including them in the total budget authority and outlay totals would ensure congressional review of their use, but would add noncash amounts to a cash-based total; and (3) establishing new terms and totals for the

use of noncash assets to finance government programs would provide Congress with more information regarding the use of commodity certificates, but could initially reduce understanding of budget information.

Open Recommendations to Agencies

Recommendation: The Director of the Office of Management and Budget should include the use of commodity certificates in budget totals reviewed by

Congress by developing a new set of noncash-based terms and totals, or by treating the issuance of commodity certificates as if they were cash. The

Director should also consider these approaches for applicability to the other programs with authority to use noncash asset financing and should consult on

the matter with congressional budget and appropriations committees.
Status: Action not yet initiated.

Accounting Systems in Operation

Loan Asset Sales: OMB Policies Will Result in Program Objectives Not Being Fully Achieved

AFMD-86-78, 09/25/86

Background

In response to a congressional request, GAO provided information on the Office of Management and Budget's (OMB) objectives and guidelines for agencies to follow in selling loan assets.

Findings

GAO found that OMB guidelines for loan asset sales: (1) require that all sales be made without future recourse to the federal government; (2) require that purchasers assume responsibility for collecting and servicing loan assets when such assets are sold; (3) would treat the loan asset sales proceeds as borrowings if sales are made with recourse to the government, which would be contrary to normal budgetary treatment of guarantees; and (4) will not assist in accurately measuring credit program

subsidies, which is one of the program's objectives. GAO believes that: (1) the guidelines will not protect the government's best interest, since the government will not be maximizing net proceeds on the sale of certain loan portfolios; (2) the proposed budgetary treatment of loan asset sales with limited recourse does not reflect the actual and potential economic consequences of such sales, and is incorrect budgetary treatment; and (3) several of the requirements will result in overstating the subsidies associated with credit programs and, therefore, OMB will not fully achieve its objectives.

Open Recommendations to Agencies

Recommendation: To fully maximize loan sale net proceeds and fulfill the

objectives of its loan asset sale program, the Director, OMB, should revise OMB guidelines for sale of loan assets to permit agencies to sell loan assets on a structured basis, which would include some form of future recourse to the government, or other credit enhancement, and permit servicing of sold loans by an entity other than the purchaser.

Status: Action in process. OMB is revising its loan asset sale and prepayment guidelines in OMB Circular A-129 to permit agencies to sell loans in a manner that results in the maximum net proceeds to the government. The revised guidelines will allow credit enhancements such as overcollateralization.

Accounting Systems in Operation

Loan Asset Sales: OMB Policies Will Result in Program Objectives Not Being Fully Achieved

AFMD-86-79, 09/25/86

Background

In response to a congressional request, GAO provided information on the Office of Management and Budget's (OMB) objectives and guidelines for agencies to follow in selling loan assets.

Findings

GAO found that OMB guidelines for loan asset sales: (1) require that all sales be made without future recourse to the federal government; (2) require that purchasers assume responsibility for collecting and servicing loan assets when such assets are sold; (3) would treat the loan asset sales proceeds as borrowings if sales are made with recourse to the government, which would be contrary to normal budgetary treatment of guarantees; and (4) will not assist in accurately measuring credit program

subsidies, which is one of the program's objectives. GAO believes that: (1) the guidelines will not protect the government's best interest, since the government will not be maximizing net proceeds on the sale of certain loan portfolios; (2) the proposed budgetary treatment of loan asset sales with limited recourse does not reflect the actual and potential economic consequences of such sales, and is incorrect budgetary treatment; and (3) several of the requirements will result in overstating the subsidies associated with credit programs and, therefore, OMB will not fully achieve its objectives.

Open Recommendations to Agencies

Recommendation: To fully maximize loan sale net proceeds and fulfill the

objectives of its loan asset sale program, the Director, OMB, should revise OMB guidelines for sale of loan assets to permit agencies to sell loan assets on a structured basis, which would include some form of future recourse to the government, or other credit enhancement, and permit servicing of sold loans by an entity other than the purchaser.

Status: Action in process. OMB is revising its loan asset sale and prepayment guidelines in OMB Circular A-129 to permit agencies to sell loans in a manner that results in the maximum net proceeds to the government. The revised guidelines will allow credit enhancements such as overcollateralization.

Accounting Systems in Operation

Internal Controls: Defense Fuel Supply Center's Recording and Reporting of Accounts Payable

AFMD-87-30, 05/13/87

Background

In response to a congressional request, GAO assessed the adequacy of the Defense Fuel Supply Center's (DFSC) financial and management information system in controlling, accounting for,

and reporting on its fuel program, specifically its accounts payable.

Findings

During fiscal year 1986, DFSC purchased over \$4.3 billion in fuels and, as of September 30, 1986, had over 17,500

accounts-payable balances, totalling about \$416 million. GAO found that DFSC: (1) did not have adequate controls to ensure the proper recording and reporting of accounts payable resulting from its fuel purchases; (2) inaccurately reported the amounts it owed

contractors; and (3) conducted inaccurate reviews of accounts-payable balances and did not know if the balances that remained outstanding for long periods were correct. GAO also found that DFSC improperly recorded and reported overpayments to contractors as negative accounts payable rather than accounts receivable, which understated both balances and caused management to lose control over collections. GAO noted that DFSC manually processes contractors' requests for payments and relies on documentary evidence to validate these

payments, but it plans to implement an automated disbursing system which will interface with the Defense Fuel Automated System (DFAM) and rely primarily on DFAM data to validate payment information.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the Director, DLA, to require the Administrative Support Center and DFSC to continue to operate

the manual disbursing system until the automated system shows that it can make reliable disbursements.

Status: Action in process. DOD is withholding implementation until review of accounts payable is complete and assurance through monitoring of payments based on DFAM data shows data are reliable. DOD estimated full implementation of automated disbursement system by December 1988. Testing of the disbursement system began in August 1988.

Accounting Systems in Operation

Debt Collection: More Aggressive Action Needed To Collect Debts Owed by Health Professionals

AFMD-88-23, 02/02/88

Background

Pursuant to a congressional request, GAO evaluated the Department of Health and Human Service's (HHS) Health Resources and Services Administration's (HRSA) debt collection efforts under its financial assistance programs for health professions and medical facilities, focusing on the: (1) Health Professions Student Loan Program; (2) Nursing Student Loan Program; (3) National Health Service Corps Scholarship Program; (4) Health Education Assistance Loan Program; and (5) Health Facilities Direct and Guaranteed Loan Program.

Findings

GAO found that: (1) HRSA imposed several measures which resulted in significant declines in loan delinquency rates for health professions schools, but not for nursing schools; (2) the delinquency rates for nursing schools

will decline when HRSA terminates a large number of these schools from the program for noncompliance with performance standards; (3) health professions and nursing schools reported \$47.5 million in delinquent loans as of June 30, 1986, of which \$27 million was more than 3 years delinquent; and (4) HRSA has not established a time frame in which schools must request write-off approval for uncollectible loans. GAO also found that: (1) lack of a comprehensive debt management system, staffing shortages, and failure to follow established procedures have seriously hindered HRSA attempts to collect on delinquent debts; (2) HRSA untimely issued collection notices, made few personal contacts with delinquent debtors, and improperly granted additional time for delinquent debt repayment; and (3) HHS opposes offsetting delinquent educational debts from Medicare reimbursements to physicians.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HRSA, to establish time limits within which schools participating in the Health Professional and Nursing Student Loan programs must determine the collectibility of delinquent loans and must request HRSA write-off approval for those which are determined to be uncollectible.

Status: Action in process. HHS determined that it has statutory authority and plans to amend its regulations to implement this recommendation. HHS is currently revising the regulations, but has not established a target for completion.

Recommendation: The Administrator, HRSA, should set time limits within which the schools must reimburse the

funds, or HRSA (in the case of those schools which are no longer participating in the programs) for those loans for which the schools did not follow required collection procedures. **Status:** Action in process. HHS plans to modify its program regulations so that this recommendation can be implemented. HHS is currently revising the regulations, but has not established a target date for completion.

Recommendation: To facilitate the collection of unpaid debts, the Secretary of Health and Human Services should direct the Administrators of the Health Care Financing Administration and HRSA to pilot test the offset of Medicare reimbursements to physicians delinquent on HRSA medical educational assistance. If the pilot test successfully demonstrates the merits of the offset

procedure, offset should be fully implemented. **Status:** Recommendation valid/action not intended. Instead of offset, HHS plans to exclude delinquent physicians from the Medicare program. HHS believes the threat of exclusion will provide a strong incentive for delinquent physicians to repay their debts.

Accounting Systems in Operation

Foreign Military Sales: Redirection of Accounting Improvement Efforts Is Appropriate

AFMD-88-75, 09/15/88

Background

Pursuant to a congressional request, GAO reviewed Department of Defense (DOD) efforts to correct long-standing accounting problems in its Foreign Military Sales (FMS) Program.

Findings

GAO found that, since March 1988, DOD has: (1) terminated the current central FMS accounting system development effort, citing its excessive costs, schedule delays, and unsatisfactory testing results; (2) transferred responsibility for central FMS accounting from the Defense Security Assistance Agency (DSAA) to the Air Force for

development, implementation, and operation of a new system; (3) directed the establishment of a new FMS trust fund by October 1989; (4) directed DSAA to reconcile balances in both the existing and new FMS trust funds; and (5) not clarified the role of the Reconciliation and Case Closure Board in this reorganized effort. GAO believes that, to improve FMS accounting controls and effectively implement its latest initiatives, DOD needs to implement accounting controls to ensure that: (1) the old and new trust funds do not become comingled; (2) military departments transmit and record accurate and complete data in the central FMS system; and (3) central records contain sufficient information to

facilitate precise identification and timely resolution of imbalances.

Open Recommendations to Agencies

Recommendation: To ensure that reconciliations are an integral part of routine FMS accounting activities and to ensure that both routine and nonroutine reconciliation responsibilities are clearly defined, the Secretary of Defense should: (1) assign full FMS accounting responsibility, including reconciliation, to the Air Force; and (2) clarify the role of the Reconciliation and Case Closure Board in the reconciliation process. **Status:** Action not yet initiated.

Accounting Systems in Operation

Financial Management: Continued Top Management Support Needed to Improve HHS' Accounting Systems

AFMD-88-37, 09/29/88

Background

GAO reviewed the Department of Health and Human Service's (HHS) financial management environment and its effectiveness in accounting for and controlling funds and other resources and reporting on its operations.

Findings

GAO found that the current HHS accounting systems did not effectively account for and control its resources, since: (1) there were unexpended fund balance differences of over \$3 billion between the HHS accounting records and its financial reports; (2) HHS did not know the amount of funds it had available, advances made to grant recipients, and property it was responsible for controlling; and (3) HHS did not adequately identify all material accounting system weaknesses in its 1987 Financial Integrity Act report. GAO also found that HHS did not aggressively pursue the collection of about \$31 million in audit allowances because of: (1) inadequate documentation of the audit disallowance; (2) untimely recording of accounts receivable; and (3) the lack of written debt collection procedures. In addition, GAO found that: (1) since 1978, HHS has initiated two major departmentwide accounting system enhancement efforts, but neither was successful, partially because HHS operating divisions were not supportive; (2) HHS has developed a financial management plan, called the Phoenix Project Plan, which should improve the efficiency of its accounting systems and

which has the support of the operating divisions; and (3) the Phoenix Project Plan did not clearly delineate how or if HHS will integrate its accounting system enhancement efforts with its efforts to improve its programmatic systems.

Open Recommendations to Agencies

Recommendation: In order to help strengthen department accounting and internal control systems, the Secretary of Health and Human Services should direct the operating divisions to adhere to established accounting policies and procedures for performing periodic reconciliations between their accounting records and internal and external financial reports to determine the causes of differences and the correct amounts for fund balances, advances, receivables, and property.

Status: Action not yet initiated.

Recommendation: In order to help strengthen department accounting and internal control systems, the Secretary of Health and Human Services should develop written procedures for the collection of audit disallowances to ensure compliance with debt collection laws and regulations.

Status: Action not yet initiated.

Recommendation: In order to help strengthen the department accounting and internal control systems, the Secretary of Health and Human Services should build upon the Social Security

Administration's efforts to have its financial statements prepared and audited by an independent party by expanding this effort to the other operating divisions.

Status: Action not yet initiated.

Recommendation: In order to help strengthen department accounting and internal control systems, the Secretary of Health and Human Services should identify all material accounting system weaknesses and the actions to be taken to correct the weaknesses in the annual HHS Financial Integrity Act report.

Status: Action not yet initiated.

Recommendation: The Secretary of Health and Human Services should closely monitor the accounting system enhancement efforts under the Phoenix Project Plan to ensure that known accounting system problems are corrected and improvements to the financial management environment are occurring. This can be accomplished through periodic briefings and progress reports from the Assistant Secretary for Management and Budget, the Department's Chief Financial Officer, on the operating divisions' system enhancement efforts, including information on slippages in costs and milestones.

Status: Action not yet initiated.

Recommendation: The Secretary should direct the Assistant Secretary for Management and Budget to ensure that the system enhancement efforts under the Phoenix Project Plan are integrated

with the programmatic system enhancement efforts to avoid

unnecessary developmental cost and to provide for systems compatibility.

Status: Action not yet initiated.

Developing and Disseminating Audit Standards

Financial Reporting: NASA Can Improve Compliance With GAO Standards and Treasury Requirements

AFMD-88-21, 02/29/88

Background

GAO reviewed the National Aeronautics and Space Administration's (NASA) preparation of its fiscal year 1986 Report on Financial Position to determine the extent of compliance with GAO and Treasury annual financial reporting requirements.

personnel compensation as they occurred, it did not recognize liabilities for goods and services such as inventory items, supplies, and property or services; (3) NASA did not eliminate intra-agency balances, such as receivables and payables, when it prepared consolidated financial statements; and (4) NASA did not disclose its capitalization policy, the basis for its capitalized property valuations, or the method it used in valuing inventories.

requirements, and thus ensure that it provides reliable and useful financial management information to the Treasury, the Administrator, NASA, should require the NASA Comptroller to report liabilities at Goddard and other centers in accordance with GAO and Treasury requirements.

Status: Action in process. Estimated completion date: 09/89. All centers have been directed to report liabilities in accordance with GAO and Treasury requirements. The NASA Financial Management Division will determine the extent that field offices are actually complying during fiscal year (FY) 1989.

Findings

GAO found that: (1) NASA substantially complied with GAO and Treasury standards and requirements in preparing its financial reports; (2) although the Goddard Space Flight Center recorded liabilities for contractor services, employee travel, utilities, and

Open Recommendations to Agencies

Recommendation: To ensure that NASA fully complies with standards and

Internal Audit

Inspectors General: Compliance With Professional Standards by the Transportation Inspector General

AFMD-87-28, 08/10/87

Background

In response to a congressional request, GAO reviewed the Department of Transportation's (DOT) Office of Inspector General (OIG) to determine whether the Inspector General conducted audits and investigations in

accordance with generally accepted standards.

Findings

GAO found that the DOT Inspector General: (1) complied with 19 of the 23

audit and investigation standards it tested; (2) needed to take corrective action to ensure satisfactory compliance with audit standards on evidence, reporting, supervision, and quality assurance; (3) developed policies to ensure that the OIG staff had an

awareness and understanding of professional standards, but some of the policies were inadequate; (4) did not always have adequate audit quality processes to alert management to problems which could impact work quality and effectiveness; and (5) did not track all audit report recommendations through the implementation of corrective actions. GAO also found that the DOT semiannual reports show dollar findings that differ from those shown in the corresponding audit reports.

Open Recommendations to Agencies

Recommendation: To further strengthen operations at DOT OIG, the Inspector General should track all of its significant recommendations through implementation and take prompt and appropriate action to resolve any recommendation that the agency managers do not fully implement.
Status: Action in process. OIG has completed a preliminary outline of the

proposed modifications to the existing follow-up process. However, there have been delays because of the resistance from program officials and new reporting requirements in the Inspector General Amendments of 1988. OIG estimates it will be March 31, 1989 before the modifications are incorporated into its policies.

Internal Audit

CPA Audit Quality: Improved Controls Are Needed To Ensure Quality Audits of Federal Loan Programs

AFMD-88-3, 05/02/88

Background

GAO reviewed the Department of Agriculture's (USDA), the Department of Housing and Urban Development's (HUD), and the Small Business Administration's (SBA) controls for ensuring that certified public accountants (CPA) conduct high-quality audits of their loan programs.

Findings

GAO found that: (1) 25 percent of loan program audits did not comply with auditing standards; (2) noncompliance with auditing standards included a lack of documentation regarding CPA financial transactions, tests, internal control evaluations, and compliance; and (3) a national professional CPA association made 25 recommendations in the areas of education, engagement, evaluation, enforcement, and information exchange to improve the quality of government audits. GAO also found that USDA, HUD, and SBA: (1)

lacked effective controls for receiving and reviewing CPA audits of their loan program participants; and (2) did not fully address problems involving untimely receipt of audit reports, insufficient audit reviews, and inadequate written guidance for CPA in their internal control improvements.

Open Recommendations to Agencies

Recommendation: The Secretaries of Agriculture and Housing and Urban Development and the Administrator, SBA, should issue written procedures requiring loan program officials to follow up on late audit reports, specify action to be taken when the reports are late, and improve controls to ensure that those procedures and actions are taken.
Addressee: Department of Agriculture
Status: Action taken not fully responsive. The Farmers Home Administration (FmHA) is developing an audit regulation to address this

recommendation. It is not clear whether REA is considering issuing written procedures.

Addressee: Department of Housing and Urban Development
Status: Action taken not fully responsive. HUD is developing written procedures for multifamily housing programs. It is not clear whether HUD is considering written procedures for nonsupervised mortgage companies and the GNMA Mortgage-Backed Securities Program.
Addressee: Small Business Administration
Status: Recommendation valid/action not intended. SBA believes that existing regulations are adequate.

Recommendation: The Secretaries of Agriculture and Housing and Urban Development and the Administrator, SBA, should provide CPA with complete and current written audit guidance to use in the conduct of loan audits.
Addressee: Department of Agriculture

Status: Action in process. FmHA is developing a new audit guide.
Addressee: Department of Housing and Urban Development
Status: Action taken not fully responsive. Written audit guides were to have been implemented in 1988 for multifamily housing programs and nonsupervised mortgage companies. It is not clear whether HUD is considering written audit guides for the GNMA Mortgaged-Backed Securities Program.
Addressee: Small Business Administration
Status: Recommendation valid/action not intended. SBA disagreed that participants in its programs should be subject to government audit standards.
Recommendation: The Secretary of Agriculture and the Administrator, SBA,

should implement procedures to review the quality of CPA audits of loan programs.
Addressee: Department of Agriculture
Status: Action in process. FmHA is developing procedures for reviewing the quality of CPA audits.
Addressee: Small Business Administration
Status: Recommendation valid/action not intended. SBA believes that it has the authority to review the quality of CPA audits, when it deems that necessary.
Recommendation: The Secretary of Agriculture and the Administrator, SBA, should require that audits of participants in loan programs be performed in accordance with generally accepted government auditing standards.

Addressee: Department of Agriculture
Status: Action taken not fully responsive. FmHA is developing regulations to require audits to be performed in accordance with GAGAS. REA has no current plans to require audits to be performed in accordance with GAGAS, claiming that requirements to perform audits in accordance with GAGAS would be inappropriate as well as too costly.
Addressee: Small Business Administration
Status: Recommendation valid/action not intended. SBA believes that it would be inappropriate, as well as too costly, to require such audits to be performed in accordance with GAGAS.

Internal Audit

Inspectors General: Compliance With Professional Standards by the HHS Inspector General

AFMD-88-36, 09/29/88

Background

GAO reviewed the Department of Health and Human Services' (HHS) Office of the Inspector General's (OIG) compliance with professional standards.

Findings

GAO found that: (1) OIG did not have sufficient evidence to fully support all the findings and conclusions in 6 of 18 audit reports; (2) six audits did not have recommendations that followed logically from the facts presented; (3) seven audits failed to accurately reflect the audits' objectives; (4) the OIG quality assurance program did not always adhere to prescribed audit standards, policies, and

procedures; and (5) eight audits did not adequately show the underlying causes of identified problems. GAO also found that: (1) data in the investigation management information system were not always reliable; (2) the OIG hotline staff took an average of 34 days to screen and forward allegations of waste, mismanagement, fraud, and abuse; (3) OIG did not know the disposition of over 83 percent of the hotline cases; (4) the inspection function's standards and procedures manual did not contain specific standards on supervisors' duties and responsibilities; (5) the inspection function did not retain supporting documentation for all of its report statements; (6) the inspection function

did not fully implement the procedures for its quality assurance program; and (7) there was satisfactory support for 92 percent of the \$6.63 billion in reported OIG monetary accomplishments.

Open Recommendations to Agencies

Recommendation: The Inspector General should evaluate whether the information management system will ensure compliance with the screening allegation standard and OIG policies and procedures or he should develop an alternative approach that will.
Status: Action not yet initiated.

Recommendation: To help ensure an effective quality assurance program in the inspection function, the Inspector General should require all quality assurance reports to clearly state the scope of each review and include a

statement that all identified weaknesses are discussed.

Status: Action not yet initiated.

Recommendation: The Inspector General should require formal

procedures to be developed for following up on quality assurance report recommendations to ensure that corrective action has been taken.

Status: Action not yet initiated.

Regulatory Accounting Rules and Financial Reporting

Budget Issues: The President's Current Services Budget

AFMD-87-10, 12/02/86

Background

In response to a congressional request, GAO reviewed the current services budget to determine: (1) whether procedures for developing current services estimates complied with the Congressional Budget and Impoundment Control Act of 1974; and (2) how to improve the usefulness of current services estimates to Congress.

Findings

GAO noted that the act requires the President to submit a current services budget to Congress showing the estimated outlays and proposed budget authority for the following fiscal year if the government maintained all programs and activities at their current levels. GAO found that: (1) the Office of Management and Budget's (OMB) definition of policy for certain agencies and programs, although different from its general current services guidelines, is not inconsistent with the act's requirements, since the act does not discuss or define policy; (2) the use of

different policy definitions lessens the current services budget's usefulness to Congress as a budget tool; (3) congressional staff involved in the budget process do not regularly use the current services budget because the Congressional Budget Office's information is more useful; (4) budget examiners' use of inconsistent estimating methods and OMB use of exceptions to its own guidelines could result in a current services budget developed to support the President's proposed policies rather than to highlight the fiscal effects of proposed policy changes; and (5) elimination of the legal requirement for the current services budget would help prevent the use of its estimates to support particular policies.

Open Recommendations to Congress

Recommendation: If the requirement for a current services budget is retained, Congress should amend the budget act to specifically define the set of policies to

be assumed in developing the current services estimates. While judgment is always required in making budget estimates, the use of a defined set of policies would ensure a common understanding between Congress and OMB as to what the current services budget represents, making it a more useful budgetary tool.

Status: Action not yet initiated.

Recommendation: For the current services budget to best serve the purpose of providing a baseline for highlighting the fiscal effects of policy changes proposed in the President's budget, Congress should use the most current policy reflected in law to develop it. Congress should specifically define current policy at a sufficient level of detail to ensure that OMB provides the type of information that would be useful to Congress as a baseline. The definition of the budget base in the Balanced Budget and Emergency Deficit Control Act of 1985 is an example of the detail required in such a definition.

Status: Action not yet initiated.

Regulatory Accounting Rules and Financial Reporting

Financial Audit: Panama Canal Commission's Financial Statements for 1985 and 1984

AFMD-87-4, 06/10/87

Background

GAO examined the Panama Canal Commission's (PCC) statement of its financial position as of September 30, 1985 and 1984, and the related statements of operations and non-interest bearing investment, the changes in the government's investment, the changes in financial position, and the status of appropriations for the years then ended.

Findings

GAO found that: (1) an amendment to the Panama Canal Act of 1979 required PCC to deposit, as miscellaneous

receipts, that portion of toll revenues that covered interest on the U.S. investment collected on or after the date of the amendment, and eliminated the PCC practice of reducing the U.S. interest-bearing investment base by the amount of interest each year; and (2) PCC did not obtain regulatory approval in advance of establishing a floating equipment reserve to provide for future repairs. GAO also found that, except for the establishment of the reserve, the financial statements presented fairly the PCC financial position, the results of its operations, the changes in its financial position, and the status of appropriations for the years then ended, in conformity

with generally accepted accounting principles applied consistently.

Open Recommendations to Agencies

Recommendation: The Chairman of the Board of Directors, PCC, should direct the Administrator, PCC, to obtain approval from the regulator to establish and fund the reserve for floating equipment.

Status: Action in process. PCC plans to include the reserve in its next toll rate submission in 1990.

Regulatory Accounting Rules and Financial Reporting

Financial Audit: Federal Crop Insurance Corporation's Financial Statements for 1986 and 1985

AFMD-87-36, 06/12/87

Background

GAO examined the financial statements of the Federal Crop Insurance Corporation (FCIC) for the years ended September 30, 1986 and 1985.

Findings

GAO found that FCIC: (1) paid reinsurance claims of \$436 million in 1986 and \$474 million in 1985; (2) made potential overpayments of \$8.1 million

on 1986 reinsurance claims and \$6.2 million on 1985 reinsurance claims because it failed to thoroughly review and verify claims submitted by producers to reinsured companies; (3) incurred losses of \$221 million in 1986 and \$222 million in 1985 from insuring agricultural crops; and (4) has not established premium rates that would adequately cover losses on insured crops, while enabling it to build a reasonable reserve against unforeseen losses. GAO

also found that FCIC: (1) accumulated a deficit of \$959 million and a negative capital position of \$420 million by September 30, 1986; (2) received loans of \$450 million from the Commodity Credit Corporation (CCC) in fiscal year (FY) 1986; (3) borrowed \$113 million from the U.S. Treasury to pay producers' loans; (4) made no loan repayments; (5) has \$375 million available from CCC for future use; and (6) may be unable to continue in existence without additional

financial assistance from Congress. GAO concluded that the financial statements presented fairly the financial position of FCIC as of September 30, 1986 and 1985, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Open Recommendations to Agencies

Recommendation: The Manager and Comptroller, FCIC, should obtain the date of loss from the reinsured companies and modify the accounting system to report losses on a fiscal year basis.

Status: Action in process. FCIC is still planning to incorporate changes in its current system work. The status of this recommendation will be updated during the FY 1988 audit.

Regulatory Accounting Rules and Financial Reporting

Financial Audit: Veterans Administration's Financial Statements for Fiscal Year 1986

AFMD-87-38, 07/29/87

Background

GAO examined the Veterans Administration's (VA) consolidated financial statements for fiscal year 1986, and reviewed VA internal controls and compliance with federal laws and regulations.

Findings

GAO found that: (1) it could not establish the book value of VA assets, including land, buildings, and equipment that VA acquired over periods dating back to 1930; (2) had VA calculated its insurance reserve balance under generally accepted accounting principles, its balance of \$11.2 billion would have

decreased by \$4 billion to \$5.7 billion; (3) VA did not always properly bill patients who were not entitled to free care, and its records showed about \$20.2 million in receivables for ineligible-patient care; (4) VA failed to comply with the Prompt Payment Act and the Veterans' Rehabilitation and Education Amendments of 1980, and may not have complied with the Debt Collection Act of 1982; and (5) except as noted, the VA financial statements presented fairly the VA financial position as of September 30, 1986, in accordance with generally accepted accounting principles applied on a consistent basis.

Open Recommendations to Agencies

Recommendation: The Administrator of Veterans Affairs should conduct a review of delinquent VA debts and, accordingly, either assess the proper amount of interest and administrative costs, as required by law, or execute waivers if there are appropriate reasons for doing so.

Status: Action in process. Estimated completion date: 01/91. The interest rate charged on loan guaranty debts will be changed. However, the computerized system will have to be modified for this change, and due to the extensive programming required, implementation cannot be achieved until 1991.

Regulatory Accounting Rules and Financial Reporting

Financial Audit: Examination of GSA's Financial Statements for Fiscal Years 1986 and 1985

AFMD-87-49, 09/30/87

Background

GAO examined the General Services Administration's (GSA) consolidated financial statements for the fiscal years ended September 30, 1986 and 1985.

new automated accounting system; and (3) complied with the applicable laws and regulations for transactions that could have materially affected its financial statements.

before discontinuing the systems being replaced.

Status: Action taken not fully responsive. The new ACORN system for billing ADP services, implemented on October 1, 1986, was noted during the GAO 1987 audit of GSA as having material control weaknesses. ACORN did not properly accrue for services received, and did not always reverse accrual estimates when actual billing data became available. As a result, both accounts receivable and billed revenue were overstated in 1987.

Findings

GAO found that GSA: (1) did not reconcile cash balances with the Department of the Treasury in a timely manner; (2) did not have reliable data regarding its fleet management operations, due to the conversion to a

Open Recommendations to Agencies

Recommendation: The Administrator of General Services should direct the Comptroller to require that new accounting systems be thoroughly tested

Regulatory Accounting Rules and Financial Reporting

Financial Reporting: Defense Agencies' Reports on Financial Position Need To Be Improved

AFMD-88-19, 04/14/88

Background

GAO reviewed the Department of Defense's (DOD) compliance with GAO and Department of the Treasury annual reporting requirements, to: (1) determine if DOD encountered any problems in implementing the requirements; and (2) identify actions DOD should take to improve compliance.

Treasury, which contained computational errors; (3) submitted only four of the five required agency-level reports; (4) overstated its assets by \$395 million, liabilities by \$11.6 million, and equity by \$250.1 million in its general and deposit fund consolidated report; (5) omitted 46 accounts from its consolidated report; (6) did not comply with accounting standards and requirements; and (7) did not require the use of general ledger data.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct defense agencies to develop and implement agency-specific procedures and instructions for preparing and consolidating Reports on Financial Position which delineate: (1) the unit responsible for preparing each Report on Financial Position; (2) which reports are to be consolidated into reports forwarded to Treasury; (3) a method of preparing and consolidating reports which minimizes the risk of omissions and errors; and (4) a method

Findings

GAO found that DOD: (1) did not develop the required guidelines for compiling financial reports; (2) did not verify the accuracy of the data in its reports to

to ensure compliance with title 2 and Treasury Financial Manual requirements in the areas of reporting advances, receivables, and accounts payable and capitalizing transportation costs of capitalized assets.

Status: Action in process. The project to implement and maintain the Washington Headquarters Service (WHS) general ledger will be the DOD method to ensure compliance with title 2 and Treasury and to minimize the risk of omissions.

Recommendation: The Secretary of Defense should direct the defense agencies to obtain access to, and use,

systems containing general ledgers, or a centrally controlled data base containing proprietary and budgetary accounts, as a primary source of information in preparing the Reports on Financial Position, as an interim measure until full implementation of the U.S.

Government Standard General Ledger.

Status: Action in process. DOD has issued guidance requiring DOD activities to implement U.S. Government Standard General Ledger. When the project to implement the central WHS general ledger in support of centralized reporting is completed, WHS will prepare all financial reports based on the central general ledger.

Recommendation: The Secretary of Defense should direct defense agencies to implement supervisory review of the preparation and consolidation of Reports on Financial Position to ensure that procedures and instructions are followed and accurate information is reported.

Status: Action in process. A project to integrate the defense agencies general ledger has been established. Through the project task force, the requirement for supervisory review over the preparation and consolidation of Reports on Financial Position will be emphasized.

Regulatory Accounting Rules and Financial Reporting

Financial Audit: Commodity Credit Corporation's Financial Statements for 1987 and 1986

AFMD-88-47, 07/07/88

Background

GAO reported on the Commodity Credit Corporation's (CCC): (1) financial statements for the years ended September 30, 1987 and 1986; and (2) system of internal accounting controls and compliance with laws and regulations.

Findings

GAO found that CCC: (1) did not include in its financial statements an allowance for the uncollectible portion of \$15 billion in outstanding loans to countries experiencing financial difficulties; (2) had estimated cumulative losses ranging from \$5 billion to \$8 billion on those loans as of September 30, 1987; (3) did not have a reserve for losses associated with \$5 billion in outstanding guaranteed loans to foreign countries; (4)

during 1987, instituted a new automated system which transferred the responsibility for recording and reconciling loan disbursements and repayment receipts from its Kansas City Management Office to local county offices; and (5) did not adequately control conversion to that system, resulting in unreconciled differences in receipts and disbursements. GAO also found that: (1) except for their failure to establish an allowance for estimated loan losses and a reserve for guaranteed loan losses, the financial statements presented fairly the financial position of CCC as of September 30, 1987 and 1986, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis; and (2) internal accounting controls and procedures had

several weaknesses that were not material to the CCC financial statements.

Open Recommendations to Agencies

Recommendation: CCC should give prompt attention to controls over conversions to new automated systems. **Status:** Recommendation valid/action not intended. Specific action is not necessary to comply with this statement. By following the recommendations, and taking corrective action as needed, CCC could address the control problems that have been associated with its conversion to automated systems. This recommendation should remain open until ASCS has completed the conversion and has demonstrated that it

identifies and corrects associated problems.

Recommendation: The Chairman of the Board of Directors, CCC, should direct the Controller, CCC, and the Director of the Kansas City Management Office to ensure that local offices are provided with a monthly listing of unreconciled differences between internal and external sources.

Status: Action in process. ASCS has directed that reconciliation listings of all unmatched paid checks and unmatched cash be sent to county offices on a monthly basis for corrective action. Insufficient time has elapsed to judge compliance with, and effectiveness of the new policy.

Recommendation: The Chairman of the Board of Directors, CCC, should direct

the Controller, CCC, and the Director of the Kansas City Management Office to ensure that local offices' efforts are monitored to resolve the differences in a timely manner.

Status: Action in process. ASCS is drafting policy instructing state offices to closely monitor county offices to ensure differences are resolved in a timely manner. Additionally, procedures for National Area Offices are being enhanced to ensure that state and county offices comply with new reconciliation procedures. This recommendation should remain open until policy is implemented and its effectiveness tested.

Recommendation: The Chairman of the Board of Directors, CCC, should direct the Controller, CCC, and the Director of the Kansas City Management Office to

ensure that consideration is given to suspending further conversions to automated systems until problems associated with current implementation efforts are resolved and CCC accounts are accurate and current.

Status: Action in process. The agency stated that it has established a new policy giving priority to correcting problems associated with current systems and completing projects already underway before starting any new projects. However, recently enacted legislation will necessitate that ASCS suspend this policy to make significant modifications in existing software to implement the new disaster related programs.

Review and Approval of Accounting Systems

Computer Systems: Navy Stock Point ADP Replacement Program Needs Better Management Controls

IMTEC-87-30, 09/17/87

Background

In response to a congressional request, GAO evaluated the Navy's Stock Point ADP Replacement (SPAR) project to determine whether the Navy complied with Department of Defense (DOD) directives to improve and modernize its computerized information systems.

Findings

GAO found that the Navy: (1) plans to acquire new automatic data processing (ADP) equipment, redesign its computer software, and convert its current

software and data files to operate on the new system; (2) did not comply with DOD directives, since it did not review and approve the modernization of the entire system; and (3) did not conduct a study to ascertain cost and performance measures needed to determine the system's effectiveness and worth.

Open Recommendations to Agencies

Recommendation: To ensure that the modernized segment of SPAR has appropriate management controls, the

Secretary of Defense should direct the Secretary of the Navy to establish an additional review for the modernization segment within the SPAR program and ensure that the intent of the review has been fulfilled before allowing the program to enter subsequent development phases. Specifically, the Navy should establish a system design completion review for the modernization segment.

Status: Action in process. The Office of the Secretary of Defense will decide what action to take during its oversight review of the program.

General Government

Central Fiscal Operations

Unemployment Compensation: Payments to Ineligible Former Employees

GGD-87-17, 12/19/86

Background

In response to a congressional request, GAO reviewed six agencies' unemployment compensation procedures and payments to their former employees.

Findings

GAO found that: (1) the six agencies were incurring greater than necessary unemployment compensation costs because they did not have effective internal control systems to ensure that states were furnished timely, complete and accurate information; (2) former employees who separated under circumstances which made them ineligible for unemployment compensation received payments; (3) agencies missed opportunities to reduce their unemployment costs and prevent payments to ineligible former employees

when they did not appeal inappropriate payments; (4) agencies did not report to Congress in compliance with the Federal Managers' Financial Integrity Act (FMFIA) on internal control weaknesses that allowed improper payments; and (5) several agencies employed contractors to manage their unemployment compensation programs.

Open Recommendations to Agencies

Recommendation: The Secretaries of the Army, Health and Human Services, the Interior, the Navy, and the Treasury, and the Administrator of Veterans Affairs should establish effective internal control systems to ensure that states are provided accurate, complete, and timely wage and separation information for former employees who apply for benefits, and

appeal decisions when it appears that the state misinterpreted the facts or the determination is not in accordance with state law. The agencies' evaluations and reports required by FMFIA should specifically address the status of internal controls for avoiding improper payments in the unemployment compensation program and the agencies' plans for and accomplishments toward developing effective internal control systems.

Addressee: Department of the Treasury

Status: Action taken not fully responsive. Almost 2 years after the report was issued, Treasury is still debating the use of an expert contractor to handle payment of unemployment claims. Treasury now says that it is changing its payroll system from the Air Force to Agriculture's and this change is delaying the decision to use the contractor.

Central Personnel Management

Blue-Collar Workers: Appraisal Systems Are in Place, But Basic Refinements Are Needed

GGD-87-72, 06/18/87

Background

GAO evaluated how the Air Force, the Army, the Navy, and the Veterans Administration (VA) have implemented performance appraisal systems for federal wage system, or blue-collar, employees.

Findings

GAO reviewed 84 performance plans applicable to 5,843 employees and found that 54 contained standards that were not clear, did not distinguish among all levels of performance, or were based on

uncontrollable external factors. GAO also found that the services and VA: (1) failed to use some of the standards to measure performance; (2) inappropriately based some standards on personal traits; (3) did not always inform employees of their performance

expectations in a timely manner; (4) failed to provide some employees with midyear performance feedback; and (5) communicated most performance appraisals in a timely manner.

Open Recommendations to Agencies

Recommendation: The Secretaries of the Air Force, Army, and Navy and the Administrator of Veterans Affairs

should ensure that local activities conduct evaluations of performance appraisal systems and correct deficiencies. Such evaluations should pay particular attention to the types of deficiencies GAO found, as well as those cited in other evaluations that have been performed.

Addressee: Veterans Administration
Status: Action in process. Estimated completion date: 03/89. VA plans to: (1) amend its policy to state that personnel

officers are responsible for evaluating the effectiveness of the performance appraisal system, especially the quality of performance standards; (2) assess personnel officers' compliance with the new policy during performance management reviews; and (3) continue to emphasize the need for high-quality performance standards in training.

Central Personnel Management

Senior Executive Service: Reasons the Candidate Development Program Has Not Produced More SES Appointees

GGD-88-47, 04/20/88

Background

Pursuant to a congressional request, GAO examined why federal agencies did not more frequently use the Office of Personnel Management's (OPM) Candidate Development Program (CDP) when making Senior Executive Service (SES) appointments, focusing on the: (1) Environmental Protection Agency (EPA); (2) Department of Health and Human Services; (3) Department of Agriculture (USDA); (4) Department of the Interior; (5) Office of the Secretary of Defense; and (6) Veterans Administration.

Findings

GAO found that: (1) during fiscal years 1982 to 1986, certified CDP candidates received 141, or 15 percent, of the agencies' 956 career SES appointments;

(2) agency officials who selected CDP candidates emphasized general management background, while officials who made SES appointments typically selected non-CDP candidates who had technical proficiency and agency experience; and (3) the conflict between CDP candidate selection and SES appointment practices lowered the program's credibility to both potential candidates and management. GAO also found that a lack of OPM guidance and agency commitment prevented agencies from: (1) envisioning CDP as a major source for SES appointments; or (2) taking advantage of the expedited SES appointment process for certified CDP candidates. In addition, GAO found that USDA, Interior, and EPA plan to make greater use of CDP as a source for SES appointments through changing the candidate selection process and

justifying non-CDP-candidate SES appointments. GAO believes that agency management views significantly influenced use of and reliance on CDP for SES appointments.

Open Recommendations to Agencies

Recommendation: To better achieve OPM expectations for CDP, the Director, OPM, should determine what actions OPM could take to enhance the use of CDP. This could be done by OPM in conjunction with other federal agencies or by the SES advisory board as part of its examination of SES-related policies.
Status: Action in process. Estimated completion date: 04/89. OPM will respond further as soon as its CDP review is complete.

Central Personnel Management

Ethics: The Department of Justice's Ethics Program

GGD-88-112BR, 07/19/88

Background

In response to a congressional request, GAO reviewed the Department of Justice's (DOJ) Ethics Program to determine whether the program complied with statutory requirements and Office of Personnel Management (OPM) regulations.

Findings

GAO found that: (1) although the program generally complied with Ethics in Government Act of 1978 requirements, DOJ did not periodically evaluate it or provide training for all of its departments; (2) program implementation procedures varied because DOJ gave each department considerable discretion in administering the program; and (3) DOJ developed standards of conduct for current and former employees and disciplinary measures for unethical conduct. GAO

also found that DOJ: (1) did not implement a requirement that it maintain status reports on all employees required to file public financial disclosure reports; (2) was the only agency that did not require its employees to file confidential financial reports because it believed that it lacked legal authority to require such reports; (3) seldom identified conflicts of interest requiring remedial actions from its reviews of disclosure statements; and (4) failed to require departmentwide ethics training for its employees.

Open Recommendations to Agencies

Recommendation: The Attorney General should periodically evaluate the adequacy and effectiveness of the DOJ standards-of-conduct regulations, financial disclosure system, and postemployment enforcement system.

Status: Action not yet initiated. Justice is preparing a written response to the recommendation.

Recommendation: The Attorney General should evaluate, in cooperation with the Office of Government Ethics (OGE), the ethics education program to improve the training DOJ employees receive in ethics and standards-of-conduct matters, including postemployment.

Status: Action not yet initiated. Justice is preparing a written response to the recommendation.

Recommendation: The Attorney General should require DOJ components to provide copies of written opinions on ethics matters to OGE in accordance with OPM regulations.

Status: Action not yet initiated. Justice is preparing a written response to the recommendation.

Central Personnel Management

Federal Workforce: A Framework for Studying Its Quality Over Time

PEMD-88-27, 08/04/88

Background

Pursuant to a congressional request, GAO: (1) examined the feasibility of producing generalizable and reliable information on the quality of the federal work force over time; and (2) developed a

framework for obtaining such information.

Findings

GAO: (1) examined the executive branch civilian work force in professional and

administrative positions; and (2) developed a two-part definition of quality which included employee capabilities and the degree to which those capabilities matched the requirements of a particular job. GAO found that: (1) the information currently

available in agency personnel records was not comprehensive, accessible, or current enough for the purposes of a quality assessment effort; and (2) changing agency systems to provide a better data base for an assessment effort would be impractical. GAO suggested an alternative assessment design which would: (1) gather data by surveying samples of employees in selected

occupations; (2) answer many of the major questions concerning work-force quality; and (3) cost less than \$1 million. GAO believes that Congress may wish to select an executive agency to administer the assessment effort.

Open Recommendations to Congress

Recommendation: To help provide generalizable answers to questions about the quality of the federal work force and changes in it over time, Congress may wish to authorize a continuing program to assess work-force quality based on the framework outlined in this report.
Status: Action not yet initiated.

Central Personnel Management

Senior Executive Service: The Extent to Which SES Members Have Used the Sabbatical Program

GGD-88-90, 08/04/88

Background

Pursuant to a congressional request, GAO reviewed the Office of Personnel Management's (OPM) sabbatical program for Senior Executive Service (SES) members to determine: (1) the costs of sabbaticals; (2) the positions to which SES members returned after their sabbaticals; (3) whether participants remained in federal service for at least 2 consecutive years after completing their sabbaticals, as required; and (4) whether agencies considered the program worthwhile.

Findings

GAO found that: (1) from July 1981 through May 1987, 15 of the 71 agencies interviewed had granted 21 sabbaticals; (2) sabbatical costs totalled over \$1 million; (3) of the 20 participants who

had completed sabbaticals as of May 19, 1987, 14 returned to the same positions and 6 went to different SES positions; (4) as of May 1988, seven participants had left either SES or the federal service after completing their sabbaticals, and two of those left before the required 2-year period; (5) officials in 13 of the 15 agencies that granted sabbaticals said the sabbaticals benefited their agencies; (6) officials in 44 agencies said the participation level was appropriate, 16 said participation should be higher, and 11 had no response; and (7) the most frequently cited reasons for the low level of participation were that agencies could not spare additional SES members and few SES members expressed interest in the program.

Open Recommendations to Agencies

Recommendation: The Director, OPM, should assess the sabbatical program's contribution to the development and effectiveness of SES members through study or work experience and as an incentive for recruitment and retention. The study should define what would constitute an appropriate level of use for the program and determine what can be done to reduce the level of attrition by SES members who have completed their sabbaticals. If OPM determines that participation should be increased, it should also assess how factors such as those identified in the GAO review are precluding SES members from participating.
Status: Action not yet initiated. OPM will assess the sabbatical program in 1989.

Executive Direction and Management

Improved Management Processes Would Enhance Justice's Operations

GGD-86-12, 03/14/86

Background

GAO reviewed the Department of Justice's management structure and management support systems to assess how departmentwide management support functions assist the Attorney General in directing and overseeing Justice's operations.

Findings

GAO found that Justice needs: (1) an institutional process for developing long-range departmental goals to guide its program planning and budgeting decisions; (2) an established means for overseeing program planning to ensure that the Attorney General's priorities are adequately addressed; (3) to clarify responsibilities for overseeing debt collection activities; and (4) a departmentwide program to ensure that automatic data processing (ADP) and telecommunications techniques are planned, acquired, and used effectively and economically. GAO also found that: (1) a stronger information resources management (IRM) system could have helped Justice's development of a litigative case management system to provide basic program data; (2) Justice financial management systems do not properly account for and control resources or permit adequate monitoring of program performance; and (3) Justice could use different processes for assessing the efficiency and effectiveness of its operations, specifically, audit and evaluation, position management reviews, and productivity management.

Open Recommendations to Agencies

Recommendation: The Attorney General should create a policy-level capability for: (1) coordinating the development of strategic long-range goals to provide direction to Justice; (2) overseeing component program planning and budgeting to ensure compliance with the goals; and (3) monitoring program implementation to ensure that policy goals are achieved within the parameters of approved program and financial plans.

Status: Action taken not fully responsive. Justice created the Department Resources Board (DRB) to serve as the Attorney General's strategic management team. Staff support is provided by the Justice Management Division (JMD). DRB is credited with providing a greater focus to management issues within Justice than previously existed; however, DRB has not acted on developing strategic plans for high-priority program areas.

Recommendation: The Attorney General should provide priority and sustained attention to implementing the departmental financial management plan and developing a departmentwide integrated financial management system that will provide the cost information needed to: (1) control funds expended on programs; and (2) support Justice's policy and program monitoring planning system.

Status: Action in process. Estimated completion date: 03/89. Justice's financial management plan, sent to the

Office of Management and Budget (OMB), is being implemented. Implementation is being monitored through the 5-year management and productivity improvement plan. The pilot project has been modified to focus on development within budget constraints; however, several years may elapse before the full system becomes operational.

Recommendation: The Attorney General should emphasize the use of program effectiveness reviews to provide policy officials with independent assessments of the effectiveness and efficiency of program implementation on which to base decisions to continue or alter policy decisions.

Status: Action taken not fully responsive. The Deputy Attorney General directed that several reviews be made of major management issues within Justice to provide a basis for decisionmaking. Program effectiveness reviews are still fragmented and uncoordinated.

Recommendation: The Attorney General should ensure the effective implementation of the Management and Productivity Improvement Program. This effort will require that: (1) the components develop specific productivity performance component goals, as well as the measures needed to assess performance; (2) the program become an integral part of the overall Justice planning and budgeting process; and (3) Justice's focal point for the program effectively oversees the components'

productivity improvement, disseminates information on good practices and efforts, and ensures that effective accountability mechanisms and incentives are in place for identifying productivity opportunities.

Status: Action in process. Estimated completion date: 03/89. The Office of Policy and Planning was created to lead departmentwide productivity efforts. A comprehensive productivity and management plan was developed. Plans now call for 70 percent of Justice's full time employees to be covered by productivity measures. The 5-year management and productivity plan revision indicated the status of 52 initiatives and described 15 new actions.

Recommendation: The Attorney General should ensure greater utilization of position management reviews by the components so that opportunities to achieve staffing efficiencies are identified.

Status: Action taken not fully responsive. A departmentwide position management program was established by an Attorney General memorandum on April 21, 1986. Formal implementation is on hold in part because OMB guidance is being revised. When guidance is received, components will not be required to conduct position management reviews.

Recommendation: The Attorney General should ensure that a primary objective of each system enhancement effort conforms to the system, when implemented, and with the Comptroller

General's accounting principles, standards, and related requirements. **Status:** Action in process. Estimated completion date: 03/89. GAO reviewed Justice's plan favorably. Actual plan implementation is being affected negatively by limited budget resources.

Recommendation: The Attorney General should ensure that an effective system is developed to assist the Immigration and Naturalization Service's (INS) Office of the General Counsel (OGC) in its debt collection efforts.

Status: Action in process. Estimated completion date: 03/89. INS reactivated development of a debt collection system for OGC, which will be modified and tied into its accounting system. Funding is provided from the INS user fee account. The contractor will complete system implementation by March 1989.

Recommendation: The Attorney General should ensure that affirmative litigation collections are recorded in Justice's general ledger.

Status: Action in process. Estimated completion date: 03/89. A consolidated reporting system has been developed for legal process debts. The reporting requirements were designed to call for information that will support future general ledger processing. Justice's financial management system, when developed, will record affirmative litigation collections in Justice's general ledger.

Recommendation: The Attorney General should ensure that an effective

departmentwide system is developed to account for total seizures and forfeitures. **Status:** Action in process. Estimated completion date: 03/89. Accountability for these assets is a major feature of Justice's financial management plan, currently being implemented. An automated Assets Forfeiture Tracking System is currently being developed. Major operational improvements are being made in processing forfeitures. New guidance has been issued on handling evidentiary cash.

Recommendation: The Attorney General should rescind the exclusion of proposed Federal Bureau of Investigation (FBI) contracts from departmental review.

Status: Recommendation valid/action not intended. This issue was under active review by Justice, but dialogue between Justice's Procurement Executive and FBI resulted in a decision to maintain the status quo.

Recommendation: The Attorney General should clearly establish the responsibility for operating the processes and systems necessary to support the implementation of an integrated management system.

Status: Recommendation valid/action not intended. Justice developed a reorganization proposal in May 1987, which would establish a second Associate Attorney General position, freeing the Deputy to be a full-time operational officer. Justice requested congressional approval for this action. However, the issue became embroiled with other issues and no action is intended.

Executive Direction and Management

Social Security Administration: Stable Leadership and Better Management Needed To Improve Effectiveness

HRD-87-39, 03/18/87

Background

GAO reviewed management problems that the Social Security Administration (SSA) must address to ensure the continued delivery of high-quality service to social security recipients.

Findings

GAO noted that SSA has serious management problems that: (1) are not evident to the public; (2) have contributed to crisis situations in the past; and (3) could interfere with SSA ability to effectively accomplish its mission in the future. GAO found that SSA: (1) has had seven commissioners or acting commissioners over the last 10 years, resulting in frequent changes in priorities, diminished accountability, and little long-term operational planning; (2) has made little progress in modernizing its computer system, particularly its software; (3) plans to spend over \$600 million to modernize its computer system; (4) does not have a plan to systematically identify and develop future leaders and managers; and (5) cannot ensure that employees' wage records are accurate. GAO also found that SSA: (1) makes substantial benefit overpayments annually; (2) has been unable to correct its financial management problems because of fragmented responsibility and lack of leadership; (3) has allowed wide variations in efficiency among similar units because of its limited emphasis on efficiency; (4) has neither established nor used measurable, national benchmarks for service quality or timeliness for

certain post-entitlement work loads; and (5) has many employees who are uncertain about the future of their jobs and are dissatisfied with many management actions.

Open Recommendations to Congress

Recommendation: To provide more stable leadership for SSA, Congress should enact legislation fixing the term of the Commissioner of Social Security at 8 years. In the case of removal, the President should be required to inform Congress of the reasons. In addition, Congress should periodically monitor SSA progress in solving its managerial and operational problems. If, in the long term, Congress believes the recommended actions are insufficient, it should consider other organizational alternatives to administer social security programs.

Status: Action not yet initiated.

Recommendation: To help sustain the planning process established by Commissioner Hardy and to encourage SSA to follow the long-term plan developed, the appropriate congressional committees should hold periodic hearings on the status of the process and the plan. The committees and SSA should try to agree on the thrust of the long-term plan and the actions and support needed to achieve it. Such agreement would help focus subsequent oversight on progress, problems and their causes, and substantial changes to the plans.

Status: Action not yet initiated.

Recommendation: Congress should consult with SSA on the time needed to automate legislative requirements promptly, efficiently, and effectively and consider the information provided by SSA in establishing effective dates.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: In recognition of the critical importance of social security to the nation and to the problems SSA has experienced with instability of leadership and frequent changes in direction, especially regarding computer systems modernization, the President should limit, to the extent possible, the appointment of Commissioners of Social Security on an acting basis.

Status: Action not yet initiated.

Recommendation: In recognition of the critical importance of social security to the nation and the problems SSA has experienced with instability of leadership and frequent changes in direction, especially regarding computer systems modernization, the President should, when nominating persons to fill the commissioner's position, focus on individuals who: (1) view the position as one requiring long-term commitment; (2) are inclined to focus attention on resolving significant long-standing problems; (3) are comfortable adhering to long-term operational and computer systems modernization plans, unless

major changes are justified and concurred in by the Secretary of Health and Human Services and reported to the appropriate congressional committees; and (4) are committed to the programs' goals and to providing high-quality, efficient service to social security recipients.

Status: Action not yet initiated.

Recommendation: The Commissioner of Social Security should: (1) develop and implement agencywide, long- and short-term operational plans; (2) consult with HHS, the Office of Management and Budget, congressional committees, states, client groups, and others as to how SSA should do business in the future, as part of the process of formulating a long-term plan; and (3) use the plan to guide policy, budget, and automatic data processing (ADP) systems decisions and hold managers accountable for adhering to it.

Status: Action in process. SSA is developing an entire coordinated SSA-wide planning system. It has established a high-level planning staff and developed a long-range plan. The long-range plan was approved by the Commissioner in January 1988.

Recommendation: The Commissioner of Social Security should take the following actions to improve budget development in SSA: (1) expand on the May 1986 permanent agencywide annual budget instructions covering all components in SSA to adhere to the objectives set forth in the November 1984 proposal submitted by the Acting Deputy Commissioner for Management and Assessment; (2) hold managers accountable for adherence to budget policy and requirements; and (3) establish standards for the amount of time SSA should take to complete its various work loads and use those standards in developing the SSA budget for operating staff. These standards could be based on engineering studies or on actual times required by better

performing offices to do the work. Any adjustments to the standards should be based on careful study reflecting the appropriate time needed to implement operational changes.

Status: Action in process. A new set of budget guidelines were developed and published, as of November 27, 1987. Managers are being held accountable through their performance review process for adhering to the new budget policy and time frames. No progress has been made on establishing work standards.

Recommendation: The Commissioner of Social Security should: (1) through Senior Executive Service (SES) contracts, hold appropriate managers involved in the regulation development process accountable for complying with the new rulemaking procedures; and (2) identify underlying causes of Program Operations Manual System (POMS) problems, develop specific plans for correcting them, and through SES contracts and merit pay plans, hold managers accountable for implementing agreed-upon actions.

Status: Action in process. Improvements to the POMS system, and changes to SES contract language are all undergoing agency actions. No final actions have been taken.

Recommendation: The Commissioner of Social Security should: (1) periodically evaluate whether the new process is reducing the time it takes to finalize regulations and implement further improvements if warranted; and (2) periodically survey operating personnel to determine the extent to which improvements in POMS have been effective.

Status: Action in process. Too few regulations have been processed recently to evaluate whether improvement has taken place. There is evidence that some progress is being made in improving POMS, but more needs to be done.

Recommendation: To help gain better managerial and technical control over SSA computer operations and modernization efforts, the Commissioner of Social Security should complete those aspects of a long-term operational plan that set forth how SSA will deliver services in the future, and revise the modernization strategy to be consistent with the service delivery needs.

Managers should be held accountable for adhering to the modernization strategy unless changes are fully justified.

Status: Action in process. SSA has completed development of its long-range plan and is incorporating the ADP elements of the agencywide plan into its ADP planning process. It is too early for judgments to be made.

Recommendation: To help gain better managerial and technical control over SSA computer operations and modernization efforts, the Commissioner of Social Security should establish an effective process for making key ADP decisions, which is based upon thorough analysis of mission needs, priorities, alternatives, and their costs and benefits and the effect on other aspects of the Systems Modernization Plan. SSA should continue to routinely obtain advice on major decisions from well-qualified, independent technical consultants knowledgeable about SSA programs, operations, and ADP environment.

Status: Action in process. SSA Deputy Commissioners have met to formulate the future direction and priorities for ADP modernization. New policies and guidance on ADP decisionmaking appear to meet GAO objectives. However, there is some evidence that these policies are not always followed.

Recommendation: To help gain better managerial and technical control over SSA computer operations and modernization efforts, the Commissioner

of Social Security should: (1) expeditiously establish effective project control and integration for the modernization effort, including more effective use of an integration contractor to help integrate Systems Modernization Plan projects and make the transition from the old to the new computer system; and (2) reassess whether the location of the ADP procurement review function within the Office of Systems provides sufficient internal control over this process.

Status: Action in process. Systems have been moved organizationally from a Deputy Commissioner-level office to a lower-level office under the Deputy for Operations. Some improvement has been made in project control and the integration contractor has reported on these efforts. ADP procurements will now be reviewed by the SSA Chief Financial Officer.

Recommendation: To help gain better managerial and technical control over SSA computer operations and modernization efforts, the Commissioner of Social Security should: (1) accelerate the completion of software development standards and implementation of effective enforcement mechanisms; (2) not begin software design work until sufficient work has been completed on functional requirements and systems users approve the requirements; and (3) enhance controls over user changes to functional requirements after software design has begun.

Status: Action in process. A formal follow-up is in progress. Software development continues to be far behind schedule.

Recommendation: To help gain better managerial and technical control over SSA computer operations and modernization efforts, the Commissioner of Social Security should: (1) identify the number, type, and qualifications of ADP personnel needed to carry out the

modernization program and maintain and improve the current systems; and (2) take steps to obtain the necessary skills.

Status: Action in process. A formal inventory of ADP staff resources has recently been completed. A study and comparison will be done this year to determine continued staff and training needs.

Recommendation: To help gain better managerial and technical control over SSA computer operations and modernization efforts, the Commissioner of Social Security should periodically survey Systems' staff morale, particularly regarding organizational and management problems perceived as contributing to low morale, to determine whether improvements have resulted.

Status: Action in process. SSA conducted an agencywide survey of employee job satisfaction and morale. The results have been published. The effects on systems employees are undetermined.

Recommendation: Because SSA will be dependent on its inefficient existing systems for a longer time due to major delays in redesigning its new system, the Commissioner of Social Security should also reexamine the current allocation of resources and priorities established for maintaining and improving the existing system and redesigning the new one.

This reexamination should focus on: (1) developing a clear picture of how the new system will be implemented, including how system components will be integrated, how SSA will make the transition from the existing system to the new system, and when major redesigned system components will be operational; and (2) assessing the effect that problems in the existing system, such as the inefficient software and manual operations, are having on service to the public. Such an assessment should include an estimate of the resources and time that would be

required to correct the problems in relation to when the redesigned system will be operational.

Status: Action in process. A systems baseline document has been prepared, but this is only the first step GAO feels is needed to accomplish the GAO objectives.

Recommendation: To help gain better management control over management information, the Commissioner of Social Security should: (1) develop a comprehensive management information policy commensurate with the agency long-range operational plan; (2) establish performance standards and measures that are based on the goals and objectives in the operational plan; (3) develop future management information requirements based upon the modernized computer system; and (4) intensify efforts to improve SSA data bases and establish an SSA-wide focal point for overseeing and integrating SSA management information and data base activities, including reviews and evaluations.

Status: Action in process. A new Associate Commissioner has been assigned to this area to refocus efforts. A management information plan has been developed in consort with the agency long-range plan. No progress has been made in establishing standards beyond a contract to study them.

Recommendation: The Commissioner of Social Security should take the following actions to enhance productivity, without diminishing the organization's strong commitment to providing high-quality service to the public: (1) improve SSA focus on productivity by establishing more specific expectations for efficiency in SES contracts and merit pay plans as a basis for gauging performance (regional and local variations can be recognized where justified); (2) require the use of work measurement data and

periodic cost reports for all SSA cost centers, such as regional, area, and district offices, to identify targets of opportunity for improved efficiency and cost-effectiveness; (3) allocate staff resources to similar units, district/branch offices and program service centers, based on performance expectations; and (4) develop and implement strategies for addressing external factors that could impede improved efficiency.

Status: Action in process. SES contracts now contain productivity goals in varying degrees depending on the position. Work measurement data are being disseminated to regions and will be sent to offices in the near future. There is no requirement for how these data should be used. No cost data are being provided to work units. Staff allocation is not based on performance, but on work loads and management priorities.

Recommendation: The Commissioner of Social Security should: (1) establish national performance standards and measures for important services, such as address changes and services to Medicare beneficiaries; (2) hold managers accountable for meeting performance standards; (3) consider what additional actions are necessary to improve notices sent to the public and SSA ability to respond to recipient questions, specifically expediting necessary computer system improvements, holding employees and supervisory personnel more accountable for notice quality, and determining the extent to which SSA field offices have sufficient information to explain notices to recipients; and (4) more systematically identify field office problems in serving Medicare beneficiaries and promptly develop resolutions. The Commissioner should seek assistance from the Secretary of Health and Human Services, if necessary.

Status: Action in process. No standards have been set for post-entitlement work loads. Some progress has been made in improving notices, but more needs to be done. A new agreement is being developed between SSA and the Health Care Financing Administration to better define roles and responsibilities.

Recommendation: The Commissioner of Social Security should assess what can be done to address employee concerns about diminishing advancement opportunities, such as restructuring jobs or reevaluating grade structures for employees assuming greater or more complex responsibilities as a result of increased computerization and shifting of responsibilities among units.

Status: Action in process. Little can be done while SSA continues staff reductions through 1990. However, SSA is pursuing pilot projects to enhance salaries of operations supervisors and provide opportunities for freer movement of field employees to other field or headquarters locations. Award funds have been substantially increase in lieu of promotions.

Recommendation: The Commissioner of Social Security should: (1) determine what senior- and mid-level manager positions will likely have to be filled over the next several years, the adequacy of the existing pool of available candidates, and the specific recruitment and development changes needed so that SSA will have enough qualified candidates to fill future vacant positions; (2) establish a formal program to identify and develop managers at all levels of the organization; (3) determine how SSA can make staff more aware of requirements and availability of training for new supervisors and managers and the benefits that accrue from fulfilling the current training curriculum; and (4) develop a training program to enhance the knowledge, skills, and abilities of lower level staff to assume future

supervisory and management positions. Such a program could be similar to the training program SSA now has for newly promoted or assigned supervisors and managers.

Status: Action in process. There has been improvement in management development programs, but it is too early to judge improvements in other areas.

Recommendation: The Commissioner of Social Security should reassess SSA selection practices for supervisors to minimize the selection of employees who do not have the appropriate skills and abilities for, or who do not fully understand, the duties and responsibilities of the job. In addition, the Commissioner should reassess the structure of the operations supervisor position to determine how more emphasis can be placed on making it more rewarding and attractive.

Status: Action in process. SSA has requested approval for several pilot programs to upgrade the pay for operations supervisors, through broad banding rather than GS grades. In addition, it is investigating how the position can be enhanced and how duties can be restructured to make the position more desirable.

Recommendation: The Commissioner of Social Security should: (1) reassess the emphasis given to initial claims statistics by managers to determine whether changes would be appropriate to achieve a more balanced approach to all important work loads and other objectives; (2) more clearly define and set objectives for the SSA goal of maintaining a favorable work climate, include such objectives in SES contracts and merit pay plans, and systematically measure progress; and (3) improve the effectiveness of employee recognition efforts by allocating a portion of award funds to all operational components

based on unit performance, and emphasizing to supervisors and managers, through training or other means, the importance of prompt recognition of employee contributions.

Status: Action in process. SSA now apportions award funds based in part on unit performance. There has been little change in emphasis on initial claims. SSA should include an objective to

improve employee work climate in SES plans.

Executive Direction and Management

Information Management: Leadership Needed in Managing Federal Telecommunications

IMTEC-87-9, 05/06/87

Background

In response to a congressional request, GAO examined whether the Office of Management and Budget (OMB) and the General Services Administration (GSA) are providing the necessary leadership and making sound decisions for managing the federal government's telecommunications.

Findings

GAO noted that OMB is required to develop, in consultation with GSA, a 5-year plan for meeting the federal government's telecommunications needs, but the agencies have not: (1) collected adequate information on agency requirements for various telecommunications services; (2) derived appropriate methodologies for evaluating governmentwide costs; (3) made decisions as to which services should be provided centrally; and (4) identified the need for specific technical standards. GAO found that the absence of meaningful governmentwide planning has: (1) left the government open to the risk of serious problems in developing and replacing telecommunications systems; and (2) made it impossible to determine whether the government is meeting overall telecommunications objectives. In addition, GAO found that: (1) GSA did

not support important procurement decisions with meaningful analyses; (2) a GSA analysis of alternatives to replacing the existing Federal Telecommunications System (FTS) lacked credibility; (3) GSA awarded a contract for a more extensive analysis of the FTS replacement alternatives, including a cost-benefit analysis of principal alternatives; (4) GSA did not consider the sharing of telecommunications systems when it reviewed agencies' requests for authority to acquire their own systems; and (5) the government would have saved an estimated \$16 million over a 10-year period if GSA had approved shared, rather than individual, systems in three locations.

Open Recommendations to Agencies

Recommendation: In order to provide a framework for decisionmaking, to define agency telecommunications needs, to decide which services should be provided centrally by GSA and which services should be provided by the agencies, and to establish responsibilities between the central managers and the individual agencies, OMB and GSA should jointly develop, document, and implement a comprehensive plan for meeting governmentwide telecommunications

needs. This plan should: (1) be developed using the guidance OMB and GSA prescribed for the agencies in the 5-year automatic data processing/telecommunications plan, but should be applied to the central management level; (2) be based on appropriate analyses that are necessary for making decisions on how agencies' needs will be met; and (3) include established economic and noneconomic criteria. OMB and GSA should establish a process to gather critical information so that they, as central managers, can make informed decisions on these issues. **Addressee:** Office of Management and Budget

Status: Action not yet initiated. OMB has not yet determined how to best develop this plan.

Addressee: General Services Administration

Status: Action taken not fully responsive. The GSA Internal Audit Office stated that GSA officials believed that the redirection of FTS 2000 by the congressional committees negates the need for developing a comprehensive telecommunications plan. Although it is proceeding with FTS 2000, integrated planning for meeting end-to-end telecommunication requirements is needed.

Recommendation: Until OMB and GSA complete the framework document regarding which services should be provided centrally by GSA and which services should be provided by the agencies themselves, the Administrator of General Services should: (1) not approve agency purchases of individual systems when the agencies were originally intended to be served by the Washington Interagency Telecommunications System (WITS); (2) recall approvals already issued to agencies originally intended to be served by WITS when their requests for proposals for individual telecommunications systems have not yet been issued; and (3) not award a contract for FTS 2000.

Status: Action in process. GSA established criteria for use in determining when it should serve agencies by WITS. Five agencies returned their authorizations to buy individual systems and asked to be served by WITS, and GSA recalled authorizations to two agencies. GSA is proceeding, as an interim measure, with the FTS 2000 procurement, but will split the award between two vendors.

Recommendation: To enhance agency decisionmaking on telecommunications that would best satisfy needs and objectives, OMB and GSA should establish an explicit, uniform methodology for comparing alternatives. The methodology should describe the essential cost elements and the procedures for conducting analyses, and should be enforced by OMB in its budget process, and GSA in its review process.

Addressee: Office of Management and Budget

Status: Action in process. OMB Circular A-11, June 8, 1987, directed agencies to develop cost-benefit analyses for major information technology initiatives following Federal Information Processing Standard No. 64. Agencies

are to submit their analyses with initial budget submissions.

Addressee: General Services Administration

Status: Action in process. GSA drafted proposed changes to its regulations on the acquisition of telecommunications resources. These draft regulations have not, for several reasons, been issued in final form. GSA published a Handbook for Life-Cycle Management of Telecommunications Systems, dated February 1987, containing some general direction on alternative analysis.

Recommendation: The Director, OMB, should work with the Administrator of General Services, to establish and systematically implement a policy requiring agencies to share their proposed telecommunications systems when GSA determines, through a cost and technical analysis, that sharing best achieves service requirements, efficiency, and the least overall cost to the government. This policy should be incorporated in the GSA Federal Information Resources Management Regulations and in internal procedures.

Addressee: Office of Management and Budget

Status: Action in process. GSA proposed changes to its regulations requiring agencies to consider sharing other agencies' existing facilities before requesting an authorization for exclusive-use service or facilities. The regulations have yet to be issued in final form. GSA plans to monitor sharing through its reviews of agency delegation requests.

Addressee: General Services Administration

Status: Action in process. GSA proposed changes to its regulations requiring agencies to consider sharing other agencies' existing facilities before requesting an authorization for exclusive-use service or facilities. The regulations have yet to be issued in final form. GSA plans to monitor sharing

through its reviews of agency delegation requests.

Recommendation: To implement the policy concerning shared telecommunications systems, the Administrator of General Services should direct the Information Resources Management Service to ensure that information identifying which agencies might share systems is acquired and used.

Status: Action not yet initiated. GSA plans to identify agency resources suitable for sharing by other agencies and publishing a description of these resources in a regulatory bulletin.

Recommendation: To implement the policy concerning shared telecommunications systems, the Administrator of General Services should direct the Information Resources Management Service to obtain additional information where the potential for sharing exists between the requesting agency and other agencies. This information should include: (1) which telecommunications requirements of these agencies can be met by a new, shared system; (2) the costs of existing services for all agencies involved and estimated costs for the requesting agency's proposed system; (3) physical requirements for the private branch exchange; and (4) how long the agencies will occupy their current locations.

Status: Action in process. GSA is changing its procedures for reviewing agency requests to acquire telecommunications resources to cover the agency's consideration of sharing. The GSA-proposed regulation will require agencies to consider sharing other agencies' existing facilities before requesting authorization for exclusive-use service or facilities. The regulations have not been issued in final form.

Recommendation: To implement the policy concerning shared telecommunications systems, the Administrator of General Services should direct the Information Resources Management Service to mandate an evaluation and cost comparison when GSA determines that a shared system is feasible. In this evaluation, GSA should

clarify the alternatives to the government, including agencies' claims of adverse impacts from sharing, and the most sensible alternative from a governmentwide viewpoint. **Status:** Action in process. GSA is changing its procedure for reviewing agency requests to acquire telecommunications resources to cover

the agency's consideration of sharing. The GSA-proposed regulation will require agencies to consider sharing other agencies' existing facilities before requesting authorization for exclusive-use service or facilities. The regulations have not been issued in final form.

Executive Direction and Management

OPM Revolving Fund: Investigation Activities During Fiscal Years 1983 Through 1986

GGD-87-81, 06/26/87

Background

GAO reviewed the Office of Personnel Management's (OPM) revolving fund to finance federal employee background investigations.

Findings

GAO found that: (1) the backlog of uncompleted investigations grew significantly from fiscal year (FY) 1982 to 1984, but decreased in FY 1986; (2) OPM did not hire sufficient investigators to keep current with agency

investigation requests; (3) uncertainties about the OPM budget and personnel ceilings caused delays in recruiting in the regions; and (4) although OPM has contracted with individuals and companies to increase its investigator staff, OPM was dissatisfied with the contractors' quality of work. GAO believes that OPM should not use fiscal constraints to justify its lack of investigative staff, since other agencies reimburse it for all of its costs through the revolving fund.

Open Recommendations to Agencies

Recommendation: The Director, OPM, should provide the investigative activity authority to hire and maintain an investigator staff at levels which would improve the timeliness of background investigations and reduce the backlog to a manageable level.

Status: Action in process. Estimated completion date: 09/89. OPM reached its authorized level in FY 1988; however, the backlog is still high and OPM is trying to increase its authorized level.

Executive Direction and Management

Information Systems: Agencies Overlook Security Controls During Development

IMTEC-88-11, 05/31/88

Background

Pursuant to a congressional request, GAO reviewed federal civilian agencies' practices for incorporating security

controls during the development of automated systems for sensitive information.

Findings

GAO found that the National Bureau of Standards (NBS), the Office of Management and Budget (OMB), and the

General Services Administration issued considerable but general guidance for agencies to follow in incorporating security controls during systems development. GAO also found that agencies did not adequately: (1) determine their systems' security needs; (2) assess threats, vulnerabilities, and risks to their systems; (3) identify alternative system security approaches or compare their feasibility, costs, or benefits; (4) analyze potential risks for their specific system concepts; (5) define the sensitivity of their information; (6) define security requirements to permit implementation of appropriate controls; or (7) develop security test plans.

Open Recommendations to Agencies

Recommendation: The National Bureau of Standards should, pursuant to its responsibilities under the Computer Security Act of 1987 and in consultation with the appropriate agencies, perform a comprehensive reassessment and revision of the system development standards and guidelines needed by agencies to ensure cost-effective protection of sensitive information in federal computer systems under development.

Status: Action in process. The National Institute for Science and Technology (NIST), formerly NBS, has made progress by issuing a Guide to Auditing for Controls and Security: A System Development Life-Cycle Approach, NBS Special Publication 500-153. However, NIST will allow 2 years of agency experience to make changes or additions to the Guide and then will consider making the Guide a Federal Information Processing Standard

Recommendation: The Office of Management and Budget should, consistent with its broad authority under the Paperwork Reduction Act, revise its existing policies and guidelines

to ensure appropriate management involvement in security-related decisions governing the development of sensitive information systems.

Status: Action in process. OMB will review its information security policies to ensure that its policies are consistent with the Computer Security Act of 1987. In a related step, OMB has issued Bulletin No. 88-16, providing guidance to agencies on preparing and submitting plans.

Recommendation: The Immigration and Naturalization Service (INS) should evaluate its current agency policies and procedures governing the development of sensitive information systems to determine if revisions or extensions are necessary to ensure that systems are developed with appropriate security controls. INS may find the forthcoming NBS Special Publication 500-153 useful in this analysis. INS should also review sensitive information systems that are currently under development to evaluate to what extent a sound security foundation has been laid for their implementation. Consideration of these evaluations should be included in the formulation of INS information security plans required by the Computer Security Act of 1987.

Status: Action in process. At the agency level, INS has instituted policies for the use of System Development Life-Cycle standards to apply to security and for the use of a password issue control system. It has established and staffed an ADP security section to implement the Computer Security Act of 1987, including evaluations of sensitive information systems under development.

Recommendation: The Federal Aviation Administration (FAA) should evaluate its current agency policies and procedures governing the development of sensitive information systems to determine if revisions or extensions are necessary to ensure that systems are

developed with appropriate security controls. FAA may find the forthcoming NBS Special Publication 500-153 useful in this analysis. FAA should also review sensitive information systems that are currently under development to evaluate to what extent a sound security foundation has been laid for their implementation. Consideration of these evaluations should be included in the formulation of FAA information security plans required by the Computer Security Act of 1987.

Status: Action in process. FAA has established a policy that requires security reviews of system specifications to ensure that systems are developed with appropriate security controls. Also, FAA will submit National Airspace System development efforts to a checklist, which contains system security as a key component.

Recommendation: The U.S. Customs Service should evaluate its current agency policies and procedures governing the development of sensitive information systems to determine if revisions or extensions are necessary to ensure that systems are developed with appropriate security controls. Customs may find the forthcoming NBS Special Publication 500-153 useful in this analysis. Customs should also review sensitive information systems that are currently under development to evaluate to what extent a sound security foundation has been laid for their implementation. Consideration of these evaluations should be included in the formulation of Customs information security plans required by the Computer Security Act of 1987.

Status: Action not yet initiated. Although a response has not been submitted due to the turnover of responsible staff and their replacements not knowing about this recommendation or requirements, Customs plans to

respond. Indications are Customs will concur with this recommendation.

Recommendation: The Farmers Home Administration (FmHA) should evaluate its current agency policies and procedures governing the development of sensitive information systems to determine if revisions or extensions are necessary to ensure that systems are developed with appropriate security controls. FmHA may find the forthcoming NBS Special Publication 500-153 useful in this analysis. FmHA should also review sensitive information systems that are currently under development to evaluate to what extent a sound security foundation has been laid for their implementation. Consideration of these evaluations should be included in the formulation of FmHA information security plans required by the Computer Security Act of 1987.

Status: Action in process. FmHA will base its policies and procedures, as appropriate, on the guidance "Model Framework for Management Control Over Automated Information Systems" provided by the President's Council on Management Improvement and Integrity and Efficiency (January 1988). These policies will then be used in reviewing systems under development.

Recommendation: The Department of Energy (DOE) should evaluate its current agency policies and procedures governing the development of sensitive information systems to determine if revisions or extensions are necessary to ensure that systems are developed with appropriate security controls. DOE may find the forthcoming NBS Special Publication 500-153 useful in this analysis. DOE should also review sensitive information systems that are currently under development to evaluate to what extent a sound security foundation has been laid for their implementation. Consideration of these

evaluations should be included in the formulation of DOE information security plans required by the Computer Security Act of 1987.

Status: Action in process. Policies regarding information systems development and use are being modified to consider security controls during the design and development of DOE information systems. The modified policies will form the basis for one of the objectives of the reviews of systems under development.

Recommendation: The Social Security Administration (SSA) should evaluate its current agency policies and procedures governing the development of sensitive information systems to determine if revisions or extensions are necessary to ensure that systems are developed with appropriate security controls. SSA may find the forthcoming NBS Special Publication 500-153 useful in this analysis. SSA should also review sensitive information systems that are currently under development to evaluate to what extent a sound security foundation has been laid for their implementation. Consideration of these evaluations should be included in the formulation of SSA information security plans required by the Computer Security Act of 1987.

Status: Action in process. SSA has included security standards in five of the eight stages in the systems development life cycle (SDLC) prescribed in its Software Engineering Technology (SET) manuals. During FY 1989, SSA plans to complete the remaining three stages with security standards. SSA will then compare its SDLC security requirements against those in the GAO report and adjust as necessary.

Recommendation: The Veterans Administration (VA) should evaluate its current agency policies and procedures governing the development of sensitive information systems to determine if

revisions or extensions are necessary to ensure that systems are developed with appropriate security controls. VA may find the forthcoming NBS Special Publication 500-153 useful in this analysis. VA should also review sensitive information systems that are currently under development to evaluate to what extent a sound security foundation has been laid for their implementation. Consideration of these evaluations should be included in the formulation of VA information security plans required by the Computer Security Act of 1987.

Status: Action in process. The Office of Systems Planning, Policy and Acquisition Control has completed its review of agency policy and included security and internal controls in VA life-cycle management policies. A review for security issues for systems under development is underway and the results are to be incorporated in the security plans required by the Computer Security Act of 1987.

Recommendation: The Internal Revenue Service (IRS) should evaluate its current agency policies and procedures governing the development of sensitive information systems to determine if revisions or extensions are necessary to ensure that systems are developed with appropriate security controls. IRS may find the forthcoming NBS Special Publication 500-153 useful in this analysis. IRS should also review sensitive information systems that are currently under development to evaluate to what extent a sound security foundation has been laid for their implementation. Consideration of these evaluations should be included in the formulation of IRS information security plans required by the Computer Security Act of 1987.

Status: Action in process. IRS has obtained assistance from the Federal Computer Performance Evaluation and Simulation Center in: (1) reviewing

federal and Treasury requirements for information systems security and control; (2) documenting IRS

implementation of an information system's security program; and (3) developing an action plan ensuring that

proper controls are put in place and in the area of tax system redesign.

General Property and Records Management

Chet Holifield Federal Building: GSA's Decision To Renovate and Retain Appears Appropriate

GGD-87-47, 04/20/87

Background

In response to a congressional request, GAO studied the economic advisability of the General Services Administration's (GSA) proposal to renovate and retain the Chet Holifield Federal Building in Laguna Niguel, California.

Findings

GAO found that the GSA decision to renovate and retain the Holifield Building, rather than sell it, was an appropriate decision because: (1) the estimated cost to repair the building was \$42.1 million, while the cost to sell the

building and relocate the tenants into leased space would be \$100.4 million; and (2) officials of the 11 tenant agencies stated that the building was suitable for their use. GAO noted that: (1) the building has an estimated 17 acres of excess parking, valued at \$6.7 million; and (2) GSA was unable to determine the number of parking spaces necessary for the building's tenants.

Open Recommendations to Agencies

Recommendation: The Administrator of General Services should determine the actual amount of parking that will be

needed at the Holifield Building and initiate action to dispose of any excess parking capacity.

Status: Action in process. Estimated completion date: 07/89. GSA is negotiating with Orange County, California, for an expanded right-of-way for a road that is being extended near the building, and is planning to move more tenants in the building. GSA has deferred action on this recommendation until these actions are complete, which GSA anticipates will be done in July 1989.

General Property and Records Management

Property Management: Excess and Surplus Personal Property Transfers to Nonfederal Organizations

GGD-88-68, 05/13/88

Background

Pursuant to a legislative requirement, GAO reviewed: (1) executive agencies' procedures regarding the transfer of excess and the donation of surplus federal personal property to nonfederal organizations; and (2) whether the

General Services Administration (GSA) conducted timely regional reviews of the operations of state agencies for surplus property.

Findings

GAO found that: (1) since the implementation of P.L. 94-519, federal agencies have acquired a greater percentage of excess personal property than nonfederal organizations; (2) although the amount of excess property

donated to nonfederal organizations increased from \$243 million to \$371 million in the 2 years prior to implementation, the amount of excess donated property has not exceeded \$54 million; (3) some agencies did not include all the required information in their annual reports or did not submit their reports to GSA within the required calendar quarter; (4) the Department of Energy (DOE) did not include the excess personal property furnished to its contractors in its annual report; (5) state agencies donated \$35.6 million in personal property to three new categories, because the law encouraged donation to a wider range of eligible nonfederal organizations; (6) 44 state agencies donated a disproportionate amount of excess property to their 10 largest recipients; (7) 440 of about 29,800 organizations received 35 percent of the total donated amount; (8) about 25 state agencies requested less than their full entitlements, and 11 received 200 percent or more of their entitlements because no other states requested them; (9) due to a decrease in donated excess property, many state agencies had operating losses from 1983 through 1985; and (10) GSA reviews did not include the

financial conditions of state agencies' operations.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should include information on excess personal property furnished to DOE contractors who operate government-owned facilities in its annual report submitted to GSA in compliance with section 202(e) of the Federal Property and Administrative Services Act of 1949, as amended. **Status:** Action in process. DOE stated that it would take action to include information on excess property furnished contractors.

Recommendation: The Administrator of General Services should inform the heads of all executive agencies that GSA will issue its summary and analysis report to Congress on a specified date and this report will: (1) include only those executive agency reports that have been submitted to GSA during the calendar quarter following the close of the fiscal year, as required by section 202(e) of the Federal Property and Administrative Services Act of 1949, as

amended; and (2) identify those executive agencies that have not submitted an annual report on time. **Status:** Action in process. GSA expects to issue a Federal Property Management Regulation bulletin notifying heads of all executive agencies of the requirement.

Recommendation: The Administrator of General Services should require that regional reviews: (1) be conducted once every 2 fiscal years in compliance with the Donation Handbook; (2) include information on the amount of state agencies' service charges, operating expenses, operating profit/loss, and property donated; (3) develop and use inventory-level criteria to assess and reduce the amount of property in inventory; and (4) increase the coverage of property and inventory control, eligibility of donee organizations, performance of compliance and utilization reviews, the adequacy of the fiscal accounting system, and resolution of the management problems identified. **Status:** Action in process. Estimated completion date: 03/89. Interim steps were taken, with final donation handbook changes planned for March 1989.

Legislative Functions

Insurance Reserves: Strategies for Regulating the Federal Employees Health Benefits Program

HRD-87-10, 03/06/87

Background

In response to a congressional request, GAO provided information on: (1) Federal Employees Health Benefits Program (FEHBP) reserves over a 7-year period from 1979 to 1985, including a comparison of the reserve balances with

targeted levels; and (2) the different strategies for regulating reserves and the advantages and disadvantages of each.

Findings

GAO found that: (1) FEHBP reserves have fluctuated widely from their targets, needing frequent and often substantial adjustment to keep them at, or near, the preferred levels; (2) between 1979 and 1985, the majority of the plans

GAO reviewed held reserves that were more than 100 percent away from target; (3) the Office of Personnel Management (OPM) and the FEHBP health plans have three strategies to regulate reserves, including adjusting future premiums, modifying future benefits, and giving refunds; and (4) the best strategy is the adjustment of future premiums because it is administratively easier, less costly, and provides the fairest settlement, since it divides the reserve shortage or surplus by the

amount contributed. GAO believes that: (1) OPM and the plans will have difficulty in accurately setting premiums to avoid the reserve fluctuations; and (2) modifying future benefits and giving refunds will cause cost-shifting between the government and enrollees.

Open Recommendations to Agencies

Recommendation: Unless Congress amends the Federal Employees Health

Benefits Act of 1959 to provide program-wide adjustments in the government's contribution, the Director, OPM, should use future premium adjustments to regulate FEHBP reserves and avoid using refunds and benefit modifications as reserve adjustment strategies.

Status: Recommendation valid/action not intended. OPM refused to adopt this recommendation.

Legislative Functions

Congressional Reports: Efforts To Eliminate or Modify Reporting Requirements Need To Be Improved

AFMD-88-4, 04/19/88

Background

GAO reviewed the procedures that the Office of Management and Budget (OMB) and five executive branch agencies used to compile and present a legislative proposal for modifying or eliminating 240 congressional reporting requirements.

Findings

GAO found that: (1) as of fiscal year 1985, there were approximately 3,300 recurring reporting requirements, which cost agencies about \$240 million; and (2) although OMB used agency

recommendations to develop a legislative proposal to modify or eliminate 240 reporting requirements, Congress only changed or rescinded 23. GAO also found that: (1) agencies did not sufficiently communicate with Congress either before or after submitting the proposal; (2) most of the justifications presented did not adequately demonstrate the need to eliminate or modify the reporting requirements; and (3) agencies did not use existing reports management processes to ensure that the recommendations they made satisfied congressional information needs.

Open Recommendations to Agencies

Recommendation: The Administrator of General Services should amend the Code of Federal Regulations to include congressional reporting requirements in executive agencies' recurring evaluation of reporting needs.

Status: Action in process. Estimated completion date: 02/89. The General Services Administration (GSA) will be issuing regulations to require executive agencies to perform recurring evaluations of congressional reports.

Legislative Functions

U.S. Government Printing Office: Materials Management Service's Charges for Handling Paper and Materials

GGD-88-108, 08/08/88

Background

In response to a congressional request, GAO examined the operations of the Government Printing Office's (GPO) Materials Management Service, to determine: (1) the propriety of the Service's handling charges from the standpoint of generally accepted accounting principles; (2) whether the charges were equitable to the level of service provided; (3) whether the cost centers were adequate to properly determine and allocate costs; and (4) ways to reduce operating expenses.

Findings

GAO found that: (1) the number of cost centers was adequate to record and accumulate costs; (2) the Service properly and accurately assigned direct costs to the centers; (3) the Service did not properly and accurately assign some allocated costs under the engineering service charges and building expense accounts; (4) the Service did not always allocate building space assignments according to the centers' actual occupancy and square footage; (5) GPO last reviewed space allocation rates in

1965; (6) although the Service levied a 35-percent handling charge on all customers buying paper and materials from inventory and a 6-percent handling charge on direct shipments, it levied no charges for other items; and (7) GPO could not provide specific data to support these rates.

Open Recommendations to Agencies

Recommendation: The Public Printer, GPO, should direct the Office of the Comptroller to review all allocation bases used to distribute costs to Materials Management Service cost centers. During this review the basis for allocating costs in the engineering services and the buildings expense accounts should receive special attention.

Status: Action in process. Estimated completion date: 10/89. Engineering and buildings expense account changes were made. The remainder depends on the new method of allocating costs and overall systems changes, planned during fiscal year (FY) 1989.

Recommendation: The Public Printer, GPO, should direct the Office of the Comptroller to evaluate the validity of the present handling charges for issues from inventory and direct shipments of paper and materials from vendors, make any necessary adjustments, and make such evaluations on a periodic basis. **Status:** Action in process. Estimated completion date: 10/89. Initial and periodic evaluations are dependent on systems reappraisal and the new cost allocation method to be completed during FY 1989.

Recommendation: The Public Printer, GPO, should direct the Office of the Comptroller to develop handling charges applicable to recovery of costs of the Materials Management Service's services provided to users of procurement services not now subject to a handling charge.

Status: Action in process. Estimated completion date: 10/89. Handling charges for other services are to be instituted as part of systems reappraisal and the new overall cost allocation method to be completed during FY 1989.

Legislative Functions

Legislative Mandates: State Experiences Offer Insights for Federal Action

HRD-88-75, 09/27/88

Background

In response to a congressional request, GAO reviewed state and federal attempts to deal with legislative mandates imposed on lower levels of government, focusing on: (1) their processes for estimating the mandates' cost impacts; and (2) states' reimbursement practices for such costs.

Findings

GAO found that: (1) although the cost estimates improved Congress' understanding of state and local costs, they had little effect on five of eight bills it reviewed because legislators were more concerned with programs and policy issues rather than state and local costs; (2) at the state level, cost estimates had a significant impact if the states prepared them early in the legislative process; (3) 14 states reimbursed local governments for state-mandated costs;

(4) four of seven of those states deterred legislators from passing unfunded mandates through reimbursement requirements; (5) in three states, reimbursement requirements had little impact on legislative mandates; and (6) only one state had appropriated sufficient funding to defray local costs. GAO believes that the federal government could focus attention on the impact of federal legislation on state and local costs by providing estimates for key bills prior to full committee reports and biennial reports to increase legislators' awareness of mandated costs.

Open Recommendations to Congress

Recommendation: Congress may wish to ask the Congressional Budget Office to prepare state and local cost estimates for selected proposed legislation scheduled for subcommittee or full committee markup. Consultation with

state and local government interest groups could help legislators identify significant mandate legislation warranting these estimates. Committees and members should also consider requesting estimates for floor amendments with potentially significant effects on state and local costs. Committees and members should request estimates on appropriation and tax bills that are identified as potentially affecting state and local costs.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Advisory Commission on Intergovernmental Relations should prepare a biennial report on the total estimated state and local costs of new mandates contained in legislation passed by each Congress.

Status: Action not yet initiated.

Other General Government

District of Columbia: P.L. 94-142 Compliance and Management of Youth Services Administration

GGD-86-131, 09/12/86

Background

In response to a congressional request, GAO monitored the District of Columbia's (D.C.) efforts to comply with the Education for All Handicapped

Children Act's requirements relating to juvenile delinquents, specifically aspects of the D.C. Youth Services Administration's (YSA) payroll, contracting, and personnel functions.

Findings

GAO found that: (1) the D.C. Department of Human Services' (DHS) lack of management oversight and

control of YSA resulted in considerable overtime expenditures, noncompliance with contracting procedures, and inaccurate position descriptions; (2) 22 percent of the YSA personal services budget for fiscal years (FY) 1983 through 1985 was charged to overtime expenses, which were caused by noncompliance with internal controls, insufficient staffing, and poor scheduling; (3) DHS and YSA failed to adhere to key internal controls designed to ensure proper contract review, monitoring, and payment; and (4) many YSA employees did not have position descriptions that accurately described their current duties and responsibilities, due to noncompliance with personnel regulations and procedures.

Open Recommendations to Agencies

Recommendation: The Mayor of D.C. should ensure that YSA is managed in an effective, efficient, and economical manner by directing the Director, DHS, and the Commissioner on Social Services to ensure that DHS, Social Service, and YSA managers follow D.C. and DHS

contracting and payroll policies and procedures.

Status: Action in process. Estimated completion date: 09/89. In September 1988, the City Administrator advised GAO that DHS managers are complying with contracting and payroll policies and procedures.

Recommendation: The Mayor of D.C. should ensure that YSA is managed in an effective, efficient, and economical manner by directing the Deputy Mayor for Operations to exercise sufficient oversight regarding the activities of the Director, DHS, and the Commissioner on Social Services, by ensuring that an independent audit is conducted next year of YSA payroll and contracting functions.

Status: Action in process. Estimated completion date: 09/89. In September 1988, the City Administrator advised that the recommended audit of YSA payroll and contracting functions will be completed during the first quarter of FY 1989.

Recommendation: The Mayor of D.C. should ensure that YSA is managed in an effective, efficient, and economical

manner by directing the Deputy Mayor for Operations to exercise sufficient oversight regarding the activities of the Director, DHS, and the Commissioner on Social Services, by ensuring that an independent audit of YSA FY 1984 and 1985 contracts is conducted for the purpose of identifying disallowable and unsupported costs.

Status: Action in process. In September 1988, the City Administrator advised that the recommended audit of 1984 and 1985 contracts will be completed during the first quarter of FY 1989.

Recommendation: The Mayor of D.C. should ensure that YSA is managed in an effective, efficient, and economical manner by directing the Director, D.C. Office of Personnel, to immediately begin a classification survey of all YSA positions and implement a schedule to review each position at least once in each 3-year period.

Status: Action in process. Estimated completion date: 09/89. A survey and update of YSA staff classification is in process. Two classification specialists have been assigned to YSA to review and develop or update position descriptions, as warranted.

Other General Government

Affirmative Action: Social Security Can Do More To Improve Blacks' Representation in Its Work Force

HRD-87-2, 01/02/87

Background

In response to a congressional request, GAO discussed: (1) the effect of the affirmative action plan at Social Security Administration (SSA) headquarters on the representation of blacks in some job series; (2) how SSA developed and implemented affirmative

action plans; and (3) whether SSA planning and reporting complied with Equal Employment Opportunity Commission (EEOC) requirements.

Findings

GAO found that: (1) although the overall ratio of blacks employed at SSA headquarters increased from 1982 to 1985, black men were generally underrepresented in the organizational components and job series reviewed; (2)

SSA did not fully comply with affirmative action requirements in compiling and analyzing race and sex profile data for each stage of the selection process to fill vacant positions; (3) SSA did not fully implement an agency-wide affirmative-action plan because lower-level plans did not address the same mainstream job series; (4) SSA has not issued a report on its planned study to identify artificial barriers to the advancement of underrepresented groups in the work force; and (5) components' annual accomplishment reports did not include information on minority skills development activities.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Commissioner of Social Security to integrate the SSA-wide affirmative action plan into components' plans, especially in regard to identifying mainstream job series and establishing hiring, promotion, and reassignment goals.

Status: Action not yet initiated. SSA disagreed with this recommendation and stated that components' affirmative action plans were already integrated into the SSA-wide plan.

Recommendation: The Secretary of Health and Human Services should direct the Commissioner of Social

Security to require components to report affirmative action accomplishments with sufficient information to determine whether affirmative actions goals and objectives were achieved.

Status: Action not yet initiated. SSA disagreed with this recommendation and stated that enough information was provided by its components in the annual accomplishment/update reports.

Recommendation: The Secretary of Health and Human Services should direct the Commissioner of Social Security to bring the affirmative action program into compliance with EEOC directives by requiring that SSA compile race and sex profile data for all stages of the internal selection process, including data on all qualified applicants, best-qualified candidates, and selectees for job vacancies.

Status: Action in process. SSA stated that it started to collect and analyze complete applicant flow data, with some of the data provided from manual records and it will automate the data at each stage of the competitive process so it can tabulate and analyze the data, as required. As of June 7, 1988, SSA had compiled applicant flow data for 25 of 217 competitive vacancy announcement packages issued since January 23, 1987.

Recommendation: The Secretary of Health and Human Services should direct the Commissioner of Social Security to request SSA organizational

components to include data in the annual accomplishment reports on skills development activities, such as individual development plans, bridge position reassignments, and training opportunities for targeted underrepresented minority groups.

Status: Action not yet initiated. The SSA Office of Civil Rights and Equal Opportunity told GAO that the SSA 5-year affirmative action plan for fiscal years 1988 through 1992 has just been completed and these issues have been incorporated. GAO will review this plan to determine if this recommendation has been addressed.

Recommendation: The Secretary of Health and Human Services should direct the Commissioner of Social Security to bring the affirmative action program into compliance with EEOC directives by requiring that SSA identify and act to reduce or eliminate artificial barriers that adversely affect the advancement of underrepresented minority groups.

Status: Action in process. SSA stated that seven headquarters barrier analysis studies were completed. GAO will obtain copies of the four additional studies just recently completed and analyze them to determine whether they meet EEOC requirements and whether any actions to eliminate the barriers have been initiated by SSA.

Other General Government

Federal Evaluation: Fewer Units, Reduced Resources, Different Studies From 1980

PEMD-87-9, 01/23/87

Background

In response to a congressional request, GAO provided information on the recent changes in the status of program evaluation activities in the non-defense executive departments and agencies, specifically: (1) the current level of program evaluation activity in the executive branch; and (2) changes that occurred between 1980 and 1984.

Findings

GAO found that, between 1980 and 1984: (1) the total number of units in non-defense departments and agencies engaging in program evaluation activities decreased by 26 percent; (2) fiscal resources decreased by 37 percent and personnel decreased by 22 percent; (3) fewer evaluation units were in operation and both budgetary and

human resources decreased, especially for those departments with block grant programs; (4) only about 20 percent of the units with continued evaluation activity reported any legislative set-aside funding for evaluation; (5) internal budget allocations did not compensate for set-aside reduction, and tended to decrease more rapidly than the set-asides themselves; and (6) despite the decreases in units, funding levels, and professional staff, evaluation studies decreased by only 3 percent. GAO also found that: (1) evaluation units increased their internal staff work on less expensive studies and non-technical reports and reduced the number of costlier, more time-consuming studies by external evaluators; (2) program managers and top agency officials were the primary recipients of evaluation studies; and (3) findings from the studies

were not easily available to Congress and the public.

Open Recommendations to Congress

Recommendation: Congress should determine whether the agencies under its jurisdiction are developing and reporting the information needed by committees for their oversight responsibilities. This would include periodic reviews to ensure that agencies are fulfilling legislated mandates for the provision of evaluative information. To ensure the availability of information required for oversight purposes, it might be necessary to specify, in law or accompanying committee reports, additional set-asides, mandated studies, or improved dissemination of evaluation findings.

Status: Action not yet initiated.

Other General Government

Presidential Inaugurations: Legislation Is Needed To Clarify Agencies' Support Roles

GGD-87-10, 02/27/87

Background

In response to a congressional request, GAO examined: (1) the adequacy of federal agencies' statutory authority to use their resources to support presidential inaugural activities; and (2) whether there is a need for legislation to

clarify the policy on the use of federal resources to support future inaugurations.

Findings

GAO found that: (1) Congress should enact legislation to clarify federal agencies' roles in inaugural planning and support activities, the nature of the inaugural event, and the Presidential

Inaugural Committee's statutory basis for future inaugurations; (2) both the Department of Defense and the General Services Administration, which have broad roles in the inaugural activities, lack clear statutory authority to provide certain types of support; and (3) under existing law, agencies may not use federal funds to support private concerns, and federal personnel may not perform services for private concerns

even if they compensate or reimburse the government in kind.

Open Recommendations to Congress

Recommendation: Congress should enact legislation to clearly establish: (1) the extent to which inaugural functions and activities are to be publicly financed either through specific appropriations or through assistance provided by

departments and agencies; and (2) that the disbursement of public funds or the furnishing of assistance over and above the extent authorized shall constitute a violation of the Antideficiency Act in the amount of such overdisbursement or of the full cost of assistance provided, unless prompt reimbursement is made by the political party of the newly elected President or from other private funds.

Status: Action in process.

Other General Government

Consumer Product Safety Commission: Administrative Structure Could Benefit From Change

HRD-87-47, 04/09/87

Background

In response to a congressional request, GAO reviewed the Consumer Product Safety Commission's (CPSC) administrative structure to determine whether: (1) a single administrator, rather than a commission, could more effectively carry out CPSC functions; and (2) CPSC should retain its separate status or be located within an existing executive department.

Findings

GAO found that: (1) commissioners' long-term appointments have not achieved stability in leadership positions; (2) independent status has not insulated CPSC from economic or political pressures; (3) changing the commission structure to an administration would save about \$1 million a year; and (4) major studies indicated significant problems with the commission administrative structure. Although GAO found different opinions on the appropriate organizational status, it

found no criteria for determining whether CPSC should remain as a separate agency or become part of an executive department.

Open Recommendations to Congress

Recommendation: Congress may wish to consider amending section 4 of the Consumer Product Safety Act to provide for a single administrator appointed by the President with the advice and consent of the Senate.

Status: Action in process.

Other General Government

Equal Employment Opportunity: Some Racial Imbalance in SSA Region X, Better Data and Remedies Needed

HRD-88-6, 10/13/87

Background

Pursuant to a congressional request, GAO provided information on the employment status of black employees in the Social Security Administration's (SSA) Region X, which includes Alaska, Idaho, Oregon, and Washington.

Findings

GAO found that: (1) blacks were underrepresented in some grades in three primary job series; (2) the Region X multiyear affirmative action plan identified the job series and grade levels in which minorities and women were underrepresented, but failed to include numerical goals and timetables for remediation or specific strategies for enhancing the advancement of blacks; (3) Region X affirmative action accomplishment and update reports lacked information regarding progress, achievements, and labor statistics; and (4) Region X did not comply with reporting requirements in collecting race and sex data for applicants.

Open Recommendations to Agencies

Recommendation: To bring SSA Region X into compliance with Department of Health and Human Services (HHS) and Equal Employment Opportunity Commission (EEOC) affirmative action requirements, the Commissioner of Social Security should direct the Commissioner, SSA Region X, to develop an affirmative action strategy to remedy underrepresentation that incorporates

the annual numerical goals and timetables established by the SSA Office of Civil Rights and Equal Opportunity. **Status:** Action in process. Region X has started targeting positions for promotional reassignment by underrepresented group members. Input on corrective actions are to be solicited from managers in the region. Beginning October 1988 and annually thereafter, Region X will report on progress made to correct underrepresentation.

Recommendation: To bring SSA Region X into compliance with HHS and EEOC affirmative action requirements, the Commissioner of Social Security should direct the Commissioner, SSA Region X, to compile race and sex data on all internal applicants at each stage of the competitive process for filling job vacancies.

Status: Action in process. Region X has developed a system to track internal applicants for job vacancies. All requests for staffing actions are now reviewed to detect criteria that may cause barriers. As necessary, alternate methods to fill vacancies are suggested. In addition, a quarterly report will be prepared on applicant pool characteristics and statistics beginning in fiscal year (FY) 1989.

Recommendation: To bring SSA Region X into compliance with HHS and EEOC affirmative action requirements, the Commissioner of Social Security should direct the Commissioner, SSA Region X, to use required race and sex data to

identify barriers to advancement by minority groups. **Status:** Action in process. A regional staffing chart was completed and compared to the Region X civilian labor force statistics to identify underrepresented groups. Data on disciplinary actions, training, awards, promotions, and details are being analyzed. A study to pinpoint barriers was conducted, but the results were inconclusive. A new study will be completed in late 1988 to address this recommendation.

Recommendation: To maximize the effectiveness of Region X affirmative action efforts, the Commissioner of Social Security should direct the Commissioner, SSA Region X, to report annual affirmative action accomplishments in a narrative that links accomplishments with long-term, multiyear plan objectives. **Status:** Action in process. Estimated completion date: 12/88.

Recommendation: To maximize the effectiveness of Region X affirmative action efforts, the Commissioner of Social Security should direct the Commissioner, SSA Region X, to report the success of planned skills development activities in aiding the mobility of targeted minority group members. **Status:** Action in process. Region X has identified: (1) the grades and series of minority employees; (2) development programs available to underrepresented groups; and (3) reasons for

nonparticipation in special programs by minorities. Region X is currently identifying areas of need and

recommending developmental activities to meet needs. A separate report on

these issues is to be issued early in FY 1989.

Other General Government

DC Government: Problems Have Created Delays in Constructing Educational Facilities at Lorton

GGD-88-1BR, 10/23/87

Background

In response to a congressional request, GAO reviewed the status of \$12.3 million in appropriated funds intended for constructing permanent educational and vocational facilities at the District of Columbia's (D.C.) Lorton Prison complex, to determine if D.C. spent the funds in accordance with congressional intent.

Findings

GAO found that: (1) although the D.C. Department of Public Works (DPW) assigned the projects a high priority, construction progress was slow; (2) planning for the facilities' construction was developed near the end of the fiscal year; (3) a departmental reorganization that led to the establishment of DPW

disrupted its ability to give the projects adequate management attention; (4) the contract procurement process was lengthy; (5) DPW did not adequately oversee construction activities; and (6) DPW did not ensure continuity of program management. GAO also found that DPW has initiated action to: (1) improve overall departmental operations; (2) strengthen its inspection activities; and (3) improve contract processing.

Open Recommendations to Agencies

Recommendation: Recognizing that the Director of DPW has taken action to improve departmental operations, the Mayor, after allowing sufficient time for

corrective measures to be implemented, should direct the City Administrator to have an independent assessment made of the effectiveness of the operational improvements.

Status: Action in process. Estimated completion date: 09/89. DPW has hired additional inspectors, established an Engineering Branch for inspectors, filled the Division Chief of Project Management slot, and established bimonthly internal coordination meetings. The City Administrator reaffirmed the intent to conduct an independent assessment after sufficient time has elapsed for full implementation.

Other General Government

Procurement: Assessment of the Office of Federal Procurement Policy

NSIAD-88-35, 11/20/87

Background

GAO reviewed the Office of Federal Procurement Policy (OFPP) to assess its

leadership in setting government-wide procurement policy.

Findings

GAO found that: (1) the procurement community believes that a central procurement policy office is needed to

oversee government procurement; (2) OFPP has not consistently performed the basic statutory functions of providing overall procurement direction and maintaining the Federal Acquisition Regulation, as initially envisioned; (3) the lack of strong management and leadership, inadequate support from the Office of Management and Budget (OMB), and a lack of staff resources contributed to its uneven performance; (4) since the appointment of a new administrator, OFPP has used its existing authority more assertively; and (5) because the administrator's post was vacant for almost 2 years, many believe that lengthy periods without an administrator hinder OFPP effectiveness.

Open Recommendations to Agencies

Recommendation: The Director, OMB, should provide the support needed to ensure that OFPP will be able to effectively perform its functions, such as those concerning: (1) overall procurement policy direction; (2) coordination in developing executive branch positions on procurement-related legislation; and (3) leadership in dealing with procurement work-force issues.

Status: Action in process. The current Director, OMB, supported the prior Administrator, OFPP; however, the Administrator has resigned. According to one OFPP official, OMB support has been exemplified by the 50-percent increase in the OFPP FY 1988 budget and additional increase requested for its FY 1989 budget. OFPP is also being given responsibility for the reinstated Cost Accounting Standards Board.

Recommendation: Because effective and dynamic leadership is such a critical ingredient to the success of such a small central office, the Director, OMB, should ensure that the position of the OFPP Administrator does not remain vacant for long periods of time. The timely appointment and confirmation of an administrator is important to demonstrate commitment to the OFPP mission.

Status: Action in process. Since the prior Administrator resigned in April 1988, the Director, OMB, has made preliminary inquiries concerning the nomination of a new OFPP leader. However, as the nominee must be confirmed by the Senate, one OFPP official felt that such a process could not be accomplished before Congress adjourns in October 1988.

Other General Government

Bank Powers: Issues Related to Repeal of the Glass-Steagall Act

GGD-88-37, 01/22/88

Background

In response to a congressional request, GAO provided information on issues concerning the expansion of banks' securities powers through repeal of the Banking Act of 1933 (Glass-Steagall) and the ramifications of eliminating or extending the moratorium on expansion of bank powers.

Findings

GAO found that repeal of the act could: (1) benefit consumers in terms of lower prices and better services; and (2) create

a need for regulatory oversight and legislation to protect consumers and enhance the safety and soundness of banking and commercial institutions. GAO believes that: (1) to protect consumer interests, it will be necessary to gradually phase out the act's restrictions while assuring adequate capitalization, requiring a bank holding company structure, and increasing regulatory oversight; and (2) extending the moratorium would be unfair to other lending institutions that are not protected by the act's provisions.

Open Recommendations to Congress

Recommendation: If Glass-Steagall is repealed, Congress should organize extended activities in a holding company rather than in the bank. The holding company organizational form provides the bank and the deposit insurance fund with the highest degree of insulation from potential risks.

Status: Action not yet initiated.

Recommendation: Congress should increase resources for banking and securities industry regulators in order to

preserve safety and soundness and protect consumer interests. The necessary increases in resources could be obtained by raising fees and premiums for banks that have securities affiliates, or by instituting a new fee for examinations of holding companies engaged in both banking and securities activities.
Status: Action not yet initiated.

Recommendation: If Glass-Steagall is repealed, Congress should prohibit undercapitalized holding company parents from engaging in extended activities.
Status: Action not yet initiated.

Recommendation: If Glass-Steagall is repealed, Congress should require the holding company to act as a source of strength to its bank components.
Status: Action not yet initiated.

Recommendation: If Glass-Steagall is repealed, Congress should stipulate that banks be allowed to lend to their securities affiliates, but that all such transactions be conducted on an arm's-length basis.
Status: Action not yet initiated.

Recommendation: Congress should allow some transactions between affiliates, but only on an arm's-length basis, in order to adequately satisfy the liquidity needs of securities firms that

are affiliated with banks. If necessary, sections 23A and 23B should be strengthened to provide additional regulatory resources as may be necessary for supervision and enforcement. Congress should also consider increasing the penalties for infractions of sections 23A and 23B.
Status: Action not yet initiated.

Recommendation: Congress should require the bank holding company to act as source of strength to the bank. Moreover, if the holding company avoids that responsibility, Congress should consider making the holding company financially liable for any losses by the insurance fund.
Status: Action not yet initiated.

Other General Government

International Banking: Supervision of Overseas Lending Is Inadequate

NSIAD-88-87, 05/05/88

Background

Pursuant to a congressional request, GAO assessed the Department of the Treasury's Office of the Comptroller of the Currency's (OCC), the Federal Reserve System's (FRS), and the Federal Deposit Insurance Corporation's (FDIC) supervision of U.S. banks' international lending, focusing on the agencies': (1) compliance with the International Lending Supervision Act of 1983; and (2) actions in response to 1982 GAO recommendations.

Findings

GAO found that the agencies: (1) required an inadequate reserve of \$2.3 billion for foreign loans; (2) restricted use of their reserving authority to value-

impaired loans, which constituted less than 2 percent of loans to less-developed countries; (3) required inadequate reserves for those loans; and (4) did not require reserves for loans rated as other transfer risk problems (OTRP) or substandard. GAO also found that the agencies' Interagency Country Exposure Review Committee (ICERC): (1) accurately ranked countries in terms of debt-servicing problems; (2) did not forecast the possible debt-servicing problems in countries with weak loans, although it rated 23.8 percent of its loans as weak; (3) used an inaccurate mathematical model in its ratings; and (4) did not promptly communicate with banks regarding weak ratings or debtor countries' probable debt servicing problems. In addition, GAO found that

the agencies' examiners did not adequately: (1) consider country risk and exposure concentrations in capital adequacy assessments; (2) examine bank compliance with required reserves, accounting procedures for profits from loan rescheduling fees, and public disclosure requirements; (3) review the accuracy of banks' country exposure reports of international loans; (4) review banks' country exposure management systems; or (5) comment on weak assets or highlight significant foreign-owned bank assets.

Open Recommendations to Agencies

Recommendation: The Comptroller of the Currency and the Chairmen of the

Board of Governors of the Federal Reserve System and FDIC should instruct their ICERC representatives to require reserves for bank loans rated OTRP, substandard, and value-impaired.

Addressee: Department of the Treasury: Office of the Comptroller of the Currency

Status: Recommendation valid/action not intended. The agencies believe that reserves for OTRP and substandard loans are not needed because banks have voluntarily increased general reserves and substantially increased regulator's measure of banks capital.

Addressee: Federal Reserve System: Board of Governors

Status: Recommendation valid/action not intended. Instead of requiring reserves for OTRP and substandard, bank supervisors have encouraged banks to increase their overall resources available to stem future losses.

Increasing reserves does not affect the banks' level of total resources.

Addressee: Federal Deposit Insurance Corporation

Status: Recommendation valid/action not intended. The agencies believe that specific reserves for OTRP and substandard loans are not needed because banks have voluntarily increased general reserves and substantially increased regulator's measure of banks capital.

Recommendation: The Comptroller of the Currency and the Chairmen of the Board of Governors of the Federal Reserve System and FDIC should instruct their ICERC representatives to use secondary market price data, or if unavailable, statistically estimated proxies, as the primary consideration in setting reserve requirements.

Addressee: Department of the Treasury: Office of the Comptroller of the Currency

Status: Recommendation valid/action not intended. The agency believes that secondary market prices should not be

the primary consideration in setting reserve requirements because: (1) volume on this market is small and represents distress sales that do not measure fair market consideration; and (2) factors other than credit value affect secondary market prices.

Addressee: Federal Reserve System: Board of Governors

Status: Recommendation valid/action not intended. The agency believes that secondary market prices should not be the primary consideration in setting reserve requirements because these prices reflect little about the ultimate collectibility of LDC loans. Secondary market prices basically reflect sales by banks exiting the business of lending to developing countries.

Addressee: Federal Deposit Insurance Corporation

Status: Recommendation valid/action not intended. The agency believes that secondary market prices are not necessarily indicative of debt serviceability and should not be the primary consideration in setting reserve requirements because the market is imperfect and inefficient. Supervisory and managerial judgement should determine reserve requirements using secondary market prices and other factors.

Recommendation: The Comptroller of the Currency and the Chairmen of the Board of Governors of the Federal Reserve System and FDIC should instruct their ICERC representatives to revise the rating scale so that ICERC can forecast the nonimminent development or elimination of debt-servicing problems.

Addressee: Department of the Treasury: Office of the Comptroller of the Currency

Status: Recommendation valid/action not intended. OCC does not believe that ICERC ratings should be used or regarded as forecasts of debt-servicing problems.

Addressee: Federal Reserve System: Board of Governors

Status: Recommendation valid/action not intended. The Board does not believe that it is appropriate for it to speculate as to which foreign borrowers with correctable problems will fail to take appropriate action. Examination reports are given to banks which note concentrations of debt owed by a country with weaknesses.

Addressee: Federal Deposit Insurance Corporation

Status: Recommendation valid/action not intended. FDIC believes that the purpose of the ratings is not meant to be a statistical exercise in the prediction of actual debt-servicing problems. Rather the intent is to highlight large loan concentrations which are owed by countries with a high potential for incurring debt-servicing problems.

Recommendation: The Comptroller of the Currency and the Chairmen of the Board of Governors of the Federal Reserve System and FDIC should instruct their ICERC representatives to communicate: (1) weak ratings to banks owning significant amounts of this debt immediately after ICERC meetings; and (2) the probability of future debt-servicing problems when ratings are communicated to banks.

Addressee: Department of the Treasury: Office of the Comptroller of the Currency

Status: Recommendation valid/action not intended. OCC believes that, while weak ratings indicate potential debt-servicing problems, these ratings are more appropriately used to evaluate a bank's exposure in relation to potential debt-servicing problems. GAO is concerned that the communication of weak ratings immediately after ICERC meeting could lead the banks to regard the ratings as forecasts.

Addressee: Federal Reserve System: Board of Governors

Status: Recommendation valid/action not intended. The Board believes that if it informs banks of countries with weak ratings along with lower-rated countries, banks may misconstrue this list as an inclusive listing of countries which a government agency has deemed as poor credit risks.

Addressee: Federal Deposit Insurance Corporation

Status: Recommendation valid/action not intended. FDIC believes that communication to banks of the weak ratings may cause weak countries to be regarded as being poor credit risks when the intent is to highlight risk diversification concerns given the potential for debt-servicing problems in these weak countries.

Recommendation: The Comptroller of the Currency and the Chairmen of the Board of Governors of the Federal Reserve System and FDIC should instruct their ICERC representatives to request the Federal Reserve Bank of New York (FRB-NY) to find a better alternative to the present screen.

Addressee: Department of the Treasury: Office of the Comptroller of the Currency

Status: Action in process. OCC supports FRB-NY efforts to seek alternatives to, and implement changes in, the screen of economic indicators.

Addressee: Federal Reserve System: Board of Governors

Status: Action in process. The Board states that FRB-NY frequently reviews the screen, used to categorize countries in the initial stages of the screening process, to determine whether changes can be made on a cost-effective basis. FRB-NY reports that it is in the process of studying alternative models in place of the screen.

Addressee: Federal Deposit Insurance Corporation

Status: Action in process. FRB-NY is in the process of studying alternatives to the screen.

Recommendation: The Comptroller of the Currency and the Chairmen of the Board of Governors of the Federal Reserve System and FDIC should ensure that country studies present a consistent framework for evaluating political and social developments, including assessments of internal stability, external security threats, and relations with the United States and other countries.

Addressee: Department of the Treasury: Office of the Comptroller of the Currency

Status: Recommendation valid/action not intended.

Addressee: Federal Reserve System: Board of Governors

Status: Action in process. The Board states that changes have been made to improve the country studies.

Addressee: Federal Deposit Insurance Corporation

Status: Action in process. FRB-NY has implemented a number of changes to the country studies. FDIC supports its continued efforts in this regard.

Recommendation: The Comptroller of the Currency and the Chairmen of the Board of Governors of the Federal Reserve System and FDIC should ensure that country studies analyze and project key economic variables into the near future.

Addressee: Department of the Treasury: Office of the Comptroller of the Currency

Status: Action in process. The country studies are supplemented with Treasury and bank analyses and projections are comprehensive. OCC supports FRB-NY efforts to improve country studies.

Within resource constraints, OCC will improve such analyses and projections and comply with the requirements of new trade legislation.

Addressee: Federal Reserve System: Board of Governors

Status: Action in process. The Board states that changes have been made to improve the country studies.

Addressee: Federal Deposit Insurance Corporation

Status: Action in process. FRB-NY has implemented a number of changes to the country studies. FDIC supports its continued efforts in this regard.

Recommendation: The Comptroller of the Currency and the Chairmen of the Board of Governors of the Federal Reserve System and FDIC should ensure that country studies have more intensive and consistent analyses of monetary policy.

Addressee: Department of the Treasury: Office of the Comptroller of the Currency

Status: Action in process. The country studies are supplemented with Treasury and bank analyses and projections are comprehensive and sufficient with respect to monetary policy. OCC supports FRB-NY improvement of country studies. OCC will continue to improve the analyses of monetary policies in countries when this is an important consideration and will comply with the requirements of the new trade legislation.

Addressee: Federal Reserve System: Board of Governors

Status: Action in process. The Board states that changes have been made to improve the country studies.

Addressee: Federal Deposit Insurance Corporation

Status: Action in process. FRB-NY has implemented a number of changes to the country studies. FDIC supports its continued efforts in this regard.

Recommendation: The Comptroller of the Currency and the Chairmen of the Board of Governors of the Federal Reserve System and FDIC should ensure that country studies discuss whether there is any International Monetary

Fund adjustment program, and if there is, the degree of program compliance.
Addressee: Department of the Treasury: Office of the Comptroller of the Currency

Status: Action in process. The country studies are supplemented with Treasury and bank analyses and projections are comprehensive. Such programs, including compliance, are thoroughly discussed at ICERC meetings. FRB-NY reports changes have been made to the country studies.

Addressee: Federal Reserve System: Board of Governors

Status: Action in process. The Board states that changes have been made to improve the country studies.

Addressee: Federal Deposit Insurance Corporation

Status: Action in process. FRB-NY has implemented a number of changes to the country studies. FDIC supports its continued efforts in this regard.

Recommendation: The Comptroller of the Currency and the Chairmen of the Board of Governors of the Federal Reserve System and FDIC should develop standards to ensure that examiners consider and document country risk and exposure concentrations in their assessments of capital adequacy.

Addressee: Department of the Treasury: Office of the Comptroller of the Currency

Status: Action in process. When substantive, OCC examiners will include in report comments its evaluation of the influence of country risk and exposure concentrations on capital adequacy. This assessment will be documented in the workpapers, although not more often than annually.

Addressee: Federal Reserve System: Board of Governors

Status: Action in process. FRB-NY, which supervises most of the state member banks with significant international lending exposure, has

developed comprehensive examination procedures for country risk and has reviewed these procedures as a result of the GAO study. The Board intends to transmit these procedures to the other Federal Reserve Banks along with a request to review procedures in the light of GAO findings.

Addressee: Federal Deposit Insurance Corporation

Status: Action in process. FDIC intends to review its existing procedures and documentation requirements. However, FDIC believes that lack of specific examination comment in workpapers does not imply that no consideration was given to country risk considerations. FDIC is confident examiners do consider country risk exposure concentrations in its bank examinations.

Recommendation: The Comptroller of the Currency and the Chairmen of the Board of Governors of the Federal Reserve System and FDIC should require examiners to determine and routinely document banks' compliance with requirements concerning required reserves, accounting for fees, and public disclosure.

Addressee: Department of the Treasury: Office of the Comptroller of the Currency

Status: Action in process. As part of OCC compliance examination procedures, conducted on a biannual basis in banks with more than \$1 billion in assets, examiners will determine and document required reserves, fee accounting, and public disclosure compliance.

Addressee: Federal Reserve System: Board of Governors

Status: Action in process. FRB-NY, which supervises most of the state member banks with significant international lending exposure, has developed comprehensive examination procedures for country risk and has reviewed these procedures as a result of the GAO study. The Board intends to

transmit these procedures to the other Federal Reserve Banks, along with a request to review procedures in the light of GAO findings.

Addressee: Federal Deposit Insurance Corporation

Status: Action not yet initiated. While FDIC believes that its examiners do carry out these procedures, it intends to review current examination instructions and procedures with respect to these areas.

Recommendation: The Comptroller of the Currency and the Chairmen of the Board of Governors of the Federal Reserve System and FDIC should ensure that examiners review and document the accuracy of country exposure reports.

Addressee: Department of the Treasury: Office of the Comptroller of the Currency

Status: Action not yet initiated. OCC believes that the accuracy of country exposure reports is verified and documented biannually under existing compliance examination procedures.

Addressee: Federal Reserve System: Board of Governors

Status: Action in process. FRB-NY, which supervises most of the state member banks with significant international lending exposure, has developed comprehensive examination procedures for country risk and has reviewed these procedures as a result of the GAO study. The Board intends to transmit these procedures to the other Federal Reserve Banks, along with a request to review procedures in the light of GAO findings.

Addressee: Federal Deposit Insurance Corporation

Status: Action not yet initiated. FDIC plans to instruct its examiners to review Country Exposure reports for accuracy and document their findings.

Recommendation: The Comptroller of the Currency and the Chairmen of the

Board of Governors of the Federal Reserve System and FDIC should require examiners to review and document the adequacy of banks' country exposure management systems.

Addressee: Department of the Treasury: Office of the Comptroller of the Currency

Status: Action in process. On a biannual basis, OCC examiners will assess the adequacy of the bank's country exposure examination systems.

Addressee: Federal Reserve System: Board of Governors

Status: Action in process. FRB-NY, which supervises most of the state member banks with significant international lending exposure, has developed comprehensive examination procedures for country risk and has reviewed these procedures as a result of the GAO study. The Board intends to transmit these procedures to the other Federal Reserve Banks, along with a request to review procedures in the light of GAO findings.

Addressee: Federal Deposit Insurance Corporation

Status: Action in process. FDIC plans to review its procedures in this area, although it believes that its examiners do review the adequacy of bank country exposure management systems.

Recommendation: The Comptroller of the Currency and the Chairmen of the Board of Governors of the Federal Reserve System and FDIC should develop standards to ensure that examiners highlight exposures in examination reports.

Addressee: Department of the Treasury: Office of the Comptroller of the Currency

Status: Action taken not fully responsive. When examination reports are prepared, OCC examiners will include a schedule listing cross-border exposures by country when the aggregate exposure exceeds 1 percent of capital. This schedule will not be required more frequently than annually. OCC has not assured GAO that these listings will occur in a prominent place in the report or in a letter to the banks' board of directors.

Addressee: Federal Reserve System: Board of Governors

Status: Action in process. FRB-NY, which supervises most of the state member banks with significant international lending exposure, has developed comprehensive examination procedures for country risk and has reviewed these procedures as a result of the GAO study. The Board intends to transmit these procedures to the other Federal Reserve Banks, along with a request to review procedures in the light of GAO findings.

Addressee: Federal Deposit Insurance Corporation

Status: Action not yet initiated.

Recommendation: The Comptroller of the Currency should require OCC examiners to comment on and document that they reviewed country risk as do FRS and FDIC.

Status: Action in process. Corrective actions on other GAO recommendations will result in periodic comment on and documentation of country risk reviews.

Other General Government

Personnel Practices: Propriety of Selected Personnel Actions at the Bureau of Indian Affairs

GGD-88-81, 05/17/88

Background

In response to a congressional request, GAO reviewed Bureau of Indian Affairs (BIA) personnel practices and policies and selected personnel actions involving 12 employees to determine the propriety of: (1) a waiver of BIA rules requiring Indian preference in reassignments occurring due to reductions in force (RIF); (2) personnel details under Indian

preference law and under BIA and Office of Personnel Management (OPM) rules; and (3) the noncompetitive appointment of a non-Indian to a Senior Executive Service (SES) position.

Findings

GAO found that: (1) Indians represented 96 percent of BIA employees in grades 1 through 7, compared to 65 percent in

grades 13 and up; (2) 72 percent of BIA central office employees were Indians, compared to 82 percent at its area offices; and (3) as of December 1987, non-Indian employees occupied 33 key positions, 18 were appointed as best qualified with no qualified Indians available, 7 were selected based on tribes granting waivers of Indian preference, 5 were reassigned due to RIF, and 3 were detailed. GAO also found that BIA

improper personnel actions against 5 of the 12 employees included: (1) an improper waiver of BIA rules requiring Indian preference in reassignments; (2) 1 detail that violated Indian preference law; (3) 5 instances in which details did not comply with applicable rules; and (4) 1 instance of nonadherence to the unwritten policy of advertising an SES position before the Department of the Interior filled the position with a non-Indian. In addition, GAO found that: (1) in 1984, the annual report on internal controls identified BIA noncompliance with its internal rules and procedures and BIA failure to routinely conduct personnel evaluations in its area offices; and (2) although OPM suggested that BIA conduct a personnel management

evaluation, as of March 1988, BIA did not plan to do so.

Open Recommendations to Agencies

Recommendation: The Secretary of the Interior should prohibit the Assistant Secretary for Indian Affairs from waiving the BIA rule requiring Indian preference in reassignments to advertised positions during RIF unless or until the rule is amended to authorize waivers and describe the standards that will be applied in effecting waivers. **Status:** Action in process. BIA is in the process of amending its personnel manual to authorize waivers and describe standards to be applied.

Recommendation: The Secretary of the Interior should specify in writing the policy to advertise SES positions before filling them with non-Indians and institute internal control procedures for ensuring adherence to the policy. **Status:** Action taken not fully responsive. Interior's response states that advertising policy is already in place; however, the written policy does not require advertising positions before reassignment of SES personnel. The existing written policy gives management the flexibility to fill positions by means other than formal advertising.

Other General Government

Decennial Census: Minicomputer Procurement Delays and Bid Protests: Effects on the 1990 Census

GGD-88-70, 06/14/88

Background

In response to a congressional request, GAO reviewed the Census Bureau's procurement of minicomputers specifically for the 1990 decennial census to determine the: (1) causes and effects of procurement delays; and (2) reasons for a bid protest and whether its settlement was reasonable and justified.

Findings

GAO found that the Bureau: (1) delayed its procurement of the minicomputers for 6 months because it was unable to justify its system compatibility requirement; (2) did not adequately identify its data processing needs for the minicomputers; (3) lacked adequate

documentation to meet the requirement for a contingency plan in case the system failed to function properly; and (4) failed to timely obtain the needed procurement authority from the General Services Administration. GAO also found that the: (1) Department of Commerce and the Bureau paid three firms that protested the Bureau's bid rejections a total of \$1.1 million in compensation because they believed they could not afford the time to resolve the protest; (2) Bureau's failure to properly plan for and manage the procurement created the time constraints; and (3) Bureau leased computer time from another agency at a cost of \$3 million because of procurement delays and bid protests.

Open Recommendations to Agencies

Recommendation: The Secretary of Commerce should direct the Bureau to develop a formal contingency plan that identifies options for employing backup automated equipment and possible manual operations to meet essential operational needs in the event that the minicomputer system, including the software, does not operate properly. **Status:** Action in process. The Bureau agreed with this recommendation. It believes that it is particularly critical to develop and test hardware and software systems. It has stated its intent to complete a contingency plan by the end of March 1989.

Other General Government

Securities Regulation: Efforts to Detect, Investigate, and Deter Insider Trading

GGD-88-116, 08/05/88

Background

Pursuant to a congressional request, GAO reviewed the Securities and Exchange Commission's (SEC) and self-regulatory organizations' (SRO) efforts to detect, investigate, and deter insider trading.

Findings

GAO found that the securities markets are vulnerable to insider trading because of the: (1) large number of corporate events, such as mergers and acquisitions; (2) large number of individuals with knowledge of those events; (3) potential for huge profits; and (4) continuous growth and expansion of the markets. GAO found that: (1) SRO identified thousands of trades that required analysis, but referred only a small percentage to SEC, and few of those resulted in SEC investigations; (2) SRO have improved their existing insider trading detection systems; and (3) SEC and SRO have improved their coordination of referrals and investigations. GAO also found that: (1) the lack of automated data gathering and analysis systems delayed the development of evidence for investigations and jeopardized the government's chances of proving violations; and (2) in 1984, SEC and SRO began the Electronic Blue Sheet Project,

which was designed to automate their data processing, but, as of July 1988, only two SRO were receiving data in automated form. In addition, GAO found that: (1) SEC had difficulty identifying inside traders who traded through foreign financial institutions, since other countries protect trader identities; and (2) Congress was considering legislation that would strengthen criminal sanctions, authorize SEC to pay for information leading to the detection and prosecution of insider trading, and define insider trading.

Open Recommendations to Congress

Recommendation: The Subcommittee should pursue with SEC, the Department of Justice, and other appropriate law enforcement agencies the feasibility of using key investigative leads from informants to identify and prosecute insider traders.

Status: Action in process.

Recommendation: The Subcommittee may want to explore insider trading further with SEC to determine the extent of the problem and whether legislation is needed to exempt information obtained by SEC from foreign governments from the act.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: Because of the importance of timely information to the successful detection of insider trading, the Chairman, SEC, in conjunction with SRO, should establish a timetable for completion of the Electronic Blue Sheet Project. This timetable should be used by SEC to monitor progress to ensure that unwarranted delays do not occur.

Status: Action not yet initiated. The SEC response is being prepared.

Recommendation: The Chairman should strengthen negotiations with other countries for the release of information on suspicious trades executed through foreign financial institutions. The Chairman should: (1) establish a policy that when blue sheet data showing trends and patterns of suspicious trades executed through foreign institutions become available, the data will be used in an attempt to persuade foreign governments to release the names of the beneficiary owners involved; and (2) determine the feasibility of foreign financial institutions routinely disclosing the size of every trade emanating from each account.

Status: Action not yet initiated. The SEC response is being prepared.

Tax Administration

IRS and SSA Can Improve the Verification and Recording of Data Provided by Self-Employed Taxpayers

GGD-85-21, 05/28/85

Background

GAO reviewed processing of self-employment earnings information to determine whether the Internal Revenue Service (IRS) and the Social Security Administration (SSA) are properly processing such information and crediting it to taxpayers' accounts.

security accounts by ensuring that, whenever it corrects a social security number (SSN) on a tax return, the corrected number is provided to SSA; and (4) SSA and IRS need to establish better control over SE schedules to help ensure that all self-employed persons are receiving credit for self-employment earnings.

earnings accounts credited erroneously and those not previously credited. **Status:** Action in process. Estimated completion date: 12/90. SSA stated that it provided IRS with a format in March 1987 so identified corrections can be processed. SSA is awaiting data from IRS to complete its actions.

Findings

Workers are required to report self-employment earnings on a form known as schedule SE. IRS processes the schedule, collects any social security taxes that are due, and reports the information to SSA, which credits earnings information to individuals' social security accounts. GAO found that, while the system is functioning well, IRS and SSA could: (1) increase the amount of self-employment earnings that get properly credited; and (2) more accurately account for due taxes. GAO also found that: (1) IRS does not always detect errors in computing self-employment earnings on SE schedules; (2) IRS does not verify wage amounts reported by self-employed persons who report other earned income, which causes underpayments of social security taxes; (3) IRS could help SSA correctly credit earnings to individuals' social

Open Recommendations to Agencies

Recommendation: The Commissioner of Internal Revenue should identify and provide SSA, starting with the 1980 processing year, with self-employment records showing different SSN for the same person or self-employment earnings that were not previously provided.

Status: Action in process. A request was made for an abstract of the Returns Transaction File for tax years 1979 through 1982 for use by SSA. IRS stated that, because this action involves a major change to the master file, implementation is not expected to be completed until 1990.

Recommendation: The Commissioner of Social Security should use the self-employed persons' records with different SSN obtained from IRS to correct

Recommendation: The Commissioner of Social Security should credit the social security accounts of those self-employed individuals whose records were never processed and ensure that the trust funds are provided the correct tax amount from their earnings. **Status:** Action in process. Estimated completion date: 12/90. SSA stated that it is awaiting final action by IRS before taking any action.

Recommendation: The Commissioner of Social Security should periodically conduct tests of the accuracy of self-employment earnings and identification data and work with IRS to resolve any problems that are identified. **Status:** Action in process. Estimated completion date: 12/90. IRS and SSA agreed that some type of sampling could satisfy this recommendation. SSA stated that it developed specifications for a sample and provided the specifications to IRS.

Tax Administration

IRS' Examination Selection System for Exempt Organizations' Unrelated Business Income

GGD-85-64, 07/08/85

Background

GAO analyzed the Internal Revenue Service's (IRS) examination selection system for tax-exempt organizations earning unrelated business income (UBI).

Findings

GAO found that, although IRS assessed over \$41 million in additional tax and penalties upon UBI examinations in fiscal years 1981 through 1983, a substantial number of UBI examinations resulted in little or no additional tax revenue. GAO also found that IRS does not have sufficient information on UBI tax noncompliance to understand the nature and magnitude of UBI

noncompliance and develop profiles of highly noncompliant tax-exempt organizations engaging in UBI activity. Without such information, the current IRS selection system cannot focus on the most noncompliant tax-exempt UBI organizations, which regularly fail to properly report UBI earnings or pay the UBI tax due. Because IRS data shows increasing UBI activity, high estimates of tax loss due to UBI nonreporting, and low yield from most current UBI examinations, IRS may want to focus on the UBI organizations with the highest potential for noncompliance. More targeting of highly noncompliant UBI organizations could aid in generating more revenue and increased compliance and result in more effective use of resources.

Open Recommendations to Agencies

Recommendation: The Assistant Commissioner of Internal Revenue for Employee Plans and Exempt Organizations should further analyze existing data on UBI tax examinations to gain increased insight into the nature and magnitude of UBI noncompliance. **Status:** Action in process. IRS is conducting a Taxpayer Compliance Measurement Program (TCMP), which would address this issue. No action is expected until the results of TCMP are back, which will not be until fiscal year 1992.

Tax Administration

Computer Security: Contingency Plans and Risk Analyses Needed for IRS Computer Centers

IMTEC-86-10, 03/27/86

Background

GAO reviewed the Internal Revenue Service's (IRS): (1) plans for ensuring the continuity of its computer operations if any of its 12 computer centers were destroyed or significantly disabled for an extended period; and (2) efforts to implement a risk management program to assess and reduce potential threats to computer operations.

Findings

GAO conducted its review at IRS headquarters, the IRS National Computer Center (NCC), and 4 of the 10 service centers that process tax returns and related documents. GAO found that IRS draft automatic data processing (ADP) plans are incomplete and its emergency measures are inadequate

because: (1) NCC has no designated backup processing site; (2) computer capacity problems may make it impossible for one service center to back up another, as currently proposed; (3) IRS has not identified the most critical work-load functions; (4) IRS does not always maintain backup tape files containing data and programs necessary to continue operations; and (5) testing to

ensure the workability of ADP contingency plans has been limited. GAO also found that: (1) IRS has not periodically assessed potential risks to computer operations at its centers, although it has recently started a risk analysis program that it hopes to complete in 1987; (2) several IRS centers had physical security problems, making them susceptible to fire and smoke damage or to unauthorized entry after working hours; and (3) contingency plans at one center lacked adequate detail for emergency procedures.

Open Recommendations to Agencies

Recommendation: The Commissioner of Internal Revenue should direct the Assistant Commissioner, Support and

Services (for the Detroit Data Center), and the Assistant Commissioner, Returns and Information Processing (for all other computer centers), to expedite efforts to develop, certify, and periodically test ADP contingency plans for all IRS computer centers according to the criteria and procedures set forth in the IRS Internal Revenue Manual and Office of Management and Budget (OMB) Circular A-130.

Status: Action in process. IRS agreed with this recommendation. The IRS Automation Policy Board (APB) directed the Assistant Commissioner for Computer Services to proceed with developing contingency plans. Alternative approaches are being developed and are to be presented to APB.

Recommendation: The Commissioner of Internal Revenue should direct the Assistant Commissioner, Support and Services (for the Detroit Data Center), and the Assistant Commissioner, Returns and Information Processing (for all other computer centers), to expedite efforts to perform periodic risk analyses to: (1) aid in developing and maintaining effective ADP contingency plans; and (2) help assess the internal controls environment, as required by the Federal Managers' Financial Integrity Act of 1982 (FMFIA) and the OMB circular.

Status: Action in process. IRS has completed risk analyses at 11 of its 12 computer centers. It plans to perform the remaining risk analysis, and have action developed and approved by each of the computer center directors.

Tax Administration

Tax Administration: Administrative Changes Could Lead to Earlier Resolution of Tax Disputes

GGD-86-75, 07/30/86

Background

GAO examined the U.S. Tax Court's caseload to determine whether the number of cases filed with the court could be reduced by settling more cases through the Internal Revenue Service's (IRS) appeals process, at less cost to the taxpayers and the government.

Findings

GAO found that: (1) many taxpayers who initially bypassed the IRS internal appeals process and filed with the court eventually settled their cases out of court with the appeals division; (2) cases ultimately settled by IRS cost the government approximately \$1.2 million

in court processing costs and taxpayers \$268,200 in filing fees; (3) some of the processing and filing costs could have been eliminated had the cases been filed with IRS; and (4) more than one-third of the taxpayers did not fully understand the dispute resolution process before filing with the tax court. GAO believes IRS could do more to involve the appeals division in resolving cases by better informing taxpayers about the process and encouraging them to go to the appeals division before filing with the court.

Open Recommendations to Agencies

Recommendation: The Commissioner of Internal Revenue should revise the language of the 30-day letter, various IRS publications, and the information on the appeal procedures given to taxpayers by IRS auditors and revenue agents. These changes should: (1) emphasize the advantages of going to the appeals division before filing with the tax court; and (2) point out that, even if taxpayers bypass the appeals division, the cases will still be assigned to it for attempted settlement.

Status: Action in process. Estimated completion date: 03/89. IRS revised

Publication No. 556 and a revised Publication No. 5 is expected to go to printing in March 1989. IRS stated that

the sensitive language that must be added to Publication No. 5 has to take into consideration comments IRS has

received on a related publication, Publication No. 1.

Tax Administration

Tax Administration: Tip Income Reporting Can Be Increased

GGD-86-119, 09/30/86

Background

In response to a congressional request, GAO reviewed the Internal Revenue Service's (IRS) efforts to improve tip income reporting and the impact of the Tax Equity and Fiscal Responsibility Act's (TEFRA) tip income reporting requirements on both the food and beverage industry and tip income reporting.

Findings

GAO found that: (1) of the four IRS regions it visited, two were more active and successful in pursuing tip income nonreporting than the others; (2) tip income reporting has increased since the implementation of the new TEFRA reporting requirements; (3) food and beverage employers indicated that implementation of these new reporting requirements was not as costly as they

originally projected; and (4) IRS districts used varying procedures in administering the TEFRA provision, which allowed employers a rate reduction from the reporting of 8 percent of gross receipts, which could result in inequitable treatment of taxpayers.

Open Recommendations to Agencies

Recommendation: To enhance IRS efforts to improve compliance with the requirements for reporting tip income, the Commissioner of Internal Revenue should formulate and implement an overall strategy for identifying and reducing tip income nonreporting. In formulating this strategy, the Commissioner should, in conjunction with providing TEFRA tip income information to the regional and district offices: (1) identify and evaluate, for IRS-

wide applicability, those detection techniques and tools which have been proven effective in conducting tip income reporting projects and communicate this information to all IRS regions and districts; and (2) design and implement an overview and evaluation process to monitor the progress of tip enforcement activities, identify potential problem areas, and devise the actions needed to deal with them.

Status: Action in process. Estimated completion date: 03/89. IRS is currently conducting a study designed to provide information on compliance levels and the nature of noncompliance and identify the types of establishments and geographical areas that are most noncompliant. Results of the study will be analyzed and corrective actions will be taken when the study is completed. The study is being revised based on Treasury comments.

Tax Administration

Data Communications: Thorough Testing and Workload Analyses Needed for IRS Processors

IMTEC-87-3BR, 10/14/86

Background

In response to a congressional request, GAO: (1) investigated the performance of the Internal Revenue Service's (IRS) existing communications processors; and (2) evaluated the soundness of the planned replacement of those processors.

Findings

GAO found that: (1) existing communications processors have experienced reliability and capacity problems, but their performance has had no significant adverse effect on the 1986 tax filing season; (2) a significant delay in the replacement processor installation schedule or an increase in work load will increase the chances that the existing processors will experience reliability and capacity problems; (3) replacement processors are both reliable and capable

of handling the current IRS work load, but they may not be able to meet long-term IRS needs; (4) the replacement communications software is not fully developed and original IRS projections of the future work load are outdated; and (5) the IRS plan to install the new system at its larger service centers during the 1987 tax filing season increases the risk of serious disruption of processing tax returns and refunds to taxpayers if problems occur with the new equipment or software. GAO believes that all of the hardware and software should be thoroughly tested prior to nationwide service center installation.

Open Recommendations to Agencies

Recommendation: In view of the House Committee on Ways and Means,

Subcommittee on Oversight's long-standing interest in this area, and the importance of IRS computers to its operations and the impact that its planned installation of communications processors could have on the 1987 tax filing season and related processing, the Commissioner of Internal Revenue should report to the Subcommittee any significant deviations or delays in IRS installation testing plans that could alter the implementation of planned testing safeguards or reduce the chances of all processors being operational by December 1987. The report should also include actions that IRS plans to take to alleviate the situation.

Status: Action in process. The new processors has been installed in 7 of 10 IRS service centers. Installation at the remaining 3 service centers is scheduled.

Tax Administration

Computer Capacity: IRS Must Better Estimate Its Computer Resource Needs

IMTEC-87-5BR, 11/03/86

Background

Pursuant to a congressional request, GAO: (1) determined the status and progress of the Internal Revenue Service's (IRS) Capacity Enhancement for the Processing System (CEPS)

procurement; and (2) analyzed the need for and timing of CEPS, which IRS designed to upgrade or replace its large mainframe computers.

Findings

IRS believed that, with CEPS, its existing mainframe computers would have sufficient capacity to process taxpayer information and update computer files beyond 1989. IRS later

decided to postpone upgrading and identified a series of initiatives which it felt would extend the existing mainframe computers' usefulness. GAO found that the Department of the Treasury endorsed the IRS decision to abandon CEPS in favor of: (1) adopting the initiatives; and (2) combining the procurement strategy of CEPS with the planned Tax System Redesign (TSR). GAO believes that: (1) the existing mainframes will have the capacity to handle IRS tax processing work loads through at least mid-1991, assuming that no large unexpected increase in work loads occurs and IRS effectively carries out its planned initiatives; (2) the IRS initiative to constrain annual work-load growth to 8 or 10 percent could be difficult to achieve because IRS plans to install new equipment and introduce new on-line applications that could

increase demand for tax account information; and (3) if IRS does not successfully implement its initiatives, it could experience capacity problems at its larger service centers as early as mid-1988. GAO also believes that: (1) without a work-load analysis and a continuing analysis of current system utilization, IRS will not have adequate assurance that its initiatives are working and could unexpectedly find itself short of computer capacity when it implements TSR; and (2) such an unexpected shortage could have a devastating impact on operations, as was evidenced in the 1985 tax filing year.

Open Recommendations to Agencies

Recommendation: Because of the importance of the mainframe computers

to IRS ability to accomplish its mission and the need for continued improvement in its investment decisions on these critical computer resources, the Commissioner of Internal Revenue should develop and maintain comprehensive work-load data for current and planned automatic data processing (ADP) requirements. **Status:** Action in process. IRS hired a private consulting firm to help determine the relationship between physical work load and computer work load. IRS has increased collection of data for the second of the two mainframes at each service center. More data is needed to properly assess impact of IRS proposed contingency measures for avoiding capacity problems.

Tax Administration

Tax Administration: IRS Can Improve Its Collection Procedures for Taxpayers Living Overseas

GGD-87-14, 12/12/86

Background

GAO: (1) evaluated Internal Revenue Service (IRS) collection policies and procedures as they relate to taxpayers using Army Post Office (APO) and Fleet Post Office (FPO) addresses; and (2) identified alternatives for needed improvements in the APO/FPO collection process.

Findings

GAO found that: (1) IRS domestic offices, which are responsible for handling APO/FPO collection cases, are not in the best position to deal effectively with overseas taxpayers; (2) telephone and

personal contact, which are two essential tools for dealing with delinquent taxpayers, are generally not available to domestic offices to resolve overseas collection cases; and (3) the IRS Foreign Operation District, which has collection responsibility for overseas taxpayers other than those with APO/FPO addresses, has offices overseas and is experienced in dealing, through both telephone and personal contact, with U.S. taxpayers living in foreign countries.

Open Recommendations to Agencies

Recommendation: The Commissioner of Internal Revenue should assign responsibility for APO/FPO collection cases to the Assistant Commissioner (International).

Status: Action in process. Estimated completion date: 01/90. IRS will be conducting a service center work-load distribution study in January 1990. It will consider this recommendation in conjunction with that study.

Recommendation: The Commissioner of Internal Revenue should require

APO/FPO taxpayers to file their tax returns at the Philadelphia Service Center.

Status: Action in process. Estimated completion date: 01/90. IRS will be conducting a service center work-load distribution study in January 1990. It will consider this recommendation in conjunction with that study.

Recommendation: The Commissioner of Internal Revenue should arrange for access to the Defense Manpower Data Center's information base.

Status: Action in process. Estimated completion date: 04/89. IRS has arranged for a quarterly match of delinquent taxpayers with the Defense Manpower Data Center's data base to

obtain more current address information. Implementation of that match has been delayed until the IRS Computer Services office can make the systemic changes needed to facilitate that match.

Tax Administration

Tax Administration: IRS Can Improve on the Success of Its Problem Resolution Program

GGD-88-12, 12/22/87

Background

Pursuant to a congressional request, GAO evaluated the Internal Revenue Service's (IRS) Problem Resolution Program (PRP), focusing on: (1) its work load and effectiveness; (2) the impact of computer systems; and (3) implementation of prior GAO recommendations.

Findings

GAO found that the special assistance work load increased 800 percent between 1979 and 1985, because of: (1) computer problems that resulted in late refunds or erroneous notices; (2) unclear verbal and written communications with taxpayers; and (3) the normal system's inability to resolve taxpayers' problems. GAO also found that taxpayers' satisfaction increased significantly after they received special assistance. In addition, GAO found that IRS: (1) staff frequently failed to identify or timely refer taxpayers to PRP; (2) did not direct taxpayers to call their district office's toll-free telephone line instead of writing to service centers; (3) methodology for evaluating program effectiveness did not

provide sufficient information for comprehensive systemwide assessment and improvement; and (4) case-coding system failed to effectively detect the common causes of taxpayer problem inquiries.

Open Recommendations to Agencies

Recommendation: The Commissioner of Internal Revenue should redesign the account referral form used by IRS employees and notices sent to taxpayers so that information is obtained on the number of prior taxpayer contacts and the time period during which the taxpayer attempted to resolve a problem. Status: Action in process. Estimated completion date: 03/89. IRS will include a PRP consideration checkoff box for the next reprint of the form.

Recommendation: The Commissioner of Internal Revenue should revise IRS notices to request that taxpayers who have questions use the toll-free telephone system before writing to a service center.

Status: Action taken not fully responsive. IRS is conducting a test to determine the feasibility and effectiveness of a separate toll-free number to be used for taxpayers' questions about notices.

Recommendation: The Commissioner of Internal Revenue should improve the usefulness of the PRP questionnaire follow-up effort by: (1) including questions on when contacts were made to assess how well IRS employees are identifying special assistance cases; (2) including questions addressing the reasons for taxpayers' repeated contacts with IRS; (3) revising the question assessing taxpayer satisfaction to avoid prompting taxpayers to give a positive response; (4) monitoring and evaluating the appropriateness of service center and district office decisions to exclude certain taxpayers from follow-up; and (5) obtaining a more statistically projectable response rate.

Status: Action in process. IRS is currently revising its follow-up questionnaire. It expects to complete this effort in March 1989.

Tax Administration

Tax Administration: Opportunities Exist for Improving IRS' Administration of Alien Taxpayer Programs

GGD-88-54, 04/11/88

Background

Pursuant to a congressional request, GAO studied the: (1) extent to which legal aliens complied with tax filing requirements; and (2) effectiveness of Internal Revenue Service (IRS) programs aimed at identifying and collecting legal aliens' income taxes.

Findings

GAO found that IRS: (1) lacked sufficient information to measure the extent to which legal aliens complied with requirements, or the effectiveness of its compliance efforts; (2) advised aliens of tax requirements, including the need to obtain a tax compliance certificate, through a publication it distributed to aliens as they entered the country; (3) did not monitor these requirements, but relied on aliens to voluntarily comply; (4) did not receive sufficient information from the Immigration and Naturalization Service (INS) concerning nonresident aliens; (5) did not administer its alien compliance programs according to its procedures; (6) has not designated specific district office personnel to coordinate compliance efforts; (7) used an unrevised and outdated withholding agent contact letter to obtain information regarding some aliens' income; and (8) declined to further investigate 59 GAO-identified cases of possible noncompliance, citing the potential costliness of further efforts.

Open Recommendations to Agencies

Recommendation: The Commissioner of Internal Revenue should begin collecting the kinds of management information needed to assess the effectiveness of its alien compliance efforts. That information should include, but not necessarily be limited to, the: (1) number of tax compliance certificates issued and the amount of tax collected as a result of that process; (2) number of alien leads received from INS and the results obtained; (3) results that derive from final tour accountings; and (4) overall program costs and tax revenues associated with IRS administration of its alien compliance efforts.

Status: Action in process. Estimated completion date: 06/89. IRS is conducting an alien compliance study using leads obtained from INS. This study will provide information on the extent of alien noncompliance which, in turn, will provide the basis for deciding whether a broader study is warranted. IRS is drafting a legislative recommendation to repeal the requirement that deported aliens obtain a tax compliance certificate.

Recommendation: The Commissioner of Internal Revenue should arrange with the Department of State to have U.S. embassies distribute information on the potential tax obligations of aliens, including, where applicable, the need to obtain a tax compliance certificate.

Status: Action in process. Estimated completion date: 03/89. IRS is coordinating with the State

Department's Bureau of Consular Affairs. IRS plans to schedule a meeting with State Department officials to discuss distribution of information at U.S. embassies on the potential tax obligation of aliens who are applying for visas.

Recommendation: The Commissioner of Internal Revenue should obtain from INS the kinds of information necessary to better meet IRS nonresident alien information needs. This might include the possibility of INS revising Form I-171C to include additional information that would be useful to IRS or sending Form I-129B to IRS.

Status: Action in process. Estimated completion date: 08/89. IRS scheduled a preliminary meeting with INS representatives to discuss joint procedures regarding leads on aliens granted H-1 visas. It plans to explore revising INS/IRS procedures and/or forms, as necessary, to better collect information on H-1 visa holders. IRS also plans to visit an INS Adjudication Center to determine the most efficient methods of exchanging information between INS and IRS.

Recommendation: The Commissioner of Internal Revenue should designate district office personnel responsible for coordinating nonresident alien compliance efforts.

Status: Action in process. Estimated completion date: 03/89. Because about 85 percent of H-1 visa holders are located in either IRS Los Angeles or Manhattan districts, IRS is in the process of

establishing local coordinators for those two districts. IRS plans to monitor the

volume of H-1 leads on a continuing

basis to determine whether coordinators will become necessary in other districts.

Tax Administration

Tax Administration: Investigating Illegal Income—Success Uncertain, Improvements Needed

GGD-88-61, 04/25/88

Background

In response to a congressional request, GAO reviewed the Internal Revenue Service's (IRS) Special Enforcement Program (SEP), which IRS uses to investigate tax law violations and potential taxable income related to illegal activities, to identify: (1) the law enforcement results and tax revenues generated from program operations; and (2) management improvements that could enhance program operations.

Findings

GAO found that: (1) since 1980, SEP efforts have resulted in fewer discontinued investigations, more indictments, and more convictions; (2) of the SEP cases closed in fiscal year 1985, 47 percent resulted in tax-related convictions, 68 percent of those convictions resulted in jail sentences, 42 percent resulted in criminal fines, and 38 percent of those investigated were major criminals; (3) IRS referred 55 percent of the cases closed in 1985 and 64 percent of the cases closed in 1982 for tax assessment examinations; (4) IRS collected \$11.2 million of the \$37.6 million in assessed taxes, interest, and penalties, \$2.2 million of which was on illegal-source income; (5) 76 percent of the 509 cases contained inaccurate or incomplete management information that resulted in misleading reports; (6) IRS officials inconsistently interpreted

what constituted grand jury information; and (7) 7 of 8 district officers had no management system to ensure interdivisional coordination and prompt civil action on closed criminal cases.

Open Recommendations to Agencies

Recommendation: To improve the management of SEP operations, the Commissioner of Internal Revenue should collect management information relating to key program objectives, and identify the tax revenues generated by SEP cases.

Status: Action in process. IRS formed a task force to review its reporting system. The task force recommended that the Criminal Investigative Division begin capturing information on civil tax assessed and collected on each criminal investigation. IRS plans to implement a plan for tracking tax revenue generated by October 1989.

Recommendation: To improve the management of SEP operations, the Commissioner of Internal Revenue should review existing Case Management and Time Reporting System (CM&TRS) input controls to determine how the accuracy of management information can be improved.

Status: Action in process. Estimated completion date: 10/89. IRS is currently

conducting reviews in each region to assess procedures for ensuring timely and accurate input of information into CM&TRS.

Recommendation: To improve the management of SEP operations, the Commissioner of Internal Revenue should: (1) work with IRS Chief Counsel and Department of Justice representatives to provide better guidance for special agents on what constitutes grand jury information; and (2) require special agents to consult with IRS Chief Counsel attorneys, or with U.S. attorney representatives if IRS Chief Counsel is not involved, at the close of a grand jury case to help determine what information could be forwarded to Examination for civil action.

Status: Action in process. Estimated completion date: 10/89. IRS, in coordination with Justice, has revised the Chief Counsel Directive Manual. The revision is awaiting final approval.

Recommendation: To improve the management of SEP operations, the Commissioner of Internal Revenue should establish a district office program to monitor the civil actions taken by various IRS components on closed criminal cases.

Status: Action in process. Estimated completion date: 10/89. IRS is reviewing plans established by several regions and

will consolidate the best aspects of each plan before implementing a nationwide system.

Tax Administration

Tax Administration: IRS Could Reduce the Number of Unproductive Business Nonfiler Investigations

GGD-88-77, 05/24/88

Background

Pursuant to a congressional request, GAO reviewed the Internal Revenue Service's (IRS) efforts to detect business nonfilers, focusing on ways IRS could reduce the number of unproductive investigations.

Findings

GAO found that, of 1,976 business nonfiler investigations IRS closed in fiscal year 1987: (1) 298, or 15 percent, involved cases in which IRS erroneously issued multiple employer identification numbers (EIN) to businesses which filed their returns under only one EIN; and (2) 369, or 19 percent, involved cases in which businesses did not follow IRS regulations to file returns even though they owed no taxes. GAO also found that, in 317 cases, or 16 percent, IRS did not accurately update its master file with the results of its investigations.

Open Recommendations to Agencies

Recommendation: To reduce the number of unproductive nonfiler investigations, the Commissioner of

Internal Revenue should adopt additional research techniques, such as using variations of the business name and the actual signature name on the return, and actively pursue the receipt of forms to identify businesses with previously issued EIN.

Status: Action in process. Estimated completion date: 07/89. IRS added additional research procedures to the Internal Revenue Manual and plans new follow-up procedures to secure the receipt of forms to identify business with previously issued EIN.

Recommendation: To reduce the number of unproductive nonfiler investigations, the Commissioner of Internal Revenue should revise employment tax return instructions and business nonfiler notices to emphasize to businesses the importance of filing required quarterly employment tax returns.

Status: Action in process. Estimated completion date: 07/89. IRS is reviewing all business nonfiler notices and letters for tone and content. It will determine how to highlight information concerning the importance of filing the required quarterly employment tax returns.

Recommendation: To reduce the number of unproductive nonfiler investigations, the Commissioner of Internal Revenue should modify criteria for deleting invalid employment tax return filing requirements to include the results of nonfiler investigations.

Status: Action in process. Estimated completion date: 03/89. IRS is changing its procedures for noting that a taxpayer is not liable for filing a return based on information determined as a result of their nonfiler investigations.

Recommendation: To reduce the number of unproductive nonfiler investigations, the Commissioner of Internal Revenue should ensure that the filing status determined from nonfiler investigations is accurately recorded on business master file accounts.

Status: Action in process. Estimated completion date: 03/89. IRS is in the process of gathering information and revising Internal Revenue Manual guidelines to correct this problem.

Tax Administration

Internal Revenue Service: Need to Improve the Revenue Accounting Control System

IMTEC-88-41, 06/17/88

Background

GAO reviewed the Internal Revenue Service's (IRS) Revenue Accounting Control System (RACS) to: (1) determine the extent to which IRS automated its revenue accounting procedures; (2) assess RACS analysis and reporting capability; and (3) obtain IRS plans for improving RACS.

Findings

GAO found that RACS was inefficient and susceptible to errors because: (1) IRS had to manually enter, balance, and reconcile the RACS account files with information in files maintained in other IRS systems, which resulted in errors in classifying tax revenues; (2) RACS did not have the capability to identify categories of errors that occurred repeatedly, or analyze the growing accounts-receivable balance; and (3) at the time RACS became operational, IRS was reluctant to modify other systems to interface with it and did not think that

some balancing functions were necessary. GAO also found that IRS: (1) recognized the problems and initiated a two-stage approach to improve RACS; (2) established computer tape interfaces with another automated system to record transactions affecting revenue receipts; (3) planned additional tape interfaces to reduce the need for manual data input; (4) drafted a proposal to replace RACS with a fully operational system by 1992 and to consolidate and automate all manual subsidiary files into one computer system by 1995; (5) planned to redesign the entire tax processing system, including revenue accounting functions, but did not determine how the functions would fit into the overall redesign; and (6) had not determined the requirements for data interchange, balancing and reconciling, and reporting, or identified the changes needed to ensure compatibility between the replacement systems and other systems.

Open Recommendations to Agencies

Recommendation: In reviewing the IRS plan for replacing RACS, the Commissioner of Internal Revenue should ensure that it is supported by a thorough requirements and compatibility analysis that clearly specifies actions to reduce manual data input, reduce manual balancing and reconciliation, and improve RACS capability to identify and track errors.
Status: Action not yet initiated.

Recommendation: In reviewing the IRS plan for replacing RACS, the Commissioner of Internal Revenue should ensure that it is supported by a thorough requirements and compatibility analysis that identifies changes needed to ensure compatibility between RACS and other automated systems with which it interacts.
Status: Action not yet initiated.

Tax Administration

Tax Administration: IRS' Service Centers Need to Improve Handling of Taxpayer Correspondence

GGD-88-101, 07/13/88

Background

In response to a congressional request, GAO discussed the Internal Revenue

Service's (IRS) efforts to improve its handling of taxpayer correspondence to determine whether the IRS

Adjustments/Correspondence Branches: (1) accurately and clearly correspond

with taxpayers; and (2) comply with administrative procedures.

Findings

GAO reviewed a random sample of IRS cases involving correspondence and found that: (1) about half of the correspondence contained correct, complete, and clear information; (2) 31 percent contained critical errors involving incorrect adjustments and unresponsive letters to taxpayers; (3) 16 percent contained noncritical problems involving unclear or incomplete letters or incomplete actions; and (4) in 68 percent of the cases IRS personnel failed to comply with administrative procedures requiring them to send acknowledgement letters and interim responses to taxpayers. GAO also found that IRS: (1) planned to implement a new computer system in 1990 which would facilitate the selection of appropriate responses to taxpayer inquiries; (2) lacked specific information on the quality of its cases involving correspondence; and (3) had difficulty retaining examiners because of the strict requirements and lack of advancement.

Open Recommendations to Agencies

Recommendation: The Internal Revenue Service should ensure that the system being developed to help tax examiners compose responses to taxpayer inquiries: (1) allows examiners to review letters after they have been composed; and (2) facilitates the preparation of responsive answers to taxpayer correspondence involving more than one inquiry.

Status: Action in process. IRS expects that the new automated correspondence system will satisfy the requirements specified in this recommendation. IRS plans to test the system in 1989 and implement it in early 1990.

Recommendation: The Internal Revenue Service should report separately the quality assurance error rates associated with Adjustments/Correspondence Branch cases involving correspondence being sent to taxpayers.

Status: Action in process. Estimated completion date: 04/89. IRS installed a system to provide error and trend analyses of the

Adjustments/Correspondence Branch work load. In addition to analyzing accuracy in handling inquiries and adjusting accounts, the system analyzes the quality of correspondence related to the adjustment cases. IRS plans to separate the information on correspondence from the information on adjustments into a separate analysis program.

Recommendation: The Internal Revenue Service should determine whether the qualifying requirements, the quality and quantity performance standards, and the opportunity for advancement for the Adjustments/Correspondence Branch tax examiner position need to be revised.

Status: Action in process. Estimated completion date: 12/89. IRS is looking at the Adjustment/Correspondence Branch's grade structures using Office of Personnel Management standards. It also plans to develop performance standards and pilot their use by the end of 1989.

Tax Administration

Tax Administration: IRS' Abusive Tax Shelter Efforts Need Improvement

GGD-88-69, 07/25/88

Background

In response to a congressional request, GAO examined the Internal Revenue Service's (IRS) legislatively mandated efforts to curtail abusive tax shelters, focusing on the effectiveness of: (1) the tax shelter registration abusive shelter detection team programs in identifying

abusive tax shelters; and (2) IRS efforts to administer penalties.

Findings

GAO found that: (1) the registration program did not provide district examination personnel with enough information to identify abusive tax

shelters or to initiate investigations; (2) the detection team program did not provide district personnel with selection criteria to properly identify the types of shelter cases considered potentially subject to penalties; (3) although Congress raised the penalty to deter promotion and sale of abusive tax

shelters from 10 percent to 20 percent of the gross income derived or to be derived from the shelter, promoters continued to have financial incentives for promoting abusive shelters; (4) although IRS assessed some penalties for persons who knowingly aided or abetted tax shelter abuses, it could have assessed more penalties if the law required a lesser burden of proof; (5) IRS either overlooked or incorrectly computed the penalties in 16 of 29 cases GAO reviewed in three districts; (6) IRS computational errors totalled \$4.2 million in penalty underassessments; and (7) most of the errors occurred because IRS lacked penalty guidance, internal controls to ensure appropriate penalties, and procedures to detect errors and oversights and ascertain compliance with regulations.

Open Recommendations to Congress

Recommendation: To reduce the financial incentive for promoting abusive tax shelters, Congress should modify Internal Revenue Code (IRC) section 6700 to significantly increase the penalty above the current 20 percent of gross income derived, or to be derived, by any party involved with the promotion or sale of an abusive shelter.
Status: Action not yet initiated.

Recommendation: To reduce the financial incentive for promoting abusive tax shelters, Congress should modify IRC section 6701 to reduce the level of proof from knowingly to “knows or reasonably should have known” that the investor would understate tax liability to ensure all abusive shelters are subject to penalty for aiding and abetting.
Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: To improve the efficiency and effectiveness of the abusive shelter identification programs, the Commissioner of Internal Revenue should require organizers of registered shelters to provide the shelter prospectus and offering documents to their respective IRS district offices at the time of registration.

Status: Recommendation valid/action not intended. IRS does not believe it is beneficial to require submission of the prospectus and/or offering documents as part of the registration process. Therefore, IRS is not planning to implement this recommendation.

Recommendation: To improve the efficiency and effectiveness of the abusive shelter identification programs, the Commissioner of Internal Revenue should require districts to review those documents in deciding whether to initiate an examination to determine if the shelter is subject to penalty.

Status: Recommendation valid/action not intended. IRS does not believe it is beneficial to require submission of the prospectus and/or offering documents as part of the registration process. Therefore, IRS is not planning to implement this recommendation.

Recommendation: To improve the efficiency and effectiveness of the abusive shelter identification programs, the Commissioner of Internal Revenue should develop and periodically update national selection criteria that can be used by IRS service center detection teams and district examination personnel to identify the tax shelter returns most likely to contain a gross overevaluation of an asset or false or fraudulent statements.

Status: Recommendation valid/action not intended. IRS does not believe that it is beneficial to require submission of the

prospectus and/or offering documents as part of the registration process. Therefore, IRS is not planning to implement this recommendation.

Recommendation: To improve the efficiency and effectiveness of the abusive shelter identification programs, the Commissioner of Internal Revenue should maximize the use of computers to identify and thus reduce cases for detection team review.

Status: Recommendation valid/action not intended. IRS does not believe that it is beneficial to require submission of the prospectus and/or offering documents as part of the registration process. Therefore, IRS is not planning to implement this recommendation.

Recommendation: To ensure that penalties are assessed when appropriate and computed correctly, and that enjoined parties comply with the terms of the injunctions, the Commissioner of Internal Revenue should: (1) develop clear and complete guidance for districts so that they know when and how shelter penalties are to be computed; and (2) follow up with districts after issuance to verify that the guidance is understood and correctly applied.

Status: Action in process. Estimated completion date: 03/89. IRS is preparing an updated guideline which illustrates the computation of shelter penalties.

Recommendation: To ensure that penalties are assessed when appropriate and computed correctly, and that enjoined parties comply with the terms of the injunctions, the Commissioner of Internal Revenue should develop and implement district internal control procedures that require supervisory review of all penalties and a quality assurance review of selected penalties to ensure that appropriate penalties have been considered and accurately computed.

Status: Action in process. Estimated completion date: 03/89. IRS believes that sufficient control procedures now exist, however, it is taking additional steps to ensure that proposed penalties are properly assessed.

Recommendation: To ensure that penalties are assessed when appropriate

and computed correctly, and that enjoined parties comply with the terms of the injunctions, the Commissioner of Internal Revenue should develop an effective program for monitoring enjoined parties' compliance with decrees and continue exploring opportunities to computerize monitoring

when developing service center return identification criteria.

Status: Action in process. Estimated completion date: 03/89. IRS is presently in the planning stages of how to present the updated guidelines for calculation and the details of the method by which it will follow-up on abusive tax shelter promoters under injunctions.

Tax Administration

System Integrity: IRS Can Reduce Processing Errors With Better Controls and Information

IMTEC-88-25, 08/02/88

Background

GAO assessed the Internal Revenue Service's (IRS): (1) controls for correcting errors in processing tax returns and issuing refunds and notices; and (2) efforts to identify the causes of processing errors.

Findings

GAO found that: (1) automated controls detected errors in 327 of the 389 IRS adjustment cases GAO reviewed, with taxpayers causing 57 percent of errors, IRS coding and editing causing 29 percent, and IRS data conversion causing 36 percent; (2) in at least 281 cases, error resolution examiners did not properly correct the errors or follow IRS instructions to compare master file system data with return data; (3) data transcribers should have corrected 49 of the cases that examiners overlooked before sending them to the next processing phase; (4) IRS stopped and corrected incorrect refunds and tax-due notices in 306 cases, causing a 3- to 11-

week delay in sending them out; (5) IRS sent incorrect refunds and tax-due notices in 86 cases, resulting in taxpayers receiving \$7 to \$5,000 more in refunds than IRS owed them and others receiving notices requiring them to pay \$1 to \$8,100 more than they owed; (6) the cost to correct these errors after initial processing was about \$4.00 per case, but only \$0.30 during the error resolution stage; (7) some IRS quality monitoring activities' management reports were inaccurate and untimely; and (8) service center managers did not believe that the reports addressed certain management needs.

Open Recommendations to Agencies

Recommendation: The Commissioner of Internal Revenue should require service center directors to implement a program to review tax returns corrected by the Error Resolution Units before sending them to the master files, as is being done by the Fresno and Kansas City Service Centers. Service center directors should

have flexibility to adjust the percentage of returns reviewed to their units' performance.

Status: Action in process. Estimated completion date: 04/89.

Recommendation: The Commissioner of Internal Revenue should ensure that feedback on the nature and source of errors identified in these reviews is provided promptly to the processing units responsible for missing or creating the errors, and to national office managers, so that both parties can take timely corrective action and thus help prevent future errors.

Status: Action in process. Estimated completion date: 04/89.

Recommendation: The Commissioner of Internal Revenue should direct his staff to review the completeness, timeliness, and accuracy of management information produced by IRS quality monitoring and modify those reports that do not meet management needs. **Status:** Action in process. Estimated completion date: 04/89.

Tax Administration

Tax Administration: Difficulties in Accurately Estimating Tax Examination Yield

GGD-88-119, 08/08/88

Background

In response to a congressional request, GAO examined the Internal Revenue Service's (IRS): (1) computation of the revenue it actually realized as a result of its implementation of a revenue initiative, which added 2,500 to the examination staff; and (2) assumptions in estimating the yield derived from the increased staff.

Findings

GAO found that: (1) since 1978, IRS has consistently underestimated the amount of additional taxes that its examination staff would recommend each year; (2) the annual underestimate averaged 28 percent over the period and ranged from about \$100 million in 1978 to about \$3.8 billion in 1986; (3) it was difficult for IRS to estimate the exact amount of revenue that it would generate by adding a specific number of auditors in 1987, since it did not use all of the staff years Congress authorized; and (4) IRS used data from audits it closed in 1972 instead of current information in developing its

estimates. GAO also found that: (1) to support its request for additional staff years, IRS expected to audit 120,000 more returns and assess \$829 million in additional taxes, penalties, and interest; (2) IRS calculated that it would generate \$847.5 million in assessed taxes, penalties, and interest in 1987 as a result of the additional audit staff; (3) IRS based its calculation on an increase in staff that was more than double what actually occurred; and (4) IRS did not take into account the amount of potential revenue lost because it used experienced staff to train the new staff.

Open Recommendations to Congress

Recommendation: Congress should consider requiring IRS to include in its annual budget submission information on the actual amount of revenues derived from its audits.

Status: Action in process.

Open Recommendations to Agencies

Recommendation: The Commissioner of Internal Revenue should complete a systematic reexamination and validation of the IRS estimating process. This should include an analysis of the use of historical trends, an updating of the audit tracking data used to compute assessment rates, validation of the average yield assumptions, and writing procedures to demonstrate the quality controls used in the process.

Status: Action in process. A group in IRS has been tasked with taking an in-depth look at the IRS estimating process. Their first step, problem identification, is underway. A report is anticipated in about 2 to 3 months that will identify problems and provide some action plans for addressing them.

Recommendation: The Commissioner of Internal Revenue should also fully disclose in its budget requests that assessed amounts shown as actual are really only estimates.

Status: Action not yet initiated.

Tax Administration

Tax Administration: Accuracy of Taxpayer Identification Numbers on Information Returns Can Be Improved

GGD-88-110, 09/06/88

Background

In response to a congressional request, GAO assessed the Internal Revenue Service's (IRS) administration of its Taxpayer Identification Number (TIN) Penalty Program, specifically how IRS: (1) enforced withholding requirements when financial institutions, or payers, submitted returns with missing or incorrect TIN; (2) provided accurate and timely information to payers; and (3) reduced missing and incorrect TIN on information returns.

Findings

GAO found that IRS: (1) did not enforce the interest and dividend withholding requirement as it applied to TIN; (2) did not monitor the extent to which payers withheld payments or determine the reasons for nonwithholding; (3) had no

basis for determining whether a payer was liable for the amount not withheld; and (4) may have lost an estimated \$2.4 billion in tax not withheld in 1985. GAO also found that IRS: (1) resolved about 10 percent of its missing TIN problems by using two tax-return files to generate lists of incorrect and missing TIN; (2) did not allow payers enough time to correct their data before submitting the next year's information returns; and (3) did not use any manual research procedures to resolve errors.

Open Recommendations to Agencies

Recommendation: To ensure better compliance with information return reporting requirements and a more effective and accurate TIN Penalty Program, the Commissioner of Internal

Revenue should establish and implement procedures to determine whether payers are complying with withholding requirements on interest and dividend information returns and to enforce that requirement, including the assessment of any penalty where appropriate.
Status: Action not yet initiated.

Recommendation: If IRS, after assessing its test results, decides to use the Key Index File on interest and dividend information returns with missing TIN, the Commissioner of Internal Revenue should consider expanding that use to returns with incorrect TIN until the automated TIN correction system is implemented. To best use its limited staff, IRS should focus on returns that have the highest potential to yield additional taxes.
Status: Action not yet initiated.

Tax Administration

Tax Administration: Availability and Completeness of Returns for Tax-Exempt Organizations

GGD-88-128, 09/30/88

Background

In response to a congressional request, GAO reviewed Internal Revenue Service (IRS) procedures to determine whether: (1) IRS could locate and provide requested Form 990 annual information returns, which tax-exempt organizations

filed; and (2) the Form 990 returns were complete.

Findings

GAO analyzed 450 sample Form 990 returns and estimated that: (1) IRS could locate about 99 percent of requested

returns if the requester provided the name that the organization used to obtain its tax-exempt status; (2) IRS would provide about 95 percent of the requested returns, with the remaining returns in use internally; (3) 48 percent of Form 990 returns were missing one or more of the required supporting

schedules, and 95 percent were incomplete, according to IRS criteria; and (4) although supporting schedules provided detailed information concerning such activities as fund-raising and payments to affiliates, IRS did not include them in its Incomplete Returns Program criteria.

Open Recommendations to Agencies

Recommendation: The Commissioner of Internal Revenue should establish procedures to ensure that copies of requested Form 990 returns being used internally are provided to requesters.

Status: Action not yet initiated.

Recommendation: The Commissioner of Internal Revenue should expand the criteria for the Incomplete Returns Program to ensure that missing Form 990 return supporting schedules are obtained from tax-exempt organizations.

Status: Action not yet initiated.

General Science, Space, and Technology

Satellite Data Archiving: U.S. and Foreign Activities and Plans for Environmental Information

RCED-88-201, 09/29/88

Background

Pursuant to a congressional request, GAO reviewed U.S. and international environmental satellite data archiving activities and plans.

Findings

GAO found that: (1) the National Oceanic and Atmospheric Administration (NOAA), the National Aeronautics and Space Administration (NASA), and the U.S. Geological Survey (USGS) are primarily responsible for archiving environmental satellite data; (2) the agencies expect a significant

future increase in satellite data and, to varying degrees, have begun planning for the expected increase; (3) NOAA is examining the possibility of private firms taking over its archiving functions; (4) NASA is planning on significant technological advances and interagency cooperations to archive the data; and (5) possible future reductions in archiving funding could reduce USGS archiving activities. GAO also found that: (1) since 1977, Japan, France, India, and a group of 13 European countries have launched at least 9 environmental satellites; and (2) several countries have plans to launch at least 30 additional

environmental satellites between 1988 and 1997.

Open Recommendations to Congress

Recommendation: Considering that the Department of Commerce has not requested or provided funds for creating the National Satellite Land Remote Sensing Data Archive and that officials told GAO that they do not anticipate doing so in the future, Congress, if it still wants the archive to be created, may wish to provide specific funding for the archive.

Status: Action not yet initiated.

General Science and Basic Research

Implementing the Small Business Innovation Development Act—The First 2 Years

RCED-86-13, 10/25/85

Background

GAO reported on the implementation of the Small Business Innovation Development Act, including the extent to which: (1) agencies established, funded, and provided accurate information on small business innovation research (SBIR) activities; and (2) the Small Business Administration (SBA) and the Office of Science and Technology Policy (OSTP) carried out program coordination, monitoring, and congressional reporting

duties mandated by the act. The act requires that each agency that spends more than \$100 million annually on extramural research establish an SBIR program and each agency that spends more than \$20 million annually on research establish non-SBIR research funding goals for small businesses.

Findings

GAO found that, through fiscal year (FY) 1984: (1) 11 of the 12 agencies that

were required to establish SBIR programs did so; (2) the agencies made about 2,100 SBIR awards totalling \$156 million; (3) most of the agencies reported compliance based on SBIR obligational authority, rather than on actual extramural obligations, because a reporting deadline established by the act conflicted with agencies' deadlines for making budget submissions to the Office of Management and Budget (OMB); and (4) most agencies either met or came close to meeting their required SBIR

percentages. GAO also found that: (1) most of the agencies required to have non-SBIR goals did not provide SBA with all of the data necessary to ensure compliance with the act; (2) in FY 1984, the amount of total research and development (R&D) dollars that agencies reported to SBA differed from the amount reported in the President's budget; (3) SBA has issued policy guidance, publicized the SBIR program, coordinated agencies' issuance of SBIR solicitations, and monitored and reported agencies' implementation

efforts; and (4) while OSTP has monitored agency implementation and reported to Congress as required by the act, it has not assessed the quality of research performed under SBIR programs, as Congress apparently intended.

Open Recommendations to Agencies

Recommendation: The heads of applicable agencies subject to the non-SBIR goals provisions of the act should

instruct the appropriate officials in their respective agencies to establish goals known to officials responsible for awarding external R&D funds.

Addressee: Department of Transportation

Status: Action not yet initiated.

Addressee: Agency for International Development

Status: Action not yet initiated. AID did not specify planned actions regarding this specific recommendation.

General Science and Basic Research

Patent Policy: Recent Changes in Federal Law Considered Beneficial

RCED-87-44, 04/16/87

Background

Pursuant to a congressional request, GAO reviewed federal agency implementation of three recent patent policy changes and their impact on universities, small businesses, and other nonprofit organizations.

Findings

GAO noted that federal agencies are in the process of implementing legislative amendments that: (1) changed title rights to inventions that nonprofit organizations and small businesses developed with federal funds; (2) extended title rights to federal contractors to inventions they developed with federal funds; and (3) established a Statutory Invention Registration (SIR) procedure to reduce the federal patent inventory. GAO found that implementation of these amendments was delayed because the Department of

Commerce disagreed with the Department of Energy (DOE) over proposed regulations affecting DOE government-owned, contractor-operated facilities. GAO also found that: (1) the amendments have been significant in stimulating business sponsorship of university research and the removal of licensing restrictions on nonprofit organizations; (2) the Small Business Innovation Research program and lower maximum capital gains tax rates had an equal or greater impact on small business research and innovation efforts; and (3) DOE plans to issue a regulation establishing criteria and procedures for large business contractors to retain title rights to some or all of their inventions.

Open Recommendations to Agencies

Recommendation: The Secretaries of Defense and Energy should encourage

the use of SIR by recognizing SIR in their incentive awards programs.

Addressee: Department of Defense
Status: Action in process. The Navy incorporated SIR into its incentive award program through CPI 451.9, dated August 11, 1988, and the Air Force incorporated SIR through AFR 900-4, dated July 23, 1987. Publication of the Army's AR 672-20, which incorporates SIR, has been delayed.

Addressee: Department of Energy
Status: Action in process. DOE Order 3450.1A on incentive awards was published for coordination.

Recommendation: The Secretaries of Defense and Energy should encourage the use of SIR by establishing annual percentage goals for using SIR.

Addressee: Department of Defense
Status: Recommendation valid/action not intended. The Department of Defense (DOD) disagreed with this

recommendation in agency comments and its 31 U.S.C. 720 response.

Addressee: Department of Energy

Status: Recommendation valid/action not intended. DOE disagreed with this

recommendation in its agency comments and 31 U.S.C. 720 response.

Space Flight

Space Shuttle: The Future of the Vandenberg Launch Site Needs to Be Determined

NSIAD-88-158, 08/03/88

Background

GAO examined the Air Force's deactivation efforts for the space shuttle's Vandenberg Launch Site (VLS) and its plans for maintaining and reactivating the site.

Findings

GAO found that the Air Force: (1) planned to complete the few remaining VLS deactivation tasks during fiscal years 1988 and 1989; (2) placed VLS in a

low-maintenance status due to limited funding and the lack of a shuttle launch schedule; and (3) did no detailed reactivation planning. GAO also found that: (1) reactivation costs would increase each year VLS remained nonoperational; (2) reactivation had high schedule and technical risks; and (3) the Air Force and the National Aeronautics and Space Administration were considering using VLS for other launch systems, since the shuttle's lift capability from VLS was below the required level.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the Air Force to develop a cost-effective reactivation schedule if VLS is to be preserved for shuttle use.

Status: Recommendation valid/action not intended. Action is contingent on an unlikely event, the preservation of VLS for shuttle use, which, if it were to occur, would not be decided in the near term.

Affirmative Action: National Institutes of Health Does Not Fully Meet Federal Requirements

HRD-86-37, 03/05/86

Background

Pursuant to a congressional request, GAO evaluated equal employment opportunity (EEO) and affirmative action activities at the National Institutes of Health (NIH), to assess how: (1) the reorganization of the Division of Administrative Services affected black employees; (2) the discrimination complaints process is working; (3) the affirmative action program is working; and (4) minorities and women are represented in the work force.

Findings

GAO found that, although the reorganization of the Division of Administrative Services caused anxiety among all of the employees and some blacks felt that they were treated unfairly, there was no evidence that

minorities were treated differently than nonminorities, and no employees were downgraded or dismissed as a result of the reorganization. NIH took longer to investigate, render a decision on, and resolve discrimination complaints than other public health agencies because of internal management and personnel problems involving those responsible for the investigations. Although NIH appointed a new division director who initiated actions to improve processing, it needs to sustain its efforts and attention to ensure further improvements. NIH has not fully complied with four of the eight requirements for the Equal Employment Opportunity Commission (EEOC) Affirmative Action Program. Specifically, it has not: (1) established numerical hiring goals for underrepresented groups; (2) consistently implemented minority and female

recruitment strategies; (3) collected key data to monitor the program; and (4) completed analysis of impediments to EEO. GAO believes that: (1) this noncompliance may have contributed to the continued underrepresentation of minorities and women; and (2) NIH management needs increased effort, strong commitment, and active support to bring its affirmative action plan into compliance.

Open Recommendations to Congress

Recommendation: Congress should explore the situation with the Office of Personnel Management and EEOC to clarify what these agencies' current positions are concerning the collection of flow data.

Status: Action not yet initiated.

Financial Management: An Assessment of the Veterans Administration's Major Processes

AFMD-86-7, 06/27/86

Background

In response to a congressional request, GAO reported on the Veterans Administration (VA) financial management processes to: (1) identify and describe the major VA financial management processes and the primary

information on which they rely; (2) identify and assess the major financial management implications of any weaknesses in this information; (3) determine if and how VA ranks veterans' needs with service-connected health care problems in its medical care

and construction planning; and (4) identify and assess the processes VA uses to rank major construction projects.

Findings

GAO found that, although VA has a basically sound financial management process, it does not have reliable, timely, and useful cost and work-load information to support this process because: (1) it has not set realistic, measurable goals for its medical care and construction programs and lacks the information to assess results against such goals; (2) its financial management systems design is inadequate; (3) its automatic data processing system has problems; (4) its health care planning and programming process has not yet produced a realistic, national health care strategy for establishing both budget and construction priorities; (5) its major construction planning and prioritization process has no clear focal point of accountability below the Administrator; and (6) the data from the planning process and from the facility engineer's assessment of each facility's physical condition are inadequate. GAO also found that VA systems do not provide the per-patient clinical and cost information required to allocate hospital operating budgets based on the types of patient illnesses, and consequently: (1) hospitals lack information about their actual costs of treating specific patients or illnesses to help identify ways to control those costs; (2) VA cannot readily track patient drug usage and doctor prescription patterns, making it difficult to manage drug usage and costs; and (3) the primary medical program cost reports that VA uses for planning, budgeting, and budget execution are based on unreliable quarterly estimates.

Open Recommendations to Agencies

Recommendation: The Administrator of Veterans Affairs should take action to improve VA budget execution for medical care by using a cost accounting system which captures costs and work-

load data on a more specific and managerially useful basis, such as diagnostic-related groups (DRG) or individual patients. The capture of data by DRG would permit hospitals to better control excessive costs related to DRG. Since VA allocates hospital budgets on the basis of work load and costs as measured by DRG, its accounting system should be able to capture work load and costs on the same basis.

Status: Action in process. VA is evaluating several alternative medical information/accounting systems that would provide the information necessary to implement this recommendation. VA is incorporating a case-mix cost model in its new medical information system, but the exact nature is not yet determined.

Recommendation: The Administrator of Veterans Affairs should take action to improve VA budget execution for medical care by setting standards for many of the inputs to medical care to provide managers with reports showing variances between planned versus actual work load and costs. The Brockton/West Roxbury project is reviewing a well-developed variance reporting system that might be applicable.

Status: Action in process. VA is evaluating several alternative medical information management systems that would permit it to implement this recommendation.

Recommendation: The Administrator of Veterans Affairs should take action to improve VA budget execution for medical care by incorporating a modeling function within its management information system to permit managers to analyze projections of the probable consequences of alternative changes in budget work loads and costs.

Status: Action in process. VA stated that any medical management information system it adopts will have such a function.

Recommendation: The Administrator of Veterans Affairs should take actions to improve the VA budget formulation process for medical care, including: (1) the use of a case-mix approach to develop its budget, which would involve using costs which are more clearly related to VA estimates of veterans' medical needs; (2) the development of an approach to budget formulation which would emphasize the role of field management, not only Central Office management, and would foster better communication and understanding between the participants and improve the delivery of medical care; and (3) the use of cost and work-load data by DRG to improve the linkage between budget formulation and execution and to develop more accurate budget estimates.

Status: Action taken not fully responsive. VA stated that its data is insufficient to implement a case-mix approach at this time; however, VA has not ruled it out in the future. VA did not state why its current case-mix model is inadequate.

Recommendation: The Administrator of Veterans Affairs should continue efforts to: (1) improve the reliability and usefulness of the data bases with planning applications, giving priority to current efforts to develop a system of capturing clinical work-load and cost data on a per-patient, per-illness, and clinic-stop basis; and (2) use one or more dollar ceilings to guide medical-district-initiated program planning (MEDIPP) planners in their assessment of alternative medical care strategies.

Status: Action in process. VA is developing a system that would capture patient clinical and cost data. It is uncertain when this system will be operable. Beginning with MEDIPP plans submitted in November 1986, MEDIPP planners are using a dollar ceiling in plan development.

Recommendation: To correct the weaknesses in the VA construction process, the Administrator of Veterans Affairs should develop a phased strategy to include actions that would: (1) require that MEDIPP produce a national medical care strategy, with clearly defined medical care priorities, and the construction projects to support those priorities; (2) establish a comprehensive set of design standards for each major type of VA medical care facility for use in the construction process; (3) establish a comprehensive set of work-load, staffing, and space design standards for each major function in a VA medical

care facility; (4) establish clear milestones for the planning, design, and construction of each major type of facility; and (5) clearly define the roles and responsibilities of major participants and assign primary responsibility and accountability to one office for both the timeliness and results of each major step of the process.

Status: Action not yet initiated. VA concurred with this recommendation, however, action has not been initiated.

Recommendation: The Administrator of Veterans Affairs should take action to improve financial management

information by calculating and recording an accrual, which includes an estimate of benefit payments to be paid to those individuals currently in military service. The liabilities of the compensation and pension programs would then be more fairly stated and this information could be used for planning purposes.

Status: Action not yet initiated. VA stated that its financial management systems must be overhauled to implement this recommendation. A major evaluation of integrating current systems is now underway.

Consumer and Occupational Health and Safety

Food Inspections: FDA Should Rely More on State Agencies

HRD-86-2, 02/18/86

Background

Pursuant to a congressional request, GAO reviewed whether the Food and Drug Administration (FDA) could place greater reliance on state agencies to inspect the sanitation conditions of the food manufacturing establishments in its current inventory.

Findings

GAO noted that FDA does not specify the frequency with which food sanitation inspections should be conducted, but selects establishments for inspection based on products produced, the potential health risk involved, and the industry's inspection history. GAO found that: (1) 57 out of 69 food establishments in the FDA active inventory were routinely inspected by state agencies on an average of every 7 months; (2) over half of the establishments had 10

percent or less interstate sales; and (3) of the 57 firms sampled, 23 had one or more routine inspections where serious sanitation problems were noted. GAO also found that: (1) FDA justified keeping 69 establishments in its inventory because they had a large volume of business, produced products that had the potential for sanitation problems, or were subject to consumer complaints and labelling problems involving food and color additives; (2) where seriously unsanitary conditions are noted, state agencies inspect such establishments twice as frequently as other establishments; (3) consumer complaints could be forwarded to state agencies for follow-up procedures; and (4) in view of the states' significant roles in regulating the condition of food manufacturers, FDA inspections of most of the establishments are not warranted.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Commissioner, FDA, in conjunction with state inspection agencies, to begin developing a strategy for future inspection of establishments with a history of serious or very serious sanitation problems to help ensure that these establishments are in compliance with applicable food laws and regulations.

Status: Action in process. FDA is working closely with state agencies regarding work planning, use of computers in monitoring food establishments, and national pesticide data programs.

Recommendation: The Secretary of Health and Human Services should

direct the Commissioner, FDA, to consider the current level and allocation of inspection resources devoted to the food sanitation programs and make appropriate adjustments, recognizing the reduced inventory and extent of

inspection coverage needed to adequately monitor food manufacturing establishments.

Status: Action taken not fully responsive. FDA indicated that it has reduced its inspections of food

establishments. However, based on recent work, GAO noted that some establishments are still being inspected although they appear to be the states' responsibility. A GAO review is currently addressing this matter.

Consumer and Occupational Health and Safety

Pesticides: Need To Enhance FDA's Ability To Protect the Public From Illegal Residues

RCED-87-7, 10/27/86

Background

In response to a congressional request, GAO reviewed the Food and Drug Administration's (FDA) activities to protect the public from exposure to illegal pesticide residues in the domestic food supply under the Food, Drug, and Cosmetic Act, specifically its: (1) monitoring of the nation's domestic food supply for illegal residues; and (2) efforts to prevent food containing illegal residues from reaching the market.

Findings

GAO noted that, since FDA could not monitor all food that might contain illegal pesticide residues, it designed its

monitoring program to selectively spot-check a very small amount of domestically produced food and remove food that it found to contain illegal residues. GAO found that the FDA pesticide monitoring program has two major shortcomings because FDA does not: (1) regularly test food for a large number of pesticides that might be present in food, including a number of pesticides that, according to FDA, require continuous or periodic monitoring because they are known as potential health hazards and are likely to be used; (2) prevent the marketing of most of the food that it finds containing illegal pesticide residues; and (3) penalize growers who market food with illegal

pesticide residues when FDA is unable to remove it from the market.

Open Recommendations to Congress

Recommendation: In view of the difficulties that FDA faces in trying to use existing authorities to prevent the marketing of domestic food containing illegal pesticide residues and the need to provide a strong deterrent against such shipments, Congress may wish to give FDA legislative authority to assess civil penalties against growers of such food when it is not removed from the marketplace.

Status: Recommendation valid/action not intended.

Consumer and Occupational Health and Safety

Medical Devices: Early Warning of Problems Is Hampered by Severe Underreporting

PEMD-87-1, 12/19/86

Background

In response to a congressional request, GAO provided information on the communications network and its flow patterns for problems associated with medical devices that the Food and Drug Administration (FDA) has reviewed or approved for marketing, specifically: (1) how hospitals report problems that occur in the use of medical devices; (2) how hospitals, manufacturers, and FDA respond to these problems; and (3) how other federal programs monitor the safety of selected technologies and identify promising practices that FDA might apply to medical devices.

Findings

GAO found that: (1) hospitals were aware of most medical device problems; (2) 9 percent of the problems identified with the 10 devices GAO studied involved actual injuries; (3) wear or deterioration of devices was the major cause of problems in one-third of the hospital reports, while other causes were defective components, design flaws, and improper use; (4) hospitals reported only 51 percent of identified medical device problems to outside organizations such as device manufacturers, distributors, and independent distributors; (5) hospitals made 83 percent of their reports orally and without documentation; (6) hospitals reported more manufacturer-related problems than user-related problems; (7) hospitals repaired or replaced defective components to avoid a recurrence of 85 percent of the problems they

experienced; (8) 52 percent of the problems hospitals reported to manufacturers and distributors resulted in the repair or replacement of a failed device; (9) hospitals did not report problems to FDA, preventing an effective postmarketing surveillance system; and (10) 53 percent of surveyed health care professionals were not aware of the FDA system for reporting problems. GAO believes that: (1) the information loss will not improve significantly, despite a new rule that requires manufacturers to report to FDA problems that have caused or may cause injury or death, since hospitals fail to report many of those problems to the manufacturers; and (2) representative sampling would be an efficient way to obtain necessary monitoring information.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should correct the underreporting of medical device problems by requiring independent distributors of medical devices to report information about problems with devices to manufacturers, as manufacturers are required to report to FDA under the medical device reporting (MDR) rule.

Status: Action in process. The Department of Health and Human Services (HHS) stated that a final decision on the need to extend reporting requirements of MDR to others in device distribution would be based on future

evaluations by HHS of the MDR program.

Recommendation: The Secretary of Health and Human Services should correct the underreporting of medical device problems by establishing a more effective cooperative relationship with professional health organizations to develop and distribute educational materials for health-care professionals on the FDA need for early warning information and on how to report medical device problems.

Status: Action not yet initiated. HHS commented in the draft report that it was not aware that a problem existed in this area. Therefore, they could not provide a specific course of action that would be taken.

Recommendation: The Secretary of Health and Human Services should correct the underreporting of medical device problems by recommending that FDA explore the possibility of establishing a voluntary, postmarketing surveillance system involving a representative sample of hospitals that would report directly to device manufacturers. This recommendation is made in light of the void of information on problems with medical devices, the potential harm to people that could ensue, and recent developments indicating a more cooperative attitude by hospitals.

Status: Action in process. Estimated completion date: 02/89. HHS commented in the draft report that the need for hospital reporting would be determined

after future assessments of the MDR program. The House Committee on Energy and Commerce, Health and the

Environment Subcommittee, held hearings and asked GAO to do a follow-up study on FDA implementation of

MDR, which is scheduled for completion by February 1989.

Consumer and Occupational Health and Safety

Food and Drug Administration: HHS Inspector General Should Be Involved in Criminal Investigations

HRD-88-8, 11/04/87

Background

In response to a congressional request, GAO discussed: (1) the Food and Drug Administration's (FDA) and the Department of Health and Human Services' (HHS) Inspector General's (IG) authority to conduct criminal investigations relating to: (1) counterfeit and diverted drugs; and (2) training and resources available to conduct such investigations.

discovery of a criminal act; (2) because FDA seeks specialized criminal investigative skills from other federal agencies, it does not train its personnel for criminal investigations; (3) proposed legislation could increase FDA involvement in criminal investigations; and (4) IG believes that it should conduct criminal investigations for FDA, as it does for other HHS agencies, since it currently has the resources.

direct the Commissioner, FDA, and HHS IG to develop and implement a plan for involving IG in FDA criminal investigations of its regulatory programs. Such a plan should identify the types of FDA investigations that will be referred to IG, when such referrals should be made, and the specific responsibilities of FDA and IG in carrying out criminal investigations. Status: Action in process. Estimated completion date: 02/89. FDA and IG staff are developing a working agreement to involve IG in FDA criminal investigations.

Findings

GAO found that: (1) the Food, Drug and Cosmetic Act authorizes FDA to conduct inspections which could result in the

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should

Consumer and Occupational Health and Safety

Medical Devices: FDA's 510(k) Operations Could Be Improved

PEMD-88-14, 08/17/88

Background

In response to a congressional request, GAO examined the Food and Drug Administration's (FDA): (1) implementation of the premarket notification provision of the Medical Device Amendments of 1976; and (2) day-

to-day operations in making its determinations of substantial equivalence.

Findings

GAO found that: (1) although FDA guidance for determining substantial equivalence was generally adequate and consistent with the less restrictive reading of the act, its description of performance assessment contained some

ambiguities; (2) differences among the reviewing divisions within the Office of Device Evaluation (ODE) concerning manufacturer information suggested a lack of clear office-wide policy and coordination; (3) documentation of premarket notifications was inadequate to evaluate ODE compliance with formal review policy; (4) because of implementation problems, certain classes of medical devices did not meet requirements appropriate to their classification and FDA relied on premarket notifications to control market access to them; and (5) FDA reliance on products marketed prior to 1976 to determine substantial equivalence could cause problems.

Open Recommendations to Congress

Recommendation: Congress may wish to consider: (1) clarifying the extent to which FDA should evaluate, within the premarket notification process, the

effects of technological changes in medical devices on their safety and effectiveness; and (2) developing alternative approaches to the regulation of devices currently placed in classes II and III that could accomplish the original purposes of the amendments.
Status: Action not yet initiated.

Recommendation: Congress should amend the Federal Food, Drug and Cosmetic Act to make the determination of substantial equivalence relative to a currently marketed device rather than a predicate device. This can be accomplished by amending section 513(f)(1)(A)(ii) of the act (21 U.S.C. 360(c)(f)(1)(A)(ii)) to read as follows: "is substantially equivalent to a currently marketed device within such type regardless of when that currently marketed device was introduced or delivered for introduction into interstate commerce, or..."
Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should instruct the Commissioner, FDA, to establish a requirement that written documentation of the review and decisionmaking process be included in each premarket notification file. The extent of documentation should vary depending on the seriousness of the questions raised during the review.
Status: Action not yet initiated.

Recommendation: The Secretary of Health and Human Services should instruct the Commissioner, FDA, to develop and implement processes, first for identifying scientific issues that require uniform treatment across the divisions of ODE, then for developing policies, and finally for ensuring that these policies are implemented in the review of premarket notifications.
Status: Action not yet initiated.

Consumer and Occupational Health and Safety

FDA's Reviews of New Drugs: Changes Needed in Process for Reviewing and Reporting on Clinical Studies

HRD-88-100, 09/12/88

Background

In response to a congressional request, GAO reviewed the Food and Drug Administration's (FDA) Division of Scientific Investigations' (DSI) activities, specifically: (1) its responsibilities relating to the approval of new drug and biological products; (2) the accuracy of FDA data and adequacy of oversight of clinical investigators, review boards, and laboratories involved in studies supporting new drug applications (NDA);

and (3) the adequacy and timeliness of for-cause inspections.

Findings

GAO found that: (1) the FDA data base of information on review boards and laboratories was sufficiently adequate and complete for use in scheduling inspections; (2) FDA increased its data base maintenance staff and changed its regulations for easier investigator identification to eliminate a 9-month

backlog and make the data base more reliable; and (3) FDA revised its policy manual to assign joint responsibility for selecting studies for review to the drug review divisions and DSI. GAO also found that: (1) DSI conducted over 400 for-cause investigations of clinical investigators over the past 10 years usually due to indications of wrongdoing, unusually large numbers of investigations, or the importance of a study to a new drug application; (2) although DSI participation was

necessary to maintain staff knowledge of particular drugs and improve interaction with drug review divisions, its participation had little effect on inspection results; (3) FDA completed only 88 of the 190 reviews scheduled within 12 months of receipt of NDA and did not notify its district offices of the need to make reviews until at least 1 year after receipt on almost 73 percent of the remainder; and (4) district involvement in other high priority work, such as product-tampering investigations, delayed timely completion of reviews.

Open Recommendations to Agencies

Recommendation: To enable FDA to carry out its bioresearch monitoring responsibilities in a more timely manner, the Secretary of Health and Human Services should require the Commissioner, FDA, to finalize procedures in the staff manual guide for selecting clinical studies for review and include provisions for communicating the results to officials responsible for reviewing new drug applications.
Status: Action not yet initiated.

Recommendation: To enable FDA to carry out its bioresearch monitoring responsibilities in a more timely manner, the Secretary of Health and Human Services should require the Commissioner, FDA, to give DSI direct access to the FDA automated management information system on incoming NDA to facilitate inspection scheduling.
Status: Action not yet initiated.

Recommendation: To enable FDA to carry out its bioresearch monitoring responsibilities in a more timely manner, the Secretary of Health and Human Services should require the Commissioner, FDA, to establish goals or time frames for scheduling and completion of inspections prior to the approval of NDA.
Status: Action not yet initiated.

Recommendation: To enable FDA to carry out its bioresearch monitoring responsibilities in a more timely manner, the Secretary of Health and Human Services should require the Commissioner, FDA, to change the current quarterly assignment system so that clinical investigator inspections are

assigned to district offices in a more timely manner.
Status: Action not yet initiated.

Recommendation: To enable FDA to carry out its bioresearch monitoring responsibilities in a more timely manner, the Secretary of Health and Human Services should require the Commissioner, FDA, to allow district offices to write abbreviated inspection reports when inspectees are in substantial compliance with FDA requirements.
Status: Action not yet initiated.

Recommendation: To enable FDA to carry out its bioresearch monitoring responsibilities in a more timely manner, the Secretary of Health and Human Services should require the Commissioner, FDA, to require that a statement concerning the results of DSI inspections be included in all new drug application approval packages and that inspection classification letters be included in the NDA file.
Status: Action not yet initiated.

Consumer and Occupational Health and Safety

Whistleblowers: Management of the Program to Protect Trucking Company Employees Against Reprisal

GGD-88-123, 09/22/88

Background

Pursuant to a congressional request, GAO reviewed the Occupational Safety and Health Administration's (OSHA) management of the Whistleblower Protection Program for trucking company employees who allege safety violations by employers.

Findings

GAO found that OSHA: (1) has not devoted enough management attention to the Whistleblower Protection Program; (2) did not fully comply with the statutory requirement that it investigate and issue findings on whistleblower complaints within 60 days;

(3) inadequately publicized the program; and (4) plans to have a new management information system in operation by January 1989, which will provide direct access to data maintained in OSHA regional offices. GAO also found that the Department of Transportation's Office of Motor Carriers (OMC) and OSHA did not

have procedures to provide OMC with information from complaints alleging motor carrier safety violations.

Open Recommendations to Agencies

Recommendation: The Secretary of Labor should direct the Assistant Secretary for Occupational Safety and Health to ensure that the management information system being developed will provide accurate and up-to-date information on the current status of Section 405 cases.
Status: Action not yet initiated.

Recommendation: The Secretary of Transportation should develop, in cooperation with OSHA, a procedure for

obtaining information from whistleblower complaints alleging motor carrier safety violations and use the information as a factor to consider in identifying and following up on motor carriers alleged to have violated federal laws and regulations.
Status: Action not yet initiated.

Recommendation: The Secretary of Labor should direct the Assistant Secretary for Occupational Safety and Health to identify the problems, factors, and conditions that are causing delays in case processing and take action to correct them.
Status: Action not yet initiated.

Recommendation: The Secretary of Labor should direct the Assistant

Secretary for Occupational Safety and Health to develop and implement a better, more comprehensive public information program and mechanism to ensure that trucking company employees are aware of their rights and protections under the act.
Status: Action not yet initiated.

Recommendation: The Secretary of Transportation should develop, in cooperation with OSHA, a procedure for obtaining information from whistleblower complaints alleging motor carrier safety violations and use the information as a factor to consider in deciding what penalties to impose on motor carriers who have committed repeated and/or serious violations.
Status: Action not yet initiated.

Health Care Services

Medicare/Medicaid Funds Can Be Better Used To Correct Deficiencies in Indian Health Service Facilities

HRD-83-22, 08/16/83

Background

GAO reviewed the Indian Health Service's (IHS) management of funds collected from Medicare and Medicaid programs for services provided in its facilities to Indians eligible for these programs. IHS is required by law to use the funds collected to make improvements in its facilities to enable them to meet and remain in compliance with Medicare/Medicaid standards.

Findings

In 1976, only half of IHS hospitals met the Medicare/Medicaid standards. IHS began applying its Medicare/Medicaid funds toward the objective of bringing all of its facilities into compliance with

the standards and, by October 1981, the objective was achieved. IHS now spends the funds primarily on recurring costs needed to maintain compliance. However, IHS has established a practice that results in the allocation of available Medicare/Medicaid collections to the facility that provided the services rather than redirecting them to the most needy facilities. This practice has not ensured that the facilities most in need of funds receive them and has resulted in the accumulation of a large, unobligated balance of Medicare/Medicaid collections. GAO also found that the IHS Medicare/Medicaid billing and collection system is much more costly than those of private hospitals because: (1) IHS is not able to take advantage of the

economies afforded by volume billing; and (2) the involvement of multiple IHS organizational levels in the primarily manual system is cumbersome and results in additional work through the maintenance of duplicate records.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Assistant Secretary for Health to increase the efficiency of the IHS Medicare/Medicaid billing and collection system by such means as eliminating duplicative functions among the various IHS organizational levels and increasing

automation of the system where justifiable by cost savings.

Status: Action in process. Estimated completion date: 10/89. IHS automated the processing system for Medicare

outpatient claims and is developing an automated process for Medicare inpatient and outpatient claims. IHS believes that it is not feasible to automate all Medicaid inpatient claims,

but it is working to automate the process in certain high volume states.

Implementation of the computerized system will take several more years.

Health Care Services

Payment Rates for Ambulatory Surgery Centers Are Higher Than Intended by HCFA

HRD-84-67, 07/12/84

Background

GAO examined the methodology used by the Health Care Financing Administration (HCFA) for establishing the standard overhead amounts to be paid to ambulatory surgery centers (ASC) and compared the cost to Medicare for surgery performed in ambulatory versus inpatient settings.

Findings

The Omnibus Reconciliation Act of 1980 authorized payments under Medicare to ASC to cover their operating costs. The payment amounts, called standard overhead amounts, were to be based on HCFA estimates of the costs generally incurred by ASC in furnishing services in connection with ambulatory surgery. Also, the standard overhead amounts were to be set at a level that would ensure that the Medicare costs of

services in ASC would be substantially less than the costs of the surgeries if performed on a hospital inpatient basis. GAO found that HCFA set standard overhead amounts for ambulatory surgery that appear to save Medicare program dollars. However, in computing the standard overhead amounts, HCFA did not adjust charge data by the cost-to-charge ratio as intended. As a result, the standard overhead amounts are 10-percent higher than intended. GAO believes that better data should now be available than the limited information HCFA had when it established ASC payment rates. HCFA should begin the process of reevaluating the rates.

Open Recommendations to Agencies

Recommendation: The Administrator, HCFA, should recompute ASC payment

rates to incorporate the cost-to-charge adjustment.

Status: Action in process. Estimated completion date: 01/89. HCFA intends to implement this recommendation at the same time it implements the other recommendation in this report.

Recommendation: The Administrator, HCFA, should obtain more complete and current data on ASC costs and develop payment rates from it.

Status: Action in process. Estimated completion date: 01/89. HCFA developed and distributed a data collection form to gather the needed data. The Omnibus Budget Reconciliation Act of 1986 requires HCFA to update the payment rate for ASC by July 1, 1987, and annually thereafter. HCFA intends to use the data for the first update under the new law, now expected to be promulgated at the end of 1988 with a retroactive effective date of July 1, 1988.

Health Care Services

Medicare's Policies and Prospective Payment Rates for Cardiac Pacemaker Surgeries Need Review and Revision

HRD-85-39, 02/26/85

Background

Pursuant to a congressional request, GAO reviewed the impact of Medicare costs on: (1) pacemaker manufacturers' warranty policies; (2) pacemaker manufacturers' marketing policies; and (3) hospitals' procedures for acquiring and charging for pacemakers. In addition, GAO analyzed the impact of hospitals' and manufacturers' policies on the reasonableness of Medicare's new payment rates under the prospective payment system (PPS).

Findings

GAO found that, although pacemaker manufacturers offer discounts ranging from 5 to 40 percent, very few hospitals have obtained discounts because: (1) manufacturers do not advertise discounts; and (2) the cost reimbursement system used by Medicare in 1981, which was used as the base for reimbursement rates under PPS, did not

provide incentive for hospitals to seek discounts. GAO also found that: (1) most hospitals do not enhance their ability to obtain discounts by coordinating pacemaker purchases with their practicing physicians or with affiliated hospitals; (2) it could not obtain enough data to determine whether hospitals generally take advantage of warranty credits for replacement pacemakers; (3) PPS provides an incentive for hospitals to take advantage of warranty credits; and (4) the data used by the Department of Health and Human Services (HHS) to compute prospective payment rates for pacemaker surgeries contained errors, including the use of unaudited hospital cost reports and classification of pacemaker cases under the wrong diagnostic-related groups (DRG). In addition, GAO stated that HHS may need to: (1) establish separate DRG for procedures involving dual-chamber pacemakers and guidance for the appropriate use of such pacemakers; and (2) require that all explanted

pacemakers be returned to their manufacturers for testing.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should require: (1) hospitals to return all explanted pacemakers and leads to the manufacturers; (2) require the manufacturers to test all returned pacemakers and leads; and (3) require the manufacturers to report the results of the tests to the hospitals. This would provide the information necessary to determine the extent to which warranty credits are being issued.

Status: Action in process. HHS stated that, before requiring testing of explanted pacemakers, it wanted to obtain data through its pacemaker registry to ensure that testing is required only when meaningful data will be obtained.

Health Care Services

Medicare: Past Overuse of Intensive Care Services Inflates Hospital Payments

HRD-86-25, 03/07/86

Background

GAO analyzed the changes in intensive care units (ICU) since the implementation of the Medicare

prospective payment system (PPS) in order to: (1) estimate the extent to which, prior to PPS, Medicare patients received ICU services when less costly

routine care would have been a feasible option; (2) determine whether hospital practices regarding the use of ICU services changed after PPS; and (3)

ensure that changes in such utilization are reflected in Medicare payment rates.

Findings

GAO found that 23 percent of the Medicare ICU patients reviewed were at low risk of needing a treatment provided in an ICU and did not receive such treatment during their ICU stay. In 21 diagnosis-related groups, an average 1.1 percent of costs of care reflected the extra expense of treating low-risk patients in ICU, or an increase of about \$3.2 million in the Medicare cost base. GAO noted that situations affecting medical practices that contributed to avoidable ICU admission and changing hospital practices and attitudes indicated that PPS was meeting a major objective

of encouraging hospitals to operate more efficiently. Hospital officials attributed improvements to physician awareness and the fact that they were responding to anticipated pressures for improved efficiency under PPS. Medicare requires that PPS rates reflect the costs necessary for the efficient and effective delivery of medically appropriate and necessary care of high quality; however, the data used to set the rates include the costs of unnecessary services. The costs, therefore, of providing appropriate medical services economically and efficiently are overstated. As long as the data base remains inflated, Medicare's PPS rates will remain high.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should revise prospective payment rates to base them on 1984 or later cost data, which reflect hospital behavior under PPS. **Status:** Action taken not fully responsive. PROPAC estimated that overall, PPS rates in 1987 were 12.3-percent above a rate based on actual costs of the first full year of PPS implementation. Even after allowing the hospitals to keep 4 percent of these savings and adjusting for past reductions, PROPAC recommended a 5.4-percent reduction in rates for 1988. HCFA rejected this recommendation. In 1988, PROPAC reaffirmed its recommendation.

Health Care Services

Medicare: Issues Raised by Florida Health Maintenance Organization Demonstrations

HRD-86-97, 07/16/86

Background

GAO reviewed Medicare's health maintenance organizations (HMO) program to determine: (1) the adequacy of financial and quality-of-care safeguards for Medicare beneficiaries; (2) the reasonableness of Medicare payments to HMO; and (3) the effectiveness of Department of Health and Human Services (HHS) oversight.

Findings

GAO determined that: (1) in network-type HMO, the beneficiary protections concerning HMO financial solvency and enrollment, were substantially limited since they delivered many services

through subcontractors; (2) although the subcontractors assumed most HMO financial risk, the legislative safeguards did not apply to them and they received little federal or state oversight; and (3) Medicare's payments to HMO were too high because the program did not adjust rates for enrollees' health status. GAO found that: (1) HMO enrollees were healthier than the average beneficiary, as measured by mortality rates; (2) HMO enrollees generally would need less medical care and cost HMO less overall; and (3) the HMO program is unlikely to achieve the intended Medicare savings. GAO also found that no Florida HMO were fully complying with federal requirements to inform Medicare

enrollees of their rights to grieve and appeal denied claims or services.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should issue regulations specifying standards for financial solvency and enrollment that HMO must require of those subcontractors, such as International Medical Centers, Inc.-affiliated providers, that bear substantial risk, particularly for services provided by others. At a minimum, the Secretary of Health and Human Services should require that an HMO contract with such

risk-bearing affiliates provide HMO with annual audited financial statements for their use in managing the affiliates and assessing their own financial condition. Furthermore, these data should be made available to HHS upon its request for use in making qualification and compliance determinations related to the financial status of HMO and their affiliates.

Status: Recommendation valid/action not intended. HHS disagreed with this recommendation, stating that it had sufficient existing authority to terminate HMO's that do not meet financial solvency requirements. GAO continues to believe that the recommended actions would enable HHS to better monitor HMO's and better protect Medicare beneficiaries.

Recommendation: The Secretary of Health and Human Services should

direct the Administrator, HCFA, to reduce HMO payment rates to more accurately account for the health status of HMO enrollees, because the methodology used by HCFA to pay risk-based HMO currently overpays them on average.

Status: Recommendation valid/action not intended. HHS took exception to the GAO methodology as the basis for disagreeing. While the GAO methodology was not sufficient to decrease payment rates, it did strongly indicate rates were too high. HHS should determine the proper level of reduction.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to consider the feasibility of reducing the adjusted average per-capita-cost administrative cost-loading factor to

account for paying agents' continued involvement in processing HMO enrollee claims.

Status: Recommendation valid/action not intended. In commenting on the draft report, HHS disagreed with this recommendation.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to collect from HMO payments due for administrative costs under the option B agreements because the intermediaries processed the claims.

Status: Action in process. Estimated completion date: 07/89. The Omnibus Budget Reconciliation Act of 1987, P.L. 100-203, eliminated the option B method. HHS is in the process of collecting the data needed to determine the amount to be recouped from HMOs previously using option B.

Health Care Services

Medicare: Need To Strengthen Home Health Care Payment Controls and Address Unmet Needs

HRD-87-9, 12/02/86

Background

Pursuant to a congressional request, GAO provided information on the Medicare home health program, specifically: (1) the status of efforts to strengthen internal controls to prevent payment for services Medicare does not cover; and (2) how many chronically ill elderly persons have home care needs that Medicare and other providers do not meet.

Findings

GAO found that: (1) material weaknesses in internal controls over payments for

Medicare home health services resulted in improper payments of almost \$600 million in fiscal year 1984; (2) the Department of Health and Human Services (HHS) has been slow to implement changes to strengthen management controls in response to 1981 GAO recommendations; (3) HHS needs to better explain what services Medicare covers and how to review payment claims to identify noncovered services; (4) HHS needs to make intermediaries more accountable for their payment decisions and strengthen sanctions against home health agencies that consistently abuse the program; (5)

HHS has not evaluated available data to determine what effect stronger controls would have on unmet needs for home care assistance; and (6) in 1982, about 168,000 of the chronically ill elderly lacked needed assistance with such daily living activities as bathing, dressing, and eating, while about 1.1 million lacked assistance with such key day-to-day activities as grocery shopping and transportation. GAO also found that, to meet the home care needs of the elderly population: (1) HHS could expand its Medicare, Medicaid, and private health insurance coverage; (2) the government could provide tax incentives to

encourage families and friends to provide care; and (3) the government could provide additional funds under block grants to encourage expansion of community-based services.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Administrator, Health Care Financing Administration (HCFA), to implement the recommendations in the 1981 GAO report to develop national

prepayment utilization review screens for home health and clarify coverage criteria.

Status: Action in process. HHS has developed utilization review screens for home health and is currently using them at several intermediaries. In addition, it has held meetings with regional intermediaries to clarify coverage criteria.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to revise the home health postpayment

utilization review program guidance to require intermediaries to use statistically valid sampling techniques for identifying and projecting the amount of noncovered care to the universe of claims paid.

Status: Recommendation valid/action not intended. HHS stated that the waiver of liability makes it inappropriate to project overpayments for home health agencies. GAO continues to believe that it is imperative that statistically valid techniques be used to project the amount of noncovered care.

Health Care Services

Medicare: More Hospital Costs Should Be Paid by Other Insurers

HRD-87-43, 01/29/87

Background

In response to a congressional request, GAO provided information on whether the Department of Health and Human Services (HHS) could improve existing policies and procedures for identifying and billing insurers covering Medicare beneficiaries, which should pay medical claims before Medicare does.

Findings

GAO found that: (1) in 1985, Medicare paid \$527 million in hospital costs that other insurers should have covered; (2) hospitals often gathered insufficient information about other insurance resources or billed Medicare even when they identified other insurance; (3) the six hospitals that GAO studied identified and billed primary insurance in only 17 percent of the cases where patients indicated that they had primary insurance coverage for the admission; (4)

intermediaries had little incentive to increase training, monitoring, and auditing of hospitals to improve their performance in identifying and billing other insurers; (5) some employers were enrolling Medicare beneficiaries inappropriately in group insurance that treated Medicare as the primary payer; and (6) there is no federal requirement for attorneys or insurers to report actions taken to recover accidental damages for Medicare beneficiaries.

Open Recommendations to Congress

Recommendation: Congress should consider enacting one of two alternatives. Congress could: (1) statutorily direct the Equal Employment Opportunity Commission (EEOC) to promulgate the regulations that it envisioned when it enacted section 4(g) of the Age Discrimination in

Employment Act (ADEA); or (2) amend the Internal Revenue Code to deny employers a deduction for health insurance premiums or impose a tax on such premiums if the policies provided by the employers do not meet the requirements of the Medicare secondary payer (MSP) provisions for aged beneficiaries.

Status: Action in process.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should amend regulations implementing provisions of the Social Security Act to: (1) extend the Medicare secondary payer provisions of the law to all forms of no-fault insurance coverage; and (2) require that accident insurers notify Medicare of medical payments or other settlements in instances in which it has reason to

believe Medicare has an actual or possible right of recovery. **Status:** Action in process. HHS issued proposed regulations in June 1988 that would expand the definition of no-fault insurance as recommended, and would permit recovery from the insurance company even if it had already paid the beneficiary.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to: (1) enter into a memorandum of understanding with EEOC on the type of cases to be referred; and (2) establish procedures for identifying and referring potential violations of provisions of ADEA to EEOC. This can be done, for example, by establishing procedures for

monitoring intermediary and regional office case follow-up and referral actions. **Status:** Action in process. HCFA plans to address the problem through Internal Revenue enforcement under the legislation HCFA proposed in August 1988 that would enable a tax on noncomplying employer group health plans.

Health Care Services

Medicaid: Lessons Learned From Arizona's Prepaid Program

HRD-87-14, 03/06/87

Background

GAO reviewed the first 3 years of the Arizona Health Care Cost Containment System's (AHCCCS) operation to examine Arizona's approach to: (1) competitive bidding for procuring health plan contracts; (2) collection of utilization data from prepaid plans on the health care services provided; and (3) financial oversight of prepaid health plans.

Findings

GAO found that portions of the AHCCCS procurement design conflicted with its objective of demonstrating the cost-effectiveness of competitive bidding for prepaid capitated contracts because: (1) AHCCCS awarded more contracts than necessary to serve Medicaid recipients, decreasing competitiveness among bidders; (2) limited local cost and utilization data increased bidders' risks; and (3) state statutes forced AHCCCS to substitute a voluntary price reduction method after publicizing bids, which may have resulted in less competition. GAO observed that AHCCCS: (1) had

difficulty in collecting utilization data; (2) did not have sufficient time to develop adequate financial and utilization reporting systems; (3) did not evaluate health plans' abilities to collect complete and reliable cost and utilization data before awarding contracts; and (4) established financial penalties to enforce reporting requirements. GAO also found that the Health Care Financing Administration (HCFA) and Arizona did not provide adequate financial oversight in the first few years of AHCCCS and, as a result, AHCCCS plans neither complied with federal disclosure requirements nor filed state-mandated financial reports.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should, in establishing regulations to implement the preapproval provisions of the Omnibus Budget Reconciliation Act of 1986, develop criteria to be used in evaluating the adequacy of price

competition and the reasonableness of contract prices.

Status: Action taken not fully responsive. HHS agreed that fostering price competition is important and it should develop criteria for evaluating the adequacy of procurement systems, but did not agree that limits were needed on the number of contracts awarded in order to foster price competition.

Recommendation: The Secretary of Health and Human Services should develop guidelines for reviewing contracts that provide for an assessment of, among other things, whether the Medicaid agency has: (1) adequately specified utilization and data reporting requirements; (2) evaluated prepaid health plans' capabilities to produce timely and accurate utilization data; (3) established procedures for providing technical assistance to health plans in meeting reporting requirements; (4) established adequate penalties for noncompliance with the reporting requirements; (5) specified routine financial reporting and disclosure

requirements in the contract; (6) reviewed the financial qualifications of the proposed contractors; and (7) determined that federal financial disclosure requirements have been met.

In addition, the guidelines should condition renewal or extension of contracts on adequate financial oversight of the contractors by the state Medicaid agency.

Status: Action taken not fully responsive. HHS indicated that it has no plans to fully implement this recommendation.

Health Care Services

Medical Malpractice: A Framework for Action

HRD-87-73, 05/20/87

Background

In response to a congressional request, GAO assessed the problems relating to increases in the cost of medical malpractice insurance in recent years, focusing on: (1) states' attempts to deal with the problems; and (2) possible state and federal actions.

Findings

GAO found that, although it could not identify an obvious cause for the increase in malpractice insurance or any specific ways to prevent further increases, states could attempt to reduce insurance costs by: (1) requiring health care providers to participate in risk management programs as a condition of state licensing; (2) ensuring that physicians and other health care practitioners receive adequate training, supervision, and discipline from appropriate professional and state agencies; (3) determining if the information states use in making decisions concerning rates and solvency is sufficient; (4) educating patients as to what they should realistically expect from their health care; and (5) determining appropriate changes in state tort laws or developing viable alternatives to the tort system to

improve the resolution of malpractice claims. GAO believes that, before implementing tort reform, states and the federal government must judge whether present compensation and penalties are inordinate or just.

Open Recommendations to Congress

Recommendation: To reduce the incidence of medical malpractice through improved delivery of medical care, cognizant congressional committees should conduct periodic oversight hearings to determine the progress the Department of Health and Human Services (HHS), the states, and appropriate medical groups are making in: (1) implementing the provisions of the Health Care Quality Improvement Act of 1986; and (2) using the information reported in the act to better assess the quality of care provided by health care practitioners.
Status: Action in process.

Open Recommendations to Agencies

Recommendation: To reduce the incidence of medical malpractice through improved delivery of medical care, the Secretary of Health and

Human Services should aggressively implement the provisions of the Health Care Quality Improvement Act of 1986 by developing a timely and effective system for making information about the competence or professional conduct of physicians and other practitioners available to hospitals, state licensing boards, and other health care entities.
Status: Action in process. Final rules for implementation of the Health Care Quality Improvement Act are under review at the department level and should be issued shortly. Selection of a contractor for operation of the national data base is in process with operations expected to begin by early summer 1989.

Recommendation: To encourage increased experimentation with various alternative dispute resolution mechanisms for medical malpractice claims, the Secretary of Health and Human Services should fund a series of demonstration projects designed to test the efficiency and efficacy of various dispute resolution mechanisms, including mediation, pretrial screening panels, use of arbitration, and no-fault compensation programs.
Status: Action not yet initiated. HHS plans to examine how it may assist in the testing of alternative dispute resolution mechanisms.

Health Care Services

DOD Health Care: Better Use of Malpractice Data Could Help Improve Quality of Care

HRD-87-30, 06/04/87

Background

Pursuant to a congressional request, GAO reviewed how the Department of Defense (DOD) utilizes medical malpractice information to improve the quality of medical care and reduce the risk of malpractice.

Findings

GAO found that: (1) although DOD collected some data on malpractice claims, the data did not include information on potential claims or specific providers responsible for inadequate care necessary to identify patterns of recurring medical problems; (2) DOD did not systematically provide malpractice information or educational case studies to the services for quality assurance or risk management purposes; (3) service regulations varied concerning the definition of a potential claim; (4) DOD did not investigate all potential malpractice claims; and (5) DOD needed a centralized system to collect and analyze known medical care problems and focus attention on corrective and preventive actions.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the Assistant Secretary of Health Affairs, in conjunction with the service secretaries, to develop a DOD-wide system for collecting medical information from investigations of malpractice incidents, both potential and actual claims. The

system should provide for: (1) tracking and analysis of data on malpractice incidents to identify patterns of problems, including identifying providers responsible for malpractice or substandard care; (2) further investigation to determine whether poor medical care is given; (3) follow-up to ensure that corrective and preventive action is taken; and (4) dissemination of statistical and educational information to the three service medical commands and medical facilities.

Status: Action in process. Estimated completion date: 04/89. DOD is installing new quality assurance computer systems in all hospitals. A DOD instruction now requires information on closed claims, but does not address how data will be analyzed or followed up on. A directive requiring information on potential claims has not been issued.

Recommendation: To better ensure that complete information about provider responsibility is included in the system, the Secretary of Defense should direct the service secretaries to ensure that investigations of malpractice incidents clearly identify providers found responsible for malpractice or substandard care.

Status: Action in process. Estimated completion date: 04/89. DOD has an instruction requiring identification of responsible providers when claims are filed. The response does not address potential claims, which will be handled in another instruction not yet issued.

Recommendation: The Secretary of Defense should direct the Assistant Secretary for Health Affairs to participate fully in the provider tracking system required by Public Law 99-660.

Status: Action in process. Estimated completion date: 04/89. DOD intends to participate in the system. The Department of Health and Human Services has not yet implemented P.L. 99-660.

Recommendation: The Secretary of Defense should direct the Assistant Secretary for Health Affairs, in conjunction with the service secretaries, to establish a consistent definition of potential claims and consistent requirements for forwarding potential claims investigations to a central agency for inclusion in a centralized malpractice information system.

Status: Action in process. Estimated completion date: 04/89. DOD is developing a definition of a potential claim and a system for information to be reported centrally.

Recommendation: The Secretary of Defense should direct the service secretaries to issue regulations requiring that malpractice incidents involving active duty service members are investigated through the claims system in the same manner as incidents involving nonactive duty beneficiaries.

Status: Action in process. Estimated completion date: 04/89. DOD is developing guidance for reporting potential malpractice claims. The instruction on closed cases requires

reporting for active duty personnel cases.

Recommendation: The Secretary of Defense should direct the service secretaries to issue regulations adopting the revised definition of potential claims and requirements for inclusion in the centralized malpractice information system.

Status: Action in process. Estimated completion date: 04/89. DOD is developing guidance for implementation of the system.

Recommendation: The Secretary of Defense should direct the service secretaries to fully implement regulations requiring hospital reporting and claims service investigations of

potential claims, once the definition of a potential claim is clarified.

Status: Action in process. Estimated completion date: 04/89. DOD is developing guidance for a central system. DOD will not require a claims service investigation of active duty incidents.

Health Care Services

Medicare: Rehabilitation Service Claims Paid Without Adequate Information

HRD-87-91, 07/09/87

Background

GAO reviewed the need to improve the processes Medicare intermediaries use to review claims for outpatient rehabilitation services.

Findings

GAO visited three Medicare claims processing contractors and reviewed the documentation supporting the claims. GAO noted that the documentation necessary to establish initial eligibility for rehabilitation services included: (1) a medical history providing the basis for rehabilitation; (2) an evaluation of the beneficiary's condition; and (3) a treatment plan listing the therapy provided and its expected goals.

However, GAO found that: (1) 29 percent of the 346 cases reviewed lacked a patient treatment plan, or a medical history; (2) documents were incomplete or unspecific; (3) claims processing contractors paid \$50.2 million in rehabilitation service charges over a 2-year period without sufficient documentation; and (4) in many of the cases and services that were insufficiently documented, beneficiaries were probably not eligible for coverage. GAO also found that the Health Care Financing Administration (HCFA) required that all claims receive a medical review to determine coverage and developed physical therapy guidelines to improve internal controls over outpatient rehabilitation payments.

Open Recommendations to Agencies

Recommendation: The Administrator, HCFA, should: (1) develop and implement guidelines that clearly identify the document types and contents needed by intermediaries to make appropriate Medicare coverage decisions for the other types of outpatient rehabilitation therapy services; and (2) require intermediaries to use the guidelines for reviewing providers' claims for rehabilitation services.

Status: Action in process. The recommended guidelines are expected to be issued by March 1989.

Health Care Services

Medicare and Medicaid: Stronger Enforcement of Nursing Home Requirements Needed

HRD-87-113, 07/22/87

Background

In response to a congressional request, GAO investigated the enforcement of Medicare and Medicaid requirements for nursing homes, focusing on the: (1) extent and potential effect of repeated noncompliance; and (2) adequacy of enforcement actions taken by state and federal agencies.

Findings

GAO found that: (1) 3,372 of 8,298 certified skilled nursing facilities and 2,005 of 5,970 certified intermediate care facilities did not meet one or more of the requirements most likely to affect resident health and safety during three consecutive inspections; (2) 12 of 26

studied facilities corrected serious deficiencies which could have precluded continued participation in Medicare or Medicaid, while 3 were decertified; (3) 11 of the facilities had less serious deficiencies and continued participation in the programs without complying with requirements; and (4) inspection officials did not follow regulations requiring facilities to justify repeated noncompliance before recertification in many cases. GAO believes that, while termination is too severe a penalty for many deficiencies, such measures as civil monetary penalties and bans on new admissions may provide effective motivation for compliance.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should revise the repeat deficiency provisions of Medicare and Medicaid regulations to limit the use of decertification to those instances where a nursing home cannot adequately justify repeat deficiencies that seriously threaten patient health and safety.

Status: Action in process. The Department of Health and Human Services (HHS) will address this recommendation in regulations implementing the Omnibus Budget Reconciliation Act, but disagreed that it should require written justification for any repeat deficiency.

Health Care Services

Medicaid: Improvements Needed in Programs To Prevent Abuse

HRD-87-75, 09/01/87

Background

GAO reviewed Medicaid abuse in six states and provider abuse in four states to: (1) determine whether the states were effective in identifying Medicaid abuse; and (2) assess the extent of states' actions to apply sanctions against Medicaid abusers.

Findings

GAO found that: (1) the Department of Health and Human Services (HHS) has not taken effective action to strengthen management controls over states' postpayment utilization review programs; (2) some states do not effectively use their computerized management information systems to identify potential Medicaid abuse; (3)

some states review only a small portion of the potentially abusive recipients they identify; (4) most states have applied few sanctions against abusive Medicaid recipients; and (5) the Health Care Financing Administration (HCFA) has adequate resources to provide technical assistance to states with problems in using their information systems.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should instruct the Administrator, HCFA, to

include in the Systems Performance Review guidelines a requirement to document: (1) technical problems the states are having using the Surveillance and Utilization Review Subsystem (SURS) to identify Medicaid abusers; and

(2) successful SURS techniques developed by states to identify, review, or sanction Medicaid abusers.
Status: Action in process. HHS plans to conduct research on the best way to implement this recommendation.

Health Care Services

Prenatal Care: Medicaid Recipients and Uninsured Women Obtain Insufficient Care

HRD-87-137, 09/30/87

Background

Pursuant to a congressional request, GAO investigated the extent to which Medicaid beneficiaries and uninsured women experience difficulties in obtaining access to prenatal care to determine the: (1) timing and number of their prenatal care visits; and (2) barriers they perceived as preventing them from obtaining care earlier or more often.

Findings

GAO found that: (1) 63 percent obtained insufficient prenatal care; (2) those women most likely to obtain insufficient care were uninsured, poorly educated, black or Hispanic teenagers, or women from large urban areas; (3) those most likely to obtain adequate care were well-educated, white, residing in rural communities, in their early 30's, or Medicaid recipients; (4) lack of money to pay for care, lack of transportation, and unawareness of the pregnancy prevented women from obtaining earlier or more frequent prenatal care; (5) there was little information on the effectiveness of states' and communities' initiatives for improving access to prenatal care; (6) 19 states expanded Medicaid eligibility to

pregnant women, although none implemented presumptive eligibility; (7) if states expanded Medicaid coverage of pregnant women, reduced intensive care and long-term institutional costs would offset initial costs; (8) increases in Medicaid reimbursement rates for maternity services would not improve access to care as much as expanding eligibility; and (9) states believed that Maternal and Child Health block grants were insufficient for needed prenatal services.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Administrator, Health Care Financing Administration (HCFA), to develop and provide to states data on the: (1) increased costs they would likely incur in expanding Medicaid eligibility to include pregnant women with incomes up to 100 percent of the federal poverty level; and (2) corresponding decrease in costs for newborn intensive care and long-term institutional care they could expect to result from improvements in prenatal care services.
Status: Action not yet initiated.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to work with states to overcome the administrative problems that prevent them from adopting the presumptive eligibility provisions of the Omnibus Budget Reconciliation Act of 1986.
Status: Action not yet initiated.

Recommendation: The Secretary of Health and Human Services should direct the Surgeon General to expand efforts to evaluate programs to improve access to prenatal care and disseminate the results of these evaluations through the National Maternal and Child Health Clearinghouse.
Status: Action not yet initiated.

Recommendation: The Secretary of Health and Human Services should direct the Surgeon General to provide technical assistance to communities in developing comprehensive plans for identifying the most important barriers to care in the community and designing programs to help overcome those barriers.
Status: Action not yet initiated.

Health Care Services

Medicare: Better Controls Needed for Peer Review Organizations' Evaluations

HRD-88-13, 10/08/87

Background

In response to a congressional request, GAO reviewed the Health Care Financing Administration's (HCFA) evaluation of peer review organizations' (PRO) contract performance for contract renewal, to assess: (1) whether HCFA properly evaluated PRO performance; and (2) how HCFA determined the level of funding for new PRO contracts.

Findings

GAO found that: (1) the evaluation process was internally inconsistent, and HCFA inconsistently applied it; (2) HCFA did not adequately document evaluation decisions; (3) HCFA internal controls were not sufficient to identify and correct instances of poor PRO performance before contract renewal evaluations; (4) although HCFA identified its monitoring problem during the evaluation process and redesigned its monitoring program, the program might not provide adequate criteria to differentiate between acceptable and unacceptable performance; and (5) although the methodology HCFA used to estimate the contract costs to individual PRO contained many uncertainties, the contract negotiation process may have

compensated for the uncertainties because most of the contract costs differed from the original estimates.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should instruct the Administrator, HCFA, to ensure that in future PRO evaluations, the evaluation process has sufficient internal controls to ensure that evaluations are consistently applied and that decisions resulting from them are adequately documented.

Status: Action in process. In commenting on the draft, the Department of Health and Human Services (HHS) agreed with this recommendation and listed several actions it planned to take.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to provide criteria to enable HCFA personnel to differentiate between acceptable and unacceptable performance in the routine monitoring of PRO activities.

Status: Action in process. In commenting on the draft, HHS stated

that it was in general agreement with this recommendation, but was not specific about what actions it would take.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to determine the scope of review needed to adequately meet the program's intent and use this as the starting point for determining the program's funding level.

Status: Action in process. In commenting on the draft, HHS agreed and stated that it would use the experience gained under the prior scopes of work in designing the scopes for the 1988 through 1990 contracts.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to collect and use adequate cost and performance data to set each PRO contract funding at a level sufficient to provide the coverage determined to be necessary.

Status: Action in process. In commenting on the draft, HHS agreed with this recommendation and stated that it would be conducting studies to develop better cost and performance data.

Health Care Services
Medicare: Laboratory Fee Schedules Produced Large Beneficiary Savings but No Program Savings

HRD-88-32, 12/22/87

Background

Pursuant to a legislative requirement, GAO reviewed the appropriateness and impact of Medicare's fee schedule payment system for clinical diagnostic laboratory services.

Findings

GAO found that initial fee schedules, established on a geographic basis: (1) significantly reduced beneficiary out-of-pocket costs; (2) affected neither beneficiary access to nor quality of laboratory services; (3) insignificantly reduced total payments to hospitals; (4) increased Medicare payments to hospitals for outpatient and referred-patient laboratory services; and (5) allowed about the same amount to

independent laboratories and physicians as the reasonable charge system would have. GAO also found that: (1) the fee-rate caps held constant or reduced all fee rates; (2) a national fee schedule could increase total Medicare payments, since carrier rates vary widely for the same tests; (3) computation of the fee schedule based on a weighted average of the carrier rates, as capped by the 110-percent-of-median limit, would retain the reduction that resulted from the caps; and (4) the Health Care Financing Administration's method for calculating the national fee schedule, using area prevailing rates, could increase total Medicare payments.

Open Recommendations to Congress

Recommendation: The Senate Committee on Finance, the House Committee on Ways and Means, and the House Committee on Energy and Commerce should take action to prevent adoption of a national laboratory fee schedule based on prevailing charges because using that methodology would increase Medicare costs.

Addressee: Senate Committee on Finance

Status: Action not yet initiated.

Addressee: House Committee on Ways and Means

Status: Action not yet initiated.

Addressee: House Committee on Energy and Commerce

Status: Action not yet initiated.

Health Care Services
Medicare: Refinement of Diagnosis Related Groups Needed To Insure Payment Equity

HRD-88-41, 04/22/88

Background

GAO evaluated the Health Care Financing Administration's (HCFA) diagnosis-related groups (DRG) classification system's effectiveness as a means of grouping patients for Medicare payment purposes.

Findings

GAO found that: (1) the Medicare Prospective Payment System (PPS) is based on the average cost to treat certain conditions nationally, rather than on the resources required to treat a specific patient; (2) wide variations in treatment resource requirements affected payment equity and resulted in

hospitals profiting or losing based more on the mix of the patients they treated than on the efficiency of their operations; (3) wide variations in treatment costs gave hospitals financial incentives to seek patients with diagnoses in the low-expected-treatment-cost range; (4) larger urban hospitals were more likely to receive patients with

higher-than-average treatment costs; and (5) although the DRG classification system provided a good basis for determining hospital payments under PPS, the system needed adjustments to reduce the variations in resource requirements within many DRG.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to review DRG that GAO identified as having wide variations in patient resource requirements and change the DRG classification system to reduce the variations within these DRG.

Status: Recommendation valid/action not intended. The Department of Health and Human Services (HHS) stated that it did not plan to take any special action in response to this recommendation. To the extent that HHS normal review activities identify problems with the GAO-identified wide variation DRG, necessary adjustments will be considered. GAO believes it has identified a significant problem with DRG and that action is necessary.

Health Care Services

Medicare: Improving Quality of Care Assessment and Assurance

PEMD-88-10, 05/02/88

Background

In response to a congressional request, GAO reviewed: (1) the Health Care Financing Administration's (HCFA) medical review systems for measuring and monitoring Medicare quality of care; and (2) quality assessment research and evaluation within the Department of Health and Human Services (HHS).

Findings

GAO found that: (1) there was no legislative requirement for nationally representative information on levels of quality or problems related to quality of care in covered services or on the overall health care provided; (2) HCFA oversight of carriers, intermediaries, and peer review organizations' (PRO) medical review activities focused only on whether they met contract specifications, rather than their effectiveness in identifying quality problems; (3) although carriers, intermediaries and PRO devised systems for identifying and addressing particular

types of quality problems, they had not coordinated their efforts; (4) because there was no information available to document how the review efforts were working, it was not known whether PRO effectively identified and corrected quality-of-care problems; (5) HCFA had no comparative information on the effectiveness of the quality review methods used for health maintenance organizations (HMO) and competitive medical plans (CMP); (6) HCFA did not require claims processors to include diagnostic information in their Medicare Part B billing forms or to enter the information into the billing files; (7) since the SuperPRO contractor did not adequately record the reasons for its random selections of PRO case reviews, the PRO data were not comparable or nationally representative; and (8) HHS had no clear strategy or organizational structure for integrating information on the quality of health care provided to Medicare beneficiaries or for developing methods and knowledge to meet future needs.

Open Recommendations to Congress

Recommendation: The House Committee on Ways and Means, Health Subcommittee, may wish to consider developing legislative proposals to assign specific responsibilities to a new federal entity or existing entities designed to: (1) develop, disseminate, and coordinate activities intended to advance the development of quality assurance methods and good medical practice; and (2) incorporate this knowledge into Medicare quality assurance efforts.
Status: Action in process.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to assess the comparative effectiveness of carrier and intermediary screens and profiles as means to identify inappropriate and substandard quality

care, as well as recover Medicare overpayments.

Status: Action in process. HHS has initiated studies of carrier screens.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to develop formal guidelines to coordinate the systematic and timely reporting by carriers and intermediaries to PRO of possible problems with the quality of care provided in ambulatory and posthospital care settings identified in medical reviews. These guidelines should ensure that: (1) intermediaries report directly to PRO, as well as HCFA, all cases where possible problems of premature or inappropriate hospital discharge may exist, including cases where Medicare coverage for skilled-nursing-facility or home health services has been denied to patients who may nevertheless have extensive care needs; and (2) information about possible quality-of-care problems uncovered by carriers is routinely shared with PRO. **Status:** Action in process. Plans have not been finalized.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to fund additional studies to analyze the comparative effectiveness of particular PRO review methods, and the utility of current methods for establishing PRO quality objectives. These analyses should include assessments of whether different written review criteria or protocols generate significantly different rates of problems identified, and whether the identification of problems using these methods leads to significant changes in

the incidence of quality problems over time.

Status: Action in process.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to initiate studies to assess the strengths and weaknesses of the current assignment of responsibilities among carriers, intermediaries and PRO with respect to processing and screening Medicare claims data and performing medical reviews to identify quality-of-care problems and substandard providers and suppliers. These studies should specifically examine whether a realignment of responsibilities could improve the efficiency and effectiveness of Medicare quality review activities. **Status:** Action not yet initiated. Plans have not been finalized.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to develop comparative information on the effectiveness of the quality review methods used by PRO reviewing quality of care in Medicare HMO and CMP. These studies should also produce comparative information on the overall levels of quality of care provided in participating HMO and CMP. This would require the collection of standard information on the use of services and health care outcomes across plans. **Status:** Action in process. Plans have not been finalized.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to require PRO, intermediaries, and carriers to routinely document and

report incidents in which key data elements required for monitoring the quality of care are inaccurate. In particular, errors in mortality (date of death) and discharge destination, as well as all diagnostic and procedure data (not limited to diagnostic-related group assignment) should be monitored. Tracking of errors in the source and type of admission data fields should also be considered.

Status: Action not yet initiated. Plans have not been finalized.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to modify the scope of work of the SuperPRO contract to provide that the case selection methods ensure that those cases selected for random review by PRO are identifiable and that a nationally representative sample of cases can be constructed from the SuperPRO files for each review cycle.

Status: Action in process. Plans have not been finalized.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to assign a high priority to completing the development of a central long-term care data system, including nationally representative data on the health care status, care needs, and health care outcomes of nursing home residents. In addition, these efforts should be coordinated with developing a similar data resource, drawing on survey and certification data for other subacute care facilities, especially home health agencies.

Status: Action in process. Plans have not been finalized.

Health Care Services

Medicare: Improved Patient Outcome Analyses Could Enhance Quality Assessment

PEMD-88-23, 06/27/88

Background

Pursuant to a congressional request, GAO examined the Health Care Financing Administration's (HCFA) analysis and use of existing administrative data to monitor the outcome of care received by Medicare patients.

Findings

GAO found that HCFA: (1) basically used three analytical approaches for its 1987 Medicare patient outcome analyses, involving 1986 and 1987 data and patient subgroup monitoring over time; (2) strengthened its 1987 analyses regarding patient-level data, clinically coherent diagnostic groups, comorbidity information, and more appropriate illness severity adjustments; and (3) primarily used its outcome analyses to require peer review organizations to examine the hospitals the analyses identified as having potential problems. GAO also found that: (1) HCFA contractors used analytical approaches, involving nonintrusive outcomes, a risk-adjusted mortality index, disease staging, and hospital rate-setting, which could enhance data analysis; and (2) other analytical approaches, involving risk-adjusted monitoring and computerized identification of complications, could also enhance data analysis. In addition, GAO found that some of the various approaches: (1) used current Medicare administrative data to better advantage than did others; (2) demonstrated the great potential for identifying types of cases with unusually

favorable or adverse outcomes; (3) lacked adequate validation regarding their effectiveness in targeting cases for quality review; (4) lacked capability to analyze any data other than mortality; and (5) did not adequately address the potential deviation or problems caused by random variation, particularly in instances involving only small numbers of cases.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to strengthen HCFA analyses of mortality data by testing and incorporating more sophisticated adjustments that exploit more fully the available diagnostic information.

Status: Action taken not fully responsive. HCFA currently does not plan to use the full range of available diagnostic data.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to employ data for several years when analyzing outcomes such as mortality rates for small groups of cases across individual hospitals. Hospitals that demonstrate a consistent pattern of observed outcomes that deviate significantly from the expected should be considered the prime candidates for intensified review, as should hospitals whose deviation beyond the range of expected mortality in a single year is

based on a number of cases large enough to reduce the effect of random variation.

Status: Action in process. Estimated completion date: 12/88. 1988 hospital mortality analyses will include data from 1986 and 1987.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to expand HCFA analysis of comparative outcomes among patient subgroups, such as those defined by diagnostic and demographic characteristics. If substantial differences in outcomes among such groups are found after adjusting for differences in patient severity, HCFA should experiment with strategies for targeting quality-of-care reviews based on these analyses.

Status: Action in process. Plans have not been finalized.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to assess periodically the relative strengths and limitations of available approaches for analyzing Medicare patient outcomes data in terms of their substantive focus, technical adequacy, and degree of validation (i.e., their overall effectiveness in identifying patterns of patient care with quality problems). These assessments should guide the selection of analytical approaches used in future HCFA reviews of Medicare patient outcomes. HCFA should ensure that analyses of Medicare patient outcomes from administrative files employ approaches that have been validated to

some degree through independent data sources, and any results publicly released should describe the extent of that validation.

Status: Action taken not fully responsive. Limited validation studies are currently underway.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to

evaluate periodically through medical record reviews of a nationally representative sample of Medicare patients the percentage of cases with missing and inaccurate data in the Medicare Statistical System for each of the individual data elements used by HCFA to analyze Medicare outcomes. The results of such assessments should be publicly reported, and corrective action taken for those data elements

crucial for reliable outcome analyses. Meanwhile, all analyses of Medicare mortality rates and other outcomes should include an explanation that their findings could be in error by an unknown amount due to potential data inaccuracies.

Status: Action not yet initiated. No systematic assessment of data inaccuracies has yet begun.

Health Care Services

Medical ADP Systems: Analysis of Technical Aspects of DOD's Composite Health Care System

IMTEC-88-27, 07/11/88

Background

Pursuant to a legislative requirement, GAO evaluated the system-level specifications and medical facility workload data for the Department of Defense's (DOD) Composite Health Care System (CHCS) acquisition.

Findings

GAO found that DOD needed to perform additional cost-effectiveness analysis on four system-level specifications relating to: (1) costing all computer operators as contractor-provided, although DOD intended to use its own personnel under certain circumstances; (2) 2-hour maintenance response times; (3) 30-day on-line data retention for inpatients; and (4) 2-year on-line data retention for outpatients. GAO also found that: (1) from 1984 to 1986, the number of outpatient visits decreased by 5 to 14 percent in all three services' medical facilities and varied widely at individual facilities; and (2) unanticipated variations at individual military medical

facilities could result in excessive or inadequate computer resources.

Open Recommendations to Agencies

Recommendation: To ensure that CHCS meets the needs of the military medical community in a cost-effective manner, the Secretary of Defense should direct the program office, during the operational test and evaluation phase, to determine potential savings from using government personnel instead of contractor-supplied computer operators by acquiring and analyzing data on the circumstances where this substitution should occur.

Status: Action in process. Estimated completion date: 12/89. DOD concurs with the recommendation and plans to refine its requirements and adjust cost projections as part of the CHCS operational test and evaluation.

Recommendation: To ensure that CHCS meets the needs of the military medical community in a cost-effective manner,

the Secretary of Defense should direct the program office, during the operational test and evaluation phase, to evaluate and determine, during the cost-benefit analysis, the appropriate parameters for maintenance response times and on-line data retention.

Status: Action in process. Estimated completion date: 12/89. DOD concurs with the recommendation and plans to collect data at the 10 operational test and evaluation sites to determine the appropriate parameters for maintenance response times and on-line data retention.

Recommendation: To ensure that CHCS meets the needs of the military medical community in a cost-effective manner, the Secretary of Defense should direct the program office, during the operational test and evaluation phase, to monitor and analyze the work load at military medical facilities to ensure that, to the extent possible, changes in work load are anticipated and planned for. After completing these analyses, the

program office should modify the procurement accordingly.
Status: Action in process. Estimated completion date: 12/89. DOD concurs

with the recommendation and plans to conduct site surveys, including the collection of current work-load data to

size the equipment configuration that would best support each facility.

Health Care Services

DOD Health Care: Additional Efforts Needed to Verify Physicians' Qualifications

HRD-88-39, 07/18/88

Background

In response to a congressional request, GAO reviewed the procedures and processes the Department of Defense (DOD) uses to ensure that its physicians are medically qualified, to determine the: (1) adequacy of the DOD approach; and (2) impact of new licensing requirements on DOD unlicensed physicians and the military health care system.

Findings

GAO found that: (1) although the military services have substantially tightened preemployment screening since 1984, they have not fully implemented DOD requirements which would ensure that only qualified physicians practice medicine in military hospitals; (2) 53 percent of the 426 physicians' records it reviewed did not contain authenticated medical diplomas, and most lacked complete or adequate documentation to support the award of clinical privileges; (3) many physicians did not meet the DOD requirement for a current state license, while about 1,200 had never been licensed; (4) DOD expressed concern about the possible effects on patient access to health care if a large number of unlicensed physicians were prevented from practicing medicine

independently; (5) DOD waived licensing requirements for several foreign national physicians practicing in overseas DOD facilities and plans to continue doing so on a case-by-case basis; and (6) to improve its credentialing system's efficiency, the Army established a central data base on individual physicians, including authenticated information on education, training, experience, certification, and licensing.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the Secretaries of the Army, Navy, and Air Force to complete validations of the qualifications of all physicians practicing medicine in military facilities. These actions should include: (1) validating the qualifications of all DOD physicians for whom validations have not been completed against data bases maintained by the American Medical Association, the Federation of State Medical Boards, and where appropriate, the Educational Commission for Foreign Medical Graduates; and (2) performing original source validation whenever possible of the education, training, and certification of all physicians for whom original source validation has not been performed.

Status: Action not yet initiated. DOD is still preparing a response to the committee.

Recommendation: The Secretary of Defense should direct the Assistant Secretary of Defense for Health Affairs, in conjunction with the service secretaries, to issue a directive that reemphasizes the importance of fully implementing the performance-based credentialing system at all military hospitals.

Status: Action in process. DOD is still preparing a response to the committee; however, according to DOD, a directive has been drafted.

Recommendation: The Secretary of Defense should direct the Secretaries of the Navy and Air Force to establish central data bases to support the credentialing system. Such systems should also be used to support requirements of the Health Care Quality Improvement Act of 1986, and should be interfaced with the centralized malpractice information system.

Status: Action not yet initiated. DOD is still preparing a response to the committee, but disagreed with part of this recommendation in the agency comments.

Health Care Services

Medicare: Issues Concerning the HealthChoice Demonstration Project

HRD-88-69, 07/20/88

Background

Pursuant to a congressional request, GAO reviewed a Health Care Financing Administration (HCFA) Medicare demonstration project to determine whether: (1) HCFA should have funded the project, which promoted private companies; (2) the contractor promoted all health maintenance organizations (HMO) equally; and (3) HCFA and the contractor properly safeguarded Medicare beneficiaries' names and addresses.

Findings

GAO found that: (1) the legislation which HCFA cited as its funding authority did not clearly authorize the project; (2) HCFA improperly paid for part of the HMO marketing costs, since HMO should pay such costs out of their Medicare reimbursements; (3) the contractor did not promote all HMO equally, since it provided little or no information to Medicare beneficiaries about nonparticipating HMO; (4) the contractor's use of a HCFA transmittal letter with its promotional mailings may have violated regulations against federal endorsement of HMO; and (5) although HCFA and the contractor did not follow applicable Privacy Act rules governing confidential beneficiary data release and disposal, there was no indication that the contractor used the information for

any purpose other than to mail HMO promotional material.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, not to fund additional broker projects without first reviewing HCFA authority to do so. **Status:** Action in process. In commenting on a draft report, the Department of Health and Human Services (HHS) stated that it believed the Social Security Act contained sufficient authority to fund the project, but was reviewing that authority.

Recommendation: To the extent that funding authority is identified and HCFA decides to authorize projects with similar objectives, the Secretary of Health and Human Services should direct the Administrator to either not fund projects that include marketing individual HMO, or ensure that any marketing component is distinct and funded solely by the participating HMO. **Status:** Action in process. In commenting on a draft report, HHS stated that it agreed with this recommendation for nondemonstration projects.

Recommendation: To the extent that funding authority is identified and HCFA decides to authorize projects with

similar objectives, the Secretary of Health and Human Services should direct the Administrator to preclude use of a HCFA transmittal letter by any project or effort involving the marketing of HMO.

Status: Action not yet initiated. In commenting on a draft report, HHS stated that it believed that it should not endorse HMO enrollment and that the subject transmittal did not do so. The comments did not address what, if anything, HHS planned to do in response to the recommendation.

Recommendation: To the extent that funding authority is identified and HCFA decides to authorize projects with similar objectives, the Secretary of Health and Human Services should direct the Administrator to establish written procedures for monitoring compliance with Privacy Act rules when releasing Medicare records. These procedures should assign responsibility for assuring that release agreements are properly completed.

Status: Action not yet initiated. In commenting on a draft report, HHS stated that it already had regulations in place that required written procedures for monitoring compliance with the Privacy Act. This recommendation addressed the need for establishing procedures, not a requirement that they be established. In fact, internal controls had not been established.

Health Care Services

Controlled Substances: Medicaid Data May Be Useful for Monitoring Diversion

HRD-88-111, 08/01/88

Background

In response to a congressional request, GAO assessed the possibility of using Medicaid data to identify health care providers who may be diverting prescription drugs for illegal purposes.

since: (1) states' MMIS often comprise the largest data bases on the prescription and dispensing of controlled substances; (2) Medicaid laws allow disclosure of the data; and (3) it would enable law enforcement officials and licensing and regulatory agencies to identify sources of drug diversion.

Justice in its role of assisting state and local law enforcement agencies, should take the initiative and test the usefulness and cost of analyzing and providing MMIS controlled substances data to law enforcement, regulatory, and licensing agencies for identifying sources of drug diversion.

Status: Action not yet initiated. The Department of Health and Human Services has not yet responded to this recommendation.

Findings

GAO found that states should use data contained in the Medicaid Management Information System (MMIS) to identify health care providers who may be illegally diverting controlled substances,

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services, in consultation with the Department of

Health Care Services

Homeless Mentally Ill: Problems and Options in Estimating Numbers and Trends

PEMD-88-24, 08/03/88

Background

In response to a congressional request, GAO examined the methodologies of current population estimates of the number of homeless chronically mentally ill persons to: (1) determine the soundness of current estimates; and (2) identify the best available methods for getting sound estimates.

chronically mentally ill, there were some relatively sound local estimates on both homeless persons and the chronically mentally ill; (2) while the estimates would not apply nationally, the methods used were applicable on a larger scale; (3) many of the estimates had methodological flaws associated with a high degree of uncertainty or bias that could lead to underestimates or overestimates; (4) of the 10 studies that GAO rated technically sound, 9 were based on surveys or censuses and one was based on utilization data; (5) the rates of homelessness ranged between 6 and 95

per 10,000 in the study communities and were related to the quality of methodology; (6) analysis of a methodology judged to be of a higher quality lowered the range by almost half; (7) the proportion of homeless persons identified as mentally ill was between one-fifth and one-third, in the judgment of service providers, and between one-sixth and one-half using standardized instruments; and (8) because the definition of homelessness varies and homelessness itself could contribute to behavior and appearances that suggest mental illness, counting

Findings

GAO found that: (1) although there were no sound national estimates of the number of homeless persons who were

homeless mentally ill persons is never entirely precise.

Open Recommendations to Congress

Recommendation: Congress should continue the effort to better define and validly measure mental illness among homeless persons.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should reexamine the requirements for data collection and evaluation by the states in the Stewart B. McKinney Homeless Assistance Act of 1987 (Public Law 100-77) and direct that the approaches outlined be incorporated when administrative data bases are established and as regulations specifying data to be collected by grantees are prepared. These include such issues as a consistent definition of homelessness,

specification of the area of coverage, obtaining data on a regular basis so that seasonality can be assessed, and supporting studies that would permit firmer adjustments for street-to-shelter ratios. The Secretary should also take steps to ensure that efforts continue to better define and validly measure mental illness among homeless persons, including an assessment of whether further research support is needed.

Status: Action not yet initiated. Congressional staff indicated that recommendations will be considered in the next authorization cycle.

Health Care Services

Medicare: Experience Shows Ways to Improve Oversight of Health Maintenance Organizations

HRD-88-73, 08/17/88

Background

In response to a congressional request, GAO reviewed the Health Care Financing Administration's (HCFA) efforts to deal with health maintenance organizations' (HMO) compliance problems, specifically: (1) the adequacy of data to determine the quality and cost of HMO care; (2) the adequacy of HCFA staff levels to monitor HMO; and (3) HCFA willingness to act when HMO fail to meet federal requirements.

Findings

GAO found that HCFA: (1) had no data on HMO use of physician or outpatient services and limited data on their use of inpatient services, since it compiled data primarily to monitor participants' compliance with financial solvency requirements and to calculate payments; (2) initiated HMO peer reviews and the

Beneficiary Inquiry Tracking System to increase its ability to monitor HMO quality; (3) did not increase staffing or monitoring resources to keep pace with HMO growth and increased Medicare enrollments; (4) implemented new compliance monitoring procedures requiring a review of each HMO every 2 years to identify and resolve problems early; and (5) was generally successful in resolving HMO compliance problems, but was reluctant to terminate contracts with recurring compliance problems because of its concern over possible adverse effects on Medicare beneficiaries.

Open Recommendations to Congress

Recommendation: The House Committee on Ways and Means, Subcommittee on Health, should consider increasing HCFA discretion in

applying its authority to suspend Medicare enrollments. Specifically, the Subcommittee should consider developing legislation to give HCFA discretion to suspend Medicare enrollments in HMO that fail to respond to notices of noncompliance in a timely manner, have recurring compliance problems, or are encountering financial difficulties or failing to meet financial solvency requirements and not showing substantial progress in improving from one reporting period to the next.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to issue regulations specifying the purpose of retroactive disenrollments and the

circumstances, criteria, and procedures that must be met in authorizing such actions.

Status: Action not yet initiated.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to establish a formal system for tracking

through final resolution HCFA requests for corrective actions and HMO corrective actions.

Status: Action not yet initiated.

Health Care Services

DOD Health Care: Requirements for Emergency Services Adequate and Generally Attainable

HRD-88-94, 09/28/88

Background

In response to a congressional request, GAO reviewed the Department of Defense's (DOD) emergency services directive to determine: (1) how the directive's requirements compared with civilian standards for emergency care; and (2) its implementation status.

Findings

GAO found that: (1) civilian experts believed that the directive's requirements for physician staffing, training, treatment protocols, patient transfer agreements, and quality assurance exceeded civilian standards; (2) two of the eight military hospitals it visited did not fully meet the requirement for experienced emergency room physicians in primary and patient care specialties because they did not understand the requirement; and (3) although some hospitals did not meet life-support certification requirements, they expected to be in compliance by the September 1989 deadline. GAO also found that: (1) the Navy expected to comply with certification requirements

for its ambulance technicians by 1989; (2) the Army and the Air Force were uncertain about their ability to meet technician requirements; (3) most military hospitals did not implement treatment protocol requirements, and six hospitals did not have patient transfer agreements with nearby civilian hospitals; and (4) all the hospitals had emergency room quality assurance programs.

Open Recommendations to Agencies

Recommendation: To help ensure maximum implementation of DOD requirements, the Secretary of Defense should direct the service secretaries, in conjunction with the Assistant Secretary of Defense for Health Affairs, to give hospitals further guidance concerning what constitutes 1 year's experience in a primary or patient care specialty.
Status: Action not yet initiated.

Recommendation: To help ensure maximum implementation of DOD requirements, the Secretary of Defense

should direct the service secretaries, in conjunction with the Assistant Secretary of Defense for Health Affairs, to give hospitals further guidance concerning the purpose of emergency room protocols and the purpose and content of patient transfer agreements, including when such agreements are appropriate.
Status: Action not yet initiated.

Recommendation: The service secretaries, in conjunction with the Assistant Secretary of Defense for Health Affairs, should assess the effectiveness of the differing service approaches to diagnostic and treatment protocols.
Status: Action not yet initiated.

Recommendation: The service secretaries, in conjunction with the Assistant Secretary of Defense for Health Affairs, should monitor hospitals' progress in attaining national emergency medical technician-ambulance certification and, if necessary, take steps to ensure compliance.
Status: Action not yet initiated.

Health Planning and Construction

VA Health Care: Too Many Operating Rooms Being Planned and Built

HRD-86-78, 04/29/86

Background

GAO examined the Veterans Administration's (VA) method for determining operating room requirements in new and replacement hospitals and identified the differences between VA-stated operating room needs and the requirements a GAO surgical work-load model identified.

Findings

GAO found that VA is developing an operating room planning model at its Ann Arbor Medical Center that will permit planners to: (1) use independently established utilization rates for each facility, instead of a more efficient agencywide preestablished rate to plan operating room resources and staff; and (2) develop work-load projections to reflect possible changes in planning

factors without central office guidance to ensure that projections are consistent, realistic, and in line with current or planned policy. GAO applied its model for determining VA operating room requirements to 24 construction projects and found that VA: (1) is building or plans to build 29 unnecessary operating rooms; (2) could have saved about \$5.8 million by applying the GAO model; and (3) could still save about \$3.4 million by eliminating 17 unnecessary planned operating rooms.

Open Recommendations to Agencies

Recommendation: The Administrator of Veterans Affairs should direct the Chief Medical Director to give planners guidance on how to adjust work-load projections to reflect changes in the model's planning factors and monitor

VA planners' calculations of projected work loads to ensure that adjustments are consistent with the guidance.

Status: Action in process. Estimated completion date: 01/89. VA concurred with this recommendation and stated that appropriate changes to its criteria will be made based upon the final results of the planning model developed by the Ann Arbor project.

Recommendation: The Administrator of Veterans Affairs should direct the Chief Medical Director to reassess all existing construction projects to eliminate, where cost-effective, unnecessary operating rooms.

Status: Action not yet initiated. VA agreed with this recommendation and stated that all construction projects in the planning stage should be reassessed based on the new model.

Health Research

Medical Research: National Research Service Awards for Research in Primary Medical Care

HRD-87-20, 07/31/87

Background

In response to a congressional request, GAO reviewed the criteria used by the National Institutes of Health (NIH) to comply with a statutory requirement that it make available a specified percentage of National Research Service

Awards (NRSA) for research in primary medical care.

Findings

GAO found that: (1) it was unable to conclude that either NIH or the Health

Resources and Services Administration was better suited to administer NRSA; (2) in fiscal 1986, NIH awarded over \$200 million in NRSA funds for research that it believed was related to primary care; and (3) NIH compliance and implementation was hampered by the

lack of an accepted definition for research in primary medical care. GAO also found that NIH: (1) solicited applications in 1987 for research training in primary care disciplines without properly defining such research; and (2) usually required that trainees provide written assurance that they would pursue careers in primary medical

care research and also required them to perform payback service in research areas of their choice.

Open Recommendations to Congress

Recommendation: Congress should consider amending the Public Health

Service Act to define what constitutes research in primary medical care for purposes of implementing section 487(d)(3).

Status: Action not yet initiated.

Health Research

Biomedical Research: Issues Related to Increasing Size of NIH Grant Awards

HRD-88-90BR, 05/06/88

Background

In response to a congressional request, GAO reviewed the growth in the National Institutes of Health (NIH) biomedical research grant awards to determine: (1) trend data in the NIH budget for fiscal years (FY) 1983 through 1987; (2) the size of research project grants for those years; (3) factors that could explain the increased size of awards; and (4) the reviewing, monitoring, and reporting practices NIH uses in dealing with grant recipients.

Findings

GAO found that: (1) NIH awarded the majority of its grants through its extramural research programs as research project grants (RPG) to institutions to conduct basic and clinical research; (2) between 1983 and 1987, the total NIH budget grew by 54 percent, from \$4 billion to \$6.2 billion; (3) average RPG awards rose 42.7 percent from \$123,800 to \$176,700, with the sharpest rise between 1986 and 1987; and (4) NIH used the Biomedical Research and Development Price Index (BRDPI), rather than the gross national product

(GNP) to adjust costs for inflation, which made the average grant award rise 17.7 percent between 1983 and 1987. GAO also found that the factors that contributed to the increased size of grant awards included: (1) inflation and the rising costs of biomedical research; (2) the types of grants funded; (3) increased personnel costs; (4) indirect costs, which accounted for about one-third of total grant amounts; and (5) the increasing complexity of research and the increased use of human subjects. In addition, GAO found that: (1) NIH has relied on its grantees to monitor and audit grants; (2) NIH shifted most audit efforts to the institutions and required them to contract with independent firms and send audit reports to NIH for review; and (3) most of the audits were general in nature and did not focus on individual grants.

Open Recommendations to Agencies

Recommendation: The Department of Health and Human Services (HHS) should use both the GNP implicit price deflator and BRDPI, as supplemental

data to accompany NIH budget requests, to compare current and constant dollars of research grants.

Status: Action in process. HHS agreed to analyze the effects of using both the GNP implicit price deflator and BRDPI in its budget submissions and stated that future studies will report on both indexes. HHS also stated, however, that the GNP inflator should not be used to compare the inflation of biomedical research costs with other federal activities' costs.

Recommendation: HHS should report to Congress on the results of its analyses and any measures taken or required to ensure the adequacy of controls over research grant awards.

Status: Action not yet initiated. HHS concurred with this recommendation, but did not explain what actions it would take.

Recommendation: HHS should analyze the increasing size of research grants, including the large incremental increases in competing renewal awards and cost-of-living increases in

noncompeting continuation budgets unrelated to the actual inflation rate. **Status:** Action in process. HHS agreed to analyze trends concerning: (1) the

large incremental increases in competing renewal awards; and (2) the process of estimating future

commitments for noncompeting continuation awards.

Health Research

HCFA Research: Agency Practices and Other Factors Threaten Quality of Mandated Studies

PEMD-88-9, 06/03/88

Background

Pursuant to a congressional request, GAO: (1) assessed the relevance, timeliness, and technical adequacy of the Health Care Financing Administration's (HCFA) congressionally mandated research and evaluation activities; and (2) identified key internal and external factors that influenced the HCFA Office of Research and Demonstrations' (ORD) management and dissemination practices.

Findings

GAO found that ORD: (1) frequently did not fully respond to the information needs that caused Congress to mandate the report; (2) failed to develop systematic communications with Congress to clarify congressional mandates; (3) sometimes reduced reports' relevance by changing initial study plans and scope; (4) improved earlier report timeliness problems, but still experienced substantial delays during the study execution and report review phases; and (5) inconsistently applied practices for ensuring technical adequacy during project planning and

execution and report review. GAO also found that factors affecting the quality of ORD reports included: (1) lack of communication between HCFA and Congress; (2) ORD failure to consider congressional interests during project planning; (3) lack of adequate monitoring; and (4) HCFA reductions in funding and staff.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to develop internal management procedures that will address the issues raised in this report. This would include, for example, procedures to ensure that agency communication with appropriate congressional committees is adequate during all stages of mandated studies and that ORD considers areas of congressional concern in developing its research and evaluation plans.

Status: Action not yet initiated.

Recommendation: The Secretary of Health and Human Services should

implement formal report review procedures designed to ensure that the Department of Health and Human Services reviews of reports to Congress will be timely.

Status: Action in process. More formal review procedures have been evolving at the agency.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, HCFA, to assess whether ORD has sufficient staff and resources to plan, monitor, and review studies mandated by Congress, as well as those supported by discretionary funds.

Status: Action not yet initiated.

Recommendation: The Secretary of Health and Human Services should work with other executive branch agencies to develop similar procedures for reviewing HCFA reports.

Status: Action in process. Agency coordination of review procedures has been discussed and is apparently evolving at the agency. A formal agency response is now being prepared.

Prevention and Control of Health Problems

Document Requests: Response Time to Congressional Committees Could Be Improved

HRD-87-45, 04/24/87

Background

Pursuant to a congressional request, GAO reviewed the Food and Drug Administration's (FDA) procedures for responding to congressional requests for FDA documents.

Findings

GAO found that: (1) the FDA Office of Legislative Affairs (OLA) handles most congressional document requests; (2) other FDA offices send requested documents to OLA for review; (3) OLA reviews the documents for sensitivity, then sends them, with a document listing, to the requester; (4) FDA took an

average of 41 days to respond to document requests, an average of 34 days late; (5) FDA identified a number of reasons for the delays, including staff shortages, cumbersome procedures, and nonmandatory response target dates; and (6) OLA reviews documents for trade secrets, even when other FDA offices have already done so.

Open Recommendations to Agencies

Recommendation: FDA should provide written guidance to OLA and other FDA offices on their roles and responsibilities for responding to congressional committee requests for documents. Such

guidance should include a requirement that two sets of copies of requested documents be made at the same time. **Status:** Action in process. Draft guidelines were prepared and are being reviewed within FDA.

Recommendation: FDA should require OLA to notify committees of reasons for delays, and attempt to negotiate a revised date when necessary. A record of these contacts should be made in OLA files, including agreements reached. **Status:** Action in process. FDA instructed its legislative staff to negotiate new dates, when necessary, and is working on a new form for recording agreements reached.

Prevention and Control of Health Problems

AIDS Education: Reaching Populations at Higher Risk

PEMD-88-35, 09/16/88

Background

In response to a congressional request, GAO assessed the ways in which public health research could be used to provide educational messages to prevent the spread of acquired immunodeficiency syndrome (AIDS) among drug users, minorities, and adolescents.

Findings

GAO evaluated prior research efforts and developed a seven-step model for any public health education campaign.

GAO found that AIDS education campaigns should: (1) be directed specifically at high-risk groups and practices; (2) develop a variety of mass-media materials incorporating risk-group values, family symbolism, idiomatic expressions appropriate to the risk groups, and humor to make the campaigns more appealing; (3) teach risk-reduction skills and procedures; and (4) provide motivators for risk reduction.

Open Recommendations to Congress

Recommendation: If Congress passes legislation stipulating that the outcome of AIDS campaigns funded by the Department of Health and Human Services be evaluated and the results be reported to departmental officials or to Congress, such legislation should require that these reports describe progress in assessing the relative effectiveness of different components in AIDS education. These components should include, but

need not be limited to, alternatives for defining the target group and handling its risk characteristics, the media employed, the information, skills, and motivators provided, and the outcomes intended under each campaign.
Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should ensure that the plans for evaluating the department's AIDS education efforts ensure collection of data by which the

relative effectiveness of different components can be assessed.
Status: Action not yet initiated.

Prevention and Control of Health Problems

ADP Systems: FDA Can Reduce Development Risks for Its Import Information System

IMTEC-88-42, 09/30/88

Background

In response to a congressional request, GAO reviewed the Food and Drug Administration's (FDA) automated Import Support and Information System (ISIS) to determine whether FDA: (1) complied with government standards and regulations in developing ISIS; (2) ensured that ISIS would interface with the Customs Service's automated systems; (3) plans to use ISIS to collect data on imports FDA regulates; and (4) ensured that ISIS would be compatible with existing management systems.

Findings

GAO found that FDA: (1) failed to follow government standards requiring

competitive procurement of computer systems, system design, and interface requirements; (2) did not identify alternative system designs for management consideration; (3) postponed identifying interface requirements until after the system becomes operational; (4) plans to use ISIS to collect data only for those imports examined at the port of entry; and (5) believes that ISIS will be compatible with existing automated systems, such as the Laboratory Management System. GAO noted that if FDA fails to identify and plan for its interface requirements, ISIS may be unable to interface with Customs' systems.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services (HHS) should take steps to ensure that FDA complies with HHS requirements to: (1) identify and specify FDA computer hardware and software requirements for ISIS in functional terms, rather than specifying vendor-specific computer hardware and software; (2) identify FDA requirements for an ISIS automated interface with Customs, and obtain an agreement on a plan to implement the automated interface; and (3) explore feasible alternative system designs to meet the functional requirements of ISIS.

Status: Action not yet initiated.

Income Security

Social Security: The Notch Issue

HRD-88-62, 03/24/88

Background

Pursuant to a congressional request, GAO reviewed the disparity of social security benefits, known as the notch, between classes of recipients, resulting from the Social Security Amendments of 1977, specifically: (1) how the notch arose; (2) its effect on beneficiaries; (3) the financial implications of some proposed notch legislation; and (4) the socioeconomic characteristics of affected social security recipients.

Findings

GAO found that the 1977 amendments: (1) altered the benefits computation

formula; (2) stabilized replacement rates and lowered their level; (3) caused retirees born in or after 1917 to receive smaller benefit amounts than those born before then; and (4) did not fully anticipate the rapid inflation of the late 1970's and early 1980's, which increased the notch between those groups. GAO also found that legislative proposals to lessen the benefit disparities: (1) would require making additional payments to beneficiaries, using current trust fund balances to finance notch remedies, increasing revenue through payroll taxation, and reducing benefits and other expenditures; (2) were generally costly and difficult to administer; and (3)

could jeopardize the system's short-run financial condition.

Open Recommendations to Congress

Recommendation: In evaluating legislative proposals concerning the notch issue, Congress may wish to consider: (1) financing notch legislation which would be as neutral as possible in its effect on the Social Security Trust Funds, and, where relevant, the federal budget; (2) the feasibility of implementing the legislation; and (3) not lengthening the transition period.

Status: Action not yet initiated.

Federal Employee Retirement and Disability

Noncash Benefits: Methodological Review of Experimental Valuation Methods Indicates Many Problems Remain

PEMD-87-23, 09/30/87

Background

In response to a congressional request, GAO: (1) developed a general approach for assessing future proposed methods to change poverty indicators; and (2) applied its approach to one method the Census Bureau used to place cash value on noncash benefits.

Findings

The GAO assessment approach: (1) identified specific concerns within each method; (2) examined these concerns

using indicators, such as changes in the poverty rate; and (3) combined the results of these steps to form a final judgement. GAO applied this approach to the Bureau's market-value method and found that: (1) the Bureau's conceptual choices as to which benefits to include in the definition of income could affect the poverty rate by as much as 4.7 percent; (2) the Bureau's methodological choices in carrying out poverty calculations influenced the method's validity and the accuracy of its benefit values; and (3) overestimation of data quality problems caused flaws

resulting in fluctuations in the poverty rate.

Open Recommendations to Agencies

Recommendation: The Secretary of Commerce should direct the Director of the Census Bureau to conduct a more comprehensive examination of the problems with the Bureau's valuation methods, especially those involving medical benefits, giving full consideration to the assessment

approach GAO developed. The Bureau should fully disclose in its publications the magnitude of the effects of these problems.

Status: Action in process. Estimated completion date: 12/88. Commerce accepted this recommendation. A recent Census Bureau technical paper acknowledges some of the problems

raised in the GAO report. Action taken was not completely responsive because the research report designed to address those problems has not been released.

Food and Nutrition Assistance

Benefit Overpayments: Recoveries Could Be Increased in the Food Stamp and AFDC Programs

RCED-86-17, 03/14/86

Background

GAO reviewed the Food Stamp and Aid to Families with Dependent Children (AFDC) programs to: (1) examine how state and local collection offices use collection methods such as recoupment to recover overpayment claims; and (2) identify specific actions that would increase claims collections. The programs are operated by the Department of Agriculture's (USDA) Food and Nutrition Service (FNS) and the Department of Health and Human Services' (HHS) Office of Family Assistance (OFA), respectively.

Findings

GAO found that: (1) the procedures used to collect food stamp overpayment claims are generally more restrictive than those used for AFDC claims regarding when states may use recoupment; (2) while recoupment is an effective collection technique, applicable law prohibits the use of recoupment to collect overpayments caused by agency errors; (3) overpayments caused by agency errors accounted for about 34 percent of claims against Food Stamp program participants; and (4) USDA has estimated that the use of recoupment in the Food Stamp program could increase collections by \$1.4 million each month.

GAO also found that: (1) in many cases, overpayment recipients leave the program before claims against them are fully paid and do not repay their claims; (2) if FNS gave participants only 10 days to respond to payment demand letters, instead of 30, it could increase collections by 8 percent in the offices GAO visited; and (3) FNS could also increase collections by giving priority processing to claims against current participants and improving systems used to identify former participants who reenter the programs with outstanding claims. In addition, GAO found that: (1) claims against households no longer participating in the Food Stamp program totalled \$135 million in 1984, and FNS was not receiving payments on \$85 million of those claims; and (2) one possible way to improve collections on those claims would be to offset federal income tax refunds against participants' outstanding claims.

Open Recommendations to Congress

Recommendation: To improve the effectiveness of states' collection operations, Congress should amend the Food Stamp Act of 1977 to authorize states to pursue mandatory recoupment of overpayments that were caused by

agency errors, as is done in the AFDC program. This can be done by amending the first sentence of section 13(b)(2)(A) by striking out "and claims arising from an error of the state agency."

Status: Action not yet initiated.

Recommendation: To further improve the efficiency and results of collection operations, Congress should amend the Food Stamp Act of 1977 to eliminate the requirement that states offer installment payments as an option in recovering overpayments from participants. This can be done by amending the first sentence of section 13(b)(1)(A) by striking out "in accordance with a schedule determined by the Secretary." Such a change would not preclude states from allowing lump sum repayments or using installments when a household is no longer participating in the program or supplementing recoupment with any additional payments the participant might wish to make.

Status: Action not yet initiated.

Recommendation: To improve collections of overpaid benefits, maximize the use of recoupment, and improve consistency between the AFDC and Food Stamp programs, Congress should amend the Food Stamp Act of 1977 to require a maximum 10-day

period for participants to respond to payment demand letters. Such a change can be accomplished by changing the word "thirty" to "ten" in the second sentence of section 13(b)(1)(A).

Status: Action not yet initiated.

Recommendation: If the 2-year test of tax refund offsets specified by the Deficit Reduction Act of 1984 proves that such offsets are feasible, Congress should consider specifically authorizing states to submit unpaid claims against former AFDC and Food Stamp recipients for collection using offsets of federal income tax refunds through procedures similar to those employed under the Deficit Reduction Act. To initially test the cost-effectiveness of the procedure, states should be allowed to use the procedure, on a voluntary basis, closely monitored by the responsible federal program agencies to ensure that adequate data are developed to evaluate the feasibility and cost-effectiveness of using it on a programwide basis.

Status: Action in process.

Open Recommendations to Agencies

Recommendation: To improve the timeliness of state collection actions, the Secretaries of Agriculture and Health and Human Services should direct the Administrators, FNS and OFA, respectively, to require priority processing of claims involving current participants by establishing time-period criteria that would require prompt collection action on such claims.

Addressee: Department of Agriculture
Status: Action in process. Estimated completion date: 01/89. Proposed regulations implementing this recommendation were issued in September 1987. Final regulations are anticipated to be issued late in 1988.

Recommendation: To improve the timeliness of state collection actions, the Secretaries of Agriculture and Health and Human Services should direct the Administrators, FNS and OFA, respectively, to evaluate the operations of states' systems used to start collection action on cases involving former

participants with outstanding claims who reenter the programs; identify reasons why such cases are not always identified at the time of application; and assist the states to improve their operations to remedy any such problems.

Addressee: Department of Agriculture
Status: Action in process. Estimated completion date: 01/89. Proposed rules implementing this recommendation were published on March 9, 1987. Final regulations are anticipated to be issued late in 1988.

Recommendation: The Secretary of Agriculture should require states to initiate collection action on food stamp claims involving participants awaiting administrative disqualification hearings.
Status: Action in process. Estimated completion date: 01/89. FNS has undertaken a study which examines states' claims collection processes to determine actions needed to improve the efficiency of states' claims systems. Proposed regulations will be developed in conjunction with the results of this study.

Food and Nutrition Assistance

Food Stamp Program: Refinements Needed To Improve Accuracy of Quality Control Error Rates

RCED-86-195, 09/19/86

Background

GAO discussed the reliability of the Food Stamp Program's error rates, which served as the basis for sanctions that the Department of Agriculture (USDA) assessed against states for excessive errors they made in determining fiscal year 1984 program eligibility and benefit levels.

Findings

GAO found that: (1) in the three states it evaluated, the federal and state quality control reviews (QCR) were generally adequate, but the QCR process could have been improved; (2) USDA and the three states properly conducted QCR of cases representative of the overall food stamp caseload; (3) a USDA regulation required states to drop cases from the

QCR process that they could have completed; (4) the dropped cases were about twice as error-prone as completed cases and, if completed, would have increased error rates in all three states and sanctions in two of the three states; and (5) in computing the official error rates, USDA made statistical and mathematical mistakes for 13 of the 25 states.

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should direct the Administrator, Food and Nutrition Service (FNS), to revise food stamp regulations to require states to obtain, at the time of application and recertification, authorization for release of information for possible use by quality control reviewers seeking to verify participants' eligibility for benefits.

Status: Action not yet initiated. USDA stated that it will consider taking action on this recommendation after completing its review of studies of the quality control system prepared by National Academy of Sciences (NAS) and FNS. FNS plans to address quality control issues by early 1989.

Recommendation: The Secretary of Agriculture should change food stamp regulations governing the QCR process

to require states to include in the error rate any case in which the review of basic program eligibility requirements shows that the participant was ineligible for the program.

Status: Action not yet initiated. USDA stated that it will consider taking action on this recommendation after completing its review of studies of the quality control system prepared by NAS and FNS. FNS plans to address quality control issues by early 1989.

Recommendation: The Secretary of Agriculture should change food stamp regulations governing the QCR process to require states to attempt to complete reviews of participants who are under investigation for suspected fraud or have pending administrative fraud hearings.

Status: Action not yet initiated. USDA stated that it will consider taking action on this recommendation after completing its review of studies of the quality control system prepared by NAS

and FNS. FNS plans to address quality control issues by early 1989.

Recommendation: The Secretary of Agriculture should change food stamp regulations governing the QCR process to specify that FNS regional offices have the authority to require states to complete reviews of cases for which the region believes sufficient information has been obtained or can be obtained to complete a review. The Secretary of Agriculture should consider augmenting this authority by asking Congress for authority to assess states for the costs the federal government incurs when completing reviews of cases dropped by states.

Status: Action not yet initiated. USDA stated that it will consider taking action on this recommendation after completing a review of studies of the quality control system prepared by NAS and FNS. FNS plans to address quality control issues by early 1989.

Food and Nutrition Assistance

Food Stamp Program: Statistical Validity of Agriculture's Payment Error-Rate Estimates

RCED-87-4, 10/30/86

Background

In response to a congressional request, GAO reviewed the quality control (QC) system that the Food and Nutrition Service (FNS) used to determine the fiscal year 1984 error rates in Food Stamp Program benefit payments and to assess sanctions against states for their errors.

Findings

GAO noted that FNS annually estimates each state's food stamp payment error

rate in a two-step process, using statistically selected FNS and state case samples. FNS: (1) computes a regressed error rate based on a review of its subsample of the state's sample; (2) adjusts the regressed error rate upward if the state did not complete the number of sample case reviews prescribed in its approved quality control review plan; and (3) determines the state's sanction from the resulting number, which is the official error rate. A sanction involves reducing the federally funded share of a state's administrative costs by a

predetermined percentage tied to a target error rate. GAO found that, overall, FNS statistical policies for estimating the regressed and official error rates generally conformed with accepted statistical theory. GAO believes that, because small changes in the official error rates could affect sanction amounts, FNS should use the soundest practical statistical methods in developing the payment error-rate estimates.

Open Recommendations to Agencies

Recommendation: The Administrator, FNS, should amend FNS policy and guidance to require that an acceptable expected minimum-stratum sample size be established when approving a state's sampling plan.

Status: Action not yet initiated. FNS stated that it would consider implementing this recommendation in conjunction with taking actions in accordance with the findings in a National Academy of Sciences (NAS) study released in March 1988, and those of another FNS study which addresses several statistical issues. FNS is reviewing these studies and plans to address QC issues.

Recommendation: In conjunction with actions taken in response to studies that the Department of Agriculture (USDA) and the National Academy of Sciences are conducting on food stamp error rates and sanctions, the Administrator, FNS, should amend FNS policy and guidance to eliminate the assumption that cases for which reviews have not been completed have the same error rate as completed cases.

Status: Action not yet initiated. FNS agreed to implement this recommendation when it acts on the NAS study, released in March 1988, and on another study contracted by FNS to address statistical issues. FNS is reviewing these studies and plans to address QC issues.

Recommendation: In conjunction with actions taken in response to studies that

USDA and the National Academy of Sciences are conducting on food stamp error rates and sanctions, the Administrator, FNS, should amend FNS policy and guidance to require that the standard deviation of the regressed payment error rate, instead of the standard deviation from the state samples, be used in calculating the adjusted, or official, error rate.

Status: Action not yet initiated. FNS agreed to implement this recommendation when it acts on NAS studies; one was issued in October 1987, and the second was issued in March 1988. Also, FNS contracted for another statistical study, which will be reviewed for information on this issue. FNS is reviewing these studies and plans to address QC issues.

Food and Nutrition Assistance

Food Stamp Program: Error Rate Adjustments and Sanctions

RCED-88-10, 10/22/87

Background

In response to a congressional request, GAO reviewed the Food and Nutrition Service's (FNS) procedures for adjusting states' Food Stamp Program error rates to account for uncompleted state quality control reviews.

Findings

GAO found that: (1) adjustments for uncompleted case reviews were relatively small for 1984 and 1985; (2) only one state suffered an increased sanction because of an error-rate adjustment; (3) adjustments may vary

for states with similar review completion rates; (4) some states with similar completion rates received different adjustments; (5) the variations occurred because FNS considered regressed error rates and error-rate standard deviations in determining adjustments; and (6) FNS followed its usual rulemaking process in setting the adjustment procedure.

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should direct the Administrator, FNS, to devise a sanction

process that separates financial penalties for uncompleted reviews from financial penalties for exceeding the target error rate. An alternative for doing so could entail a graduated sanction based on the extent to which states do not complete the prescribed number of reviews.

Status: Action not yet initiated. FNS stated that it is reviewing the findings of studies conducted by FNS and the National Academy of Sciences and will consider GAO suggestions on this issue by early 1989.

Food and Nutrition Assistance
Food Stamp Program: Evaluation of Improper Denial or Termination Error Rates

RCED-88-12, 10/22/87

Background

Pursuant to a congressional request, GAO assessed the accuracy of Maryland's and Illinois's reporting of improper denial or termination error rates under the Food Stamp Program for fiscal year (FY) 1985.

Findings

GAO found that: (1) Illinois and Maryland detected 40 and 15 percent, respectively, of the improper denials or terminations that it found; (2) projected error rates were 22.5 percent for Illinois and 12.4 percent for Maryland, rather than 9.1 and 2.2 percent, respectively, as the states reported; (3) 42 percent of the

households that the states improperly denied or terminated from the program lost benefits as a result of the errors; (4) the Department of Agriculture (USDA) did not routinely validate the states' reported error rates; (5) incorrect eligibility determinations, inadequate documentation of the basis for denial or termination, and failure to allow the prescribed time for the application process were three common errors local offices made when deciding to deny or terminate benefits; and (6) the USDA Food and Nutrition Service (FNS) only validated reported error rates if states were potentially eligible to receive enhanced funding.

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should direct the Administrator, FNS, to examine alternatives to encourage states to reduce improper denial or termination error rates, including seeking authority to hold states financially liable for their improper denials or terminations.

Status: Action in process. Estimated completion date: 07/90. A feasibility study is required by pending legislation (S. 2560). The study is targeted for July 1990 completion and will examine the negative case action quality control issues raised by GAO.

Food and Nutrition Assistance
Food Stamp Program: Progress and Problems in Using 75-Percent Funding for Automation

RCED-88-58, 04/28/88

Background

In response to a congressional request, GAO reviewed the Department of Agriculture's (USDA) Food and Nutrition Service's (FNS) Food Stamp Program to determine: (1) what state information retrieval systems FNS had approved for 75-percent funding from fiscal year (FY) 1981 through FY 1986; and (2) whether the approved systems or projects complied with legislative

mandates and met general functional requirements.

Findings

GAO found that: (1) FNS approved 51 requests from 33 states from FY 1981 to 1986, totalling \$66 million; (2) FNS policy and approval of requests from 17 state agencies differed from requirements; (3) FNS policy allowed funding for all planning, design,

development, or installation of the systems at the 75-percent level when the system was the state's initial attempt, or an upgrade or modification of existing systems for the Food Stamp Program; (4) USDA regulations allowed 75-percent funding to develop automated program systems that did not achieve integration with the Aid to Families with Dependent Children (AFDC) Program, as mandated; (5) FNS approved funding for systems not expressly permitted in USDA

regulations because it believed that they would eventually become part of the total automated system; and (6) there were no requirements for documenting system compliance.

Open Recommendations to Congress

Recommendation: Since 1980, USDA has used 75-percent federal matching funds to automate the Food Stamp Program in a manner allowed by the act but which departed significantly from what was envisioned in the legislative history. Congress may wish to consider expressing its current position on the manner in which 75-percent funding is being used.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should direct the Administrator, FNS, to monitor and

enforce regulations requiring that automated systems approved for 75-percent funding be for total Food Stamp Program certification or issuance, reconciliation, and reporting systems only.

Status: Action in process. Estimated completion date: 03/89. USDA has asked FNS to issue clarification and direction to all FNS regional offices on the approval of 75-percent funding for total food stamp automated systems. FNS anticipates issuing guidance to its regional offices during the next several months.

Recommendation: To help ensure that the Food Stamp Program's automated systems development approved for 75-percent federal funding meets the requirements set forth in USDA regulations, the Secretary of Agriculture should direct the Administrator, FNS, to: (1) amend Service Handbook 151, ADP Advance Planning Document Handbook for state agencies, to direct that state agency requests for 75-percent

funding fully describe in their planning documents how the required program functional standards will be incorporated into the proposed automated Food Stamp Program system; (2) amend Service Handbook 103 to direct regional Food Stamp Program personnel to document their determination that each of the required program functional standards are met prior to approving requests for 75-percent funding; and (3) direct regional office personnel to implement the state agency request file records control system described in Service Handbook 103 to maintain a planning document control log and numbering system for related amendments and correspondence pertaining to each state agency's request for federal funding.

Status: Action in process. Estimated completion date: 07/89. FNS plans to combine Handbooks 151 and 103 and amend them to include the recommended changes by the spring/summer of 1989.

Food and Nutrition Assistance

Food Stamp Program: Reporting of Application Activities Could Be Improved

RCED-88-156, 07/14/88

Background

Pursuant to a congressional request, GAO assessed the reliability of the Food and Nutrition Service's (FNS) statistics on households applying for, approved for, and denied food stamp benefits, focusing on: (1) FNS instructions and requirements regarding states' reports on application, approval, and denial information; (2) the definitions and procedures states used to aggregate, record, and report application

information; (3) the Department of Agriculture (USDA) and states' oversight of recordkeeping and reporting practices; and (4) how states and USDA used application information.

Findings

GAO found that: (1) states used different definitions of what constituted an application in its reports to FNS, since FNS instructions through 1986 failed to

specifically define reporting procedures; (2) a 1987 FNS revision of its report format helped it to obtain additional details but did not solve the problem of inconsistent state application definitions; (3) additional instructions FNS issued in 1988 helped to clarify reporting requirements, but did not fully address all variations among states; (4) within their automated or manual recordkeeping systems, states generally had procedures to ensure information

accuracy according to their own definitions; (5) states primarily used the information to monitor local office food stamp application work loads and ensure prompt application processing; (6) FNS did not assess reported information for accuracy or use it for budgeting and program planning, although it did informally use some data in policy development; (7) FNS did not automate states' reported data until 1987; and (8) FNS lacked plans for monitoring and using reported information to assess states' performance.

Open Recommendations to Agencies

Recommendation: To ensure that states are accurately reporting the food stamp application information, the Secretary of Agriculture should direct the Administrator, FNS, to develop specific plans and written procedures for: (1) monitoring the states' application information to ensure that it is reported according to FNS requirements; and (2) using the reported information to evaluate state performance.

Status: Action in process. Estimated completion date: 10/89. FNS regional offices have been directed to conduct reviews of Form FNS-366B, including application activity data. These reviews will continue into fiscal year 1989 until deficiencies are corrected. FNS will develop a description of uses that will be distributed throughout FNS and its regions.

General Retirement and Disability Insurance

Prisoners Receiving Social Security and Other Federal Retirement, Disability, and Education Benefits

HRD-82-43, 07/22/82

Background

Pursuant to a congressional request, GAO estimated the number of incarcerated felons receiving social security and other cash benefits from various federal programs. Initial GAO estimates on the number of prisoner beneficiaries receiving benefits from Social Security Administration (SSA) and Veterans Administration (VA) programs resulted in Congress enacting legislation in 1980 to exclude certain benefits to prisoners.

Findings

GAO estimated that before the 1980 amendments: (1) about 1.4 percent of the incarcerated felons were receiving social security disability benefits of approximately \$17 million a year; (2) about 1 percent were receiving VA

disability compensation of approximately \$8 million a year; and (3) about 1.3 percent were receiving VA education benefits of approximately \$14 million a year. Prisoners were also receiving cash benefits from other similar federal programs not addressed by the amendments, including 0.4 percent who were receiving social security retirement or survivor benefits of approximately \$4 million a year. Other prisoners were receiving cash benefits from the federal needs-based programs of Supplemental Security Income and veterans pensions. SSA and VA will not be able to identify prisoner beneficiaries completely until accurate social security numbers (SSN's) are available for all prisoners. States varied widely in the completeness and accuracy of this information and could improve their documentation in coordination with the SSA validation

process. GAO also estimated that about 4 percent of the prisoners were receiving postsecondary education funded through Pell Grants. The amounts varied but, because of tuition waivers, some grants were higher than the fees schools actually charged the prisoners.

Open Recommendations to Agencies

Recommendation: The Administrator of Veterans Affairs should use the prisoner identification information supplied by SSA to better identify prisoner beneficiaries of VA programs.

Status: Action in process. In August 1988, VA sent a memo to SSA recommending that SSA send it tapes in January 1989 so the matching could get started.

General Retirement and Disability Insurance

Social Security Administration Needs To Protect Against Possible Conflicts of Interest in Its Disability Programs

HRD-83-65, 06/10/83

Background

In response to a congressional request, GAO conducted a survey of the consultative examination process used by the Social Security Administration (SSA) to make disability benefit eligibility determinations.

Findings

GAO identified a loophole in SSA policies whereby physicians who are working for various state disability determination services (DDS) and under contract to SSA are prohibited from performing consultative examinations but are permitted to have familial or financial interests in firms or organizations that do perform these examinations. SSA policy pertaining to physician independence states that all implications of possible conflicts of

interest must be avoided. GAO believes that this policy should be strengthened and enforced. As a result of the current policy, a situation existed in the SSA Chicago regional office where the Chief Regional Medical Advisor and one other medical consultant were associated with a firm which received almost \$2 million in 1982 for performing consultative examinations. While these arrangements were approved in advance by SSA and did not violate government standards of ethics, they did create a conflict of interest. Both medical consultants recently terminated their contracts with SSA.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should

require that the Commissioner of Social Security revise SSA policies regarding physician independence or consultative examinations to prohibit all SSA and DDS physicians, whether under contract or employees, from having familial or financial interests in firms or organizations doing consultative examinations. Contracts with physicians should be modified to include this prohibition.

Status: Action in process. SSA still has not issued the final policy on conflicts of interest. The draft policy statement has been included in the proposed regulation which is awaiting Office of Management and Budget approval for issuance. No date is set for its release.

General Retirement and Disability Insurance

Better Case File Monitoring of the Workers' Compensation Offset Provision by the Social Security Administration Could Save Millions

HRD-83-90, 09/30/83

Background

GAO reviewed the losses that the Social Security Disability Insurance (DI) trust fund incurs each year because DI payments to disabled workers are not

being reduced as required by the workers' compensation offset provision of the Social Security Act. The DI trust fund is the nation's primary source of income replacement for disabled workers. Many DI recipients are also

entitled to federal disability or workers' compensation benefits. These benefits can overlap, causing disabled workers to receive more in disability benefits than they were earning before they became disabled.

Findings

Although the offset provision saved the Social Security Administration (SSA) \$168 million in fiscal year 1981, GAO estimated that claims that were not offset cost the trust fund about \$43 million. GAO believes that many claims were not offset because SSA had no indication that the DI claimants had received other benefits or had claims pending. However, in other cases, SSA could have prevented the loss by acting on evidence in the case files. In applying the offset provision, SSA relies heavily on claimants' voluntary reports of compensation awards or changes in award amounts. SSA has acknowledged that this reliance has contributed significantly to overpayments and it has begun several activities designed to investigate claimants' failure to report benefits payments. SSA is making inquiries into data exchanges with state

agencies, but it reports that serious obstacles remain to be overcome before that objective can be achieved. SSA plans to select a state to participate in a pilot program and to evaluate the results of the program to determine the potential of file-matching programs. GAO stated that SSA could reduce or eliminate lost offsets for federal employee cases by matching its files with the Department of Labor's files. Since the beginning of the GAO review, SSA has initiated several actions to reduce the number of offsets not imposed, and the SSA Office of Assessment is planning to make several recommendations to improve the processing of offset cases.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should

work with the Secretary of Labor to establish regular matches between the DI file and Labor's workers' compensation files.

Status: Action in process. The plan is currently being developed to match and review the Federal Employees Compensation Act (FECA) file. The first match is to be run in December 1988.

Recommendation: The Secretary of Health and Human Services, to facilitate the matches, should explore with the Secretary of Labor the feasibility of including additional identifiers in Labor's computer files.

Status: Action in process. The plan is being developed to match and review the FECA file. The first match is to be run in December 1988.

General Retirement and Disability Insurance

Disability Programs: SSA Consultative Medical Examination Process Improved; Some Problems Remain

HRD-86-23, 12/10/85

Background

In response to a congressional request, GAO reviewed the Social Security Administration's (SSA) management of consultative examinations (CE) in its disability programs. GAO evaluated: (1) SSA ability to ensure the quality and reliability of examinations and reports; (2) SSA controls to ensure the necessity and appropriateness of CE purchases; and (3) the operations of major volume providers nationwide.

Findings

Disability decisions are made by state disability determination services (DDS), which are regulated by SSA regional offices. If a claimant's treating physician is unavailable to provide evidence of medical impairment, CE are purchased from private medical sources. GAO found that: (1) increased SSA claims documentation requirements, emphasis on decisional accuracy, and continuing investigations of persons already receiving disability benefits increased the rate of CE purchasing; (2) as the demand for CE grew, states would

purchase them from volume providers; (3) there were few substantive problems in on-site reviews of volume providers by state and federal teams; (4) SSA required states to establish CE management plans with oversight by SSA regional offices; (5) new SSA policies have provided better direction on physician standards and CE reporting requirements; and (6) states have increased their monitoring of CE providers. GAO also found that: (1) SSA did not specify how the states should structure their management systems to control the CE process; (2) SSA still lacks reasonable assurance

that it obtains good quality medical examinations and reports and prevents the purchase of unnecessary examinations; and (3) some SSA regional offices have not reviewed their states' implementation plans and are not performing monitoring activities as SSA requires.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Commissioner of Social Security to require states that use volume providers to establish standards for controlling CE appointment scheduling and/or examination duration, preferably before the resumption of continuing disability reviews.

Status: Action in process. Proposed regulations incorporating time frames for scheduling CE appointments are in the clearance process.

Recommendation: The Secretary of Health and Human Services should direct the Commissioner of Social Security to clarify SSA intent and provide specific direction to states on structuring systems for ongoing review of CE reports and require larger DDS to establish independent report review systems.

Status: Action in process. Proposed operating guidelines were issued in August 1986. SSA plans to publish final instructions when CE regulations are published.

Recommendation: The Secretary of Health and Human Services should direct the Commissioner of Social Security to issue a comprehensive review guide to SSA regional offices for use in conducting annual and uniform comprehensive reviews of states' CE management activities.

Status: Action in process. In September 1986, SSA issued a standard review

guide for regional offices to use in conducting CE monitoring activities in DDS. SSA plans to publish final instructions following the publication of CE regulations.

Recommendation: The Secretary of Health and Human Services should direct the Commissioner of Social Security to conduct a study to determine the effect of physician review of CE requests on the appropriateness of CE purchases and, if warranted, require that such reviews be mandatory for all DDS.

Status: Action in process. SSA developed a protocol for the regional offices' use to study the frequency of unnecessary CE purchases and the effect of physician review on CE purchases. Final instructions will be published following the publication of CE regulations.

General Retirement and Disability Insurance

Retirement Benefits: Discrepancies in Benefits Paid by the Railroad Retirement Board for SSA

HRD-86-3, 02/05/86

Background

GAO surveyed 17 different types of data exchanges between the Railroad Retirement Board (RRB) and the Social Security Administration (SSA), focusing on the benefit payments that RRB made on behalf of SSA.

Findings

GAO found that, although RRB and SSA developed a monitoring system (CSAUDIT) to verify the accuracy of

payments RRB made on behalf of SSA to beneficiaries entitled to both railroad retirement and social security benefits, only 12 percent of the 190,000 identified payment discrepancies were reconciled. Most of the discrepancies remain unreconciled because: (1) RRB and SSA disagree about the adequacy of CSAUDIT as a reconciliation tool; and (2) neither agency has committed sufficient resources to reconcile the increasing case backlog. RRB is unwilling to expend resources on what it believes to be unnecessary and costly

work, and SSA refers many CSAUDIT discrepancies to RRB that it could resolve. The review of discrepant cases and recent RRB and SSA data suggest that many beneficiaries have erroneously paid substantial amounts for years. The delays in reconciling these discrepancies have led to extended periods of erroneous payments and situations where erroneous payments could not be remedied.

Open Recommendations to Agencies

Recommendation: The Commissioner of Social Security and the Chairman, RRB, should develop an interagency agreement by March 31, 1986, defining the responsibilities of each agency in reconciling CSAUDIT discrepancies and

a timetable for reconciling the discrepancies.

Addressee: Social Security Administration

Status: Action in process. Estimated completion date: 02/89. SSA is inputting into an RRB study of the manner of resolving ultimate dispositions of 157,000 backlog cases.

Addressee: Railroad Retirement Board
Status: Action in process. Estimated completion date: 02/89. RRB advises it is continuing its study of how to dispose of backlog of 157,000 discrepant cases. No timetable has been established for reconciling the discrepancies.

General Retirement and Disability Insurance

Social Security: Need To Improve Unit Times for Estimating Field Office Staff Budgets

GGD-86-90, 08/06/86

Background

GAO reviewed the Social Security Administration's (SSA) use of unit time to estimate its field office staffing needs.

procedures, and systems changes; and (2) SSA could make its unit times more efficient by using engineered time standards.

Findings

GAO found that: (1) SSA develops and uses unit times and works to keep them current by adjusting them for methods,

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Commissioner of Social

Security to develop engineered time standards on a pilot basis in selected field offices to determine the feasibility and cost-effectiveness of using such standards on a wider basis.

Status: Action in process. SSA reported to GAO that an acceptable approach to be used for developing standards has not yet been identified, but research on the issue is continuing.

General Retirement and Disability Insurance

Social Security: More Must Be Done To Credit Earnings to Individuals' Accounts

HRD-87-52, 09/18/87

Background

GAO reviewed the effectiveness of the Social Security Administration's (SSA) process for crediting individuals' earnings to their individual accounts and the effect of uncredited or erroneously credited earnings on

individuals' benefits and eligibility and on Social Security trust funds.

Findings

GAO found that: (1) SSA consistently reported less in earnings than the Internal Revenue Service (IRS), and the

two agencies have not worked well together to resolve differences in employers' earning reports; (2) SSA contact with employers to resolve such differences resulted in recording about an additional \$3.6 billion in earnings for 700,000 employees, although half of employers contacted did not provide

information; (3) neither SSA nor IRS compiled sufficient data to identify the causes of differences and actions necessary to prevent or reduce future occurrences; (4) three of five individuals with uncredited earnings faced possible loss of about \$17 a month in benefits; (5) SSA plans to resolve some backlogged uncredited earnings reports did not encompass all such reports, or address employers who did not respond to information requests, or ensure that employers saved employees' earning records; and (6) unless it can certify recorded earnings for previous tax years, SSA may not be entitled to a portion of tax revenues received based on IRS records.

Open Recommendations to Congress

Recommendation: Congress should consider amending section 201(a) of the Social Security Act to specify a time limit, such as the employer earnings record retention period specified by IRS, for the Secretary of Health and Human Services to certify earnings. If Congress chooses not to specify a time limit for certifying earnings, it should consider whether: (1) SSA should be required to relinquish trust fund money to general revenue funds for those earnings amounts that employers have reported to IRS, but which SSA has not recorded; or (2) the trust funds should be permitted to retain revenues based on IRS-recorded employers' earning reports.

Status: Recommendation valid/action not intended.

Open Recommendations to Agencies

Recommendation: The Secretary of the Treasury should direct the Commissioner of Internal Revenue to reassess the decision to further delay providing data to SSA for the 1979 earnings of self-employed individuals, which SSA needs to ensure the accuracy of benefit payments.

Status: Action not yet initiated. Treasury plans to examine the feasibility of implementing this recommendation.

General Retirement and Disability Insurance

Social Security: Effects of Budget Constraints on Disability Program

HRD-88-2, HRD-88-3, 10/28/87

Background

In response to a congressional request, GAO reviewed state disability determination services (DDS) to: (1) evaluate the effects of budget constraints that the Social Security Administration (SSA) imposed on state agencies' operations; and (2) determine whether SSA productivity standards were appropriate.

Findings

GAO found that budget reductions: (1) limited the number of continuing disability reviews that SSA required the states to do in fiscal year (FY) 1987; (2) cost the Disability Insurance Trust Fund more than \$200 million in unnecessary

benefit payments; (3) reduced state agencies' work-years for FY 1987 by 3.7 percent; (4) created a backlog of over 300,000 medical-improvement-expected (MIE) cases, which SSA did not expect to complete without the use of funds from a contingency reserve; and (5) could affect the quality of disability determinations. GAO also found that: (1) SSA plans to increase the overall DDS operating budget by \$13 million, but will reduce DDS staff by 3.5 percent; (2) the SSA productivity measurement system did not provide accurate or uniform productivity comparisons among DDS; and (3) although SSA developed a Cost-Effectiveness Measurement System which would correct most of the weaknesses in its current system, it did

not consider the type of impairment in each DDS case mix.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct SSA to eliminate the backlog of MIE cases. SSA should determine whether it has sufficient funds in its FY 1988 budget, including the contingency fund, to process these cases. If sufficient funds are not available, the Secretary should seek legislative authority to expend additional trust funds to process MIE cases.

Status: Action in process. The backlog of MIE cases is expected to be eliminated

by the end of FY 1988 in a majority of the states.

Recommendation: The Secretary of Health and Human Services should direct SSA to recognize in its Cost-

Effectiveness Management System the particular case mix by type of impairment for each DDS when developing productivity measurements and comparisons.

Status: Action not yet initiated. The Department of Health and Human Services is considering this recommendation.

General Retirement and Disability Insurance

Social Security: Little Success Achieved in Rehabilitating Disabled Beneficiaries

HRD-88-11, 12/07/87

Background

In response to a congressional request, GAO reviewed the relationship between the Social Security Disability Insurance Program and state vocational rehabilitation programs to determine how to change the current program to rehabilitate larger numbers of disability applicants.

Findings

GAO found that: (1) only 10 to 15 percent of disability beneficiaries were realistic prospects for rehabilitation; (2) because of the economic disincentives, many beneficiaries preferred to retain their disability benefits rather than

work; (3) although some states made a greater effort to refer disability beneficiaries to vocational rehabilitation agencies, there was little variation among the states in the percentage of beneficiaries who left the benefit rolls after receiving rehabilitation services; (4) many beneficiaries would participate in rehabilitation programs if they continued to receive coverage and their disability benefits based on a scale related to their earned income; (5) although Congress mandated that the Social Security Administration (SSA) test benefits reductions based on earnings, SSA had not done so; and (6) SSA was concerned that working persons who met the medical disability criteria, but had not applied for benefits,

would file applications if they could supplement their income with reduced benefits.

Open Recommendations to Congress

Recommendation: The number of beneficiaries who return to work possibly could be increased through some changes in the benefits payment structure. If Congress wishes to explore this option, it could direct SSA to carry out a demonstration project that uses a sliding benefits scale as authorized by the Social Security Disability Amendments of 1980.

Status: Action not yet initiated.

General Retirement and Disability Insurance

Social Security Funds: Additional Measures Could More Fully Indicate the System's Financial Condition

PEMD-88-11, 02/05/88

Background

GAO developed actuarial measures that the Social Security Administration (SSA)

could use to document the financial condition of the combined Old-Age

Survivors and Disability Insurance (OASDI) Trust Fund.

Findings

GAO found that: (1) the 1987 SSA trustees' report to Congress indicated that the OASDI Trust Fund was in close actuarial balance, since expenditures were within 5 percent of income averaged over the next 75 years; (2) in about 20 years, as the leading edge of the baby-boom generation reaches 65 years of age, fund expenditures will surpass income; and (3) the year the fund will go out of balance will probably be 1988 or 1989. GAO noted that: (1) calculating the imbalance year would

serve as an early indicator of an impending actuarial imbalance and as a measure for assessing proposed changes in benefits, cost-of-living adjustments, or tax rates; and (2) the adjusted actuarial balance it developed would consider assets at the start of the projection period and reflect the favorable effects of a substantial reserve buildup.

additional measures and report each in the long-range financing section of the summary of the annual trustees' report. SSA should specifically add the: (1) imbalance year; and (2) adjusted actuarial balance.

Status: Action taken not fully responsive. SSA did not include a fund goal at the end of the 75-year period or report actual figures for the imbalance year.

Open Recommendations to Agencies

Recommendation: The Commissioner of Social Security should calculate

General Retirement and Disability Insurance

Information Systems: SSA's Financial Management of Information Systems Needs Improvement

IMTEC-88-15, 08/09/88

Background

In response to a congressional request, GAO reviewed the Social Security Administration's (SSA) overall management of its information technology systems budget.

erroneous and incomplete budget information. GAO also found that SSA appointed a financial officer and created a review board to improve financial management and oversight of information system resources.

integrated financial management system, appointed a chief financial officer, and established a Systems Review Board with the intent to improve the development and reporting of its information systems budget.

Findings

GAO found that SSA: (1) needs to improve financial management of its information system, since it submitted incomplete and inaccurate budget documents for its planned automatic data processing acquisitions in fiscal year (FY) 1987; (2) did not maintain an integrated system to budget and account for information systems funds; and (3) accumulated an estimated \$214 million in unobligated funds and failed to meet some of its goals in FY 1986 because of

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Commissioner of Social Security to establish financial management procedures that include submission of more accurate and more complete information in response to all Office of Management and Budget information systems budget preparation and execution requirements. **Status:** Action in process. SSA has contracted for the development of an

Recommendation: The Secretary of Health and Human Services should direct the Commissioner of Social Security to establish financial management procedures that include integration of the budgeting and accounting systems for the information systems account.

Status: Action in process. SSA has awarded a contract to develop an integrated budget and accounting system that will include its information systems account.

Housing Assistance and Other Income Supplements

Millions Could Be Saved by Improving Integrity of the Food Stamp Program's Authorization-To-Participate System

CED-82-34, 01/29/82

Background

GAO reviewed the Department of Agriculture's (USDA) use of the Authorization-to-Participate (ATP) system, the Food Stamp Program's principal benefit delivery method. The purpose of the review was to make a preliminary assessment of the Food and Nutrition Service's (FNS) efforts to ensure the integrity of the system, which will deliver about \$8 billion of the estimated \$10.6 billion in food stamp benefits in fiscal year 1982.

Findings

GAO found that the ATP system has serious weaknesses. While losses through the system have been reported to be about \$12 million annually, the inaccurate and incomplete reconciliation reports submitted by some food stamp agencies and the lack of reconciliation reports by others indicate that actual losses are greater. As a result, FNS does not know the full extent of the losses. Moreover, it has opted to assume the fiscal liability of these losses when, in

fact, some could have been prevented by food stamp agencies. FNS has issued regulations requiring the use of photo identification at all food stamp projects. The new regulations also limit ATP card replacements, but duplicate transactions may still occur. GAO found that not all food stamp agencies that have serious ATP problems are required to use photo identification under the current criteria.

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should direct the Acting Administrator, FNS, to take specific measures to improve the ATP system's fiscal integrity, including: (1) determining those elements of existing ATP delivery systems, which are most effective in preventing program losses, and direct that the more effective methodologies be used where appropriate; (2) verifying data on the reconciliation reports by reviewing food stamp agencies' ATP issuance and reconciliation systems and records, identifying through these reviews food

stamp agencies that may be more likely to have recurring duplicate ATP transactions, and analyzing these weaker systems and requiring the food stamp agencies to correct flaws contributing to program losses; (3) requiring photo identification at all food stamp agencies experiencing significant duplicate ATP transactions but not currently covered by the regulations; (4) enforcing program regulations making states and local food stamp agencies liable for program losses that should have been prevented; and (5) reevaluating the new ATP replacement regulations to determine if weaknesses in the regulations can be eliminated. **Status:** Action in process. Estimated completion date: 03/89. In April 1986, USDA issued proposed regulations to strengthen the issuance system along the lines suggested. The regulations were incorporated into Food Stamp Program issuance liability regulations that were proposed in April 1987. Final regulations are being reviewed by the Office of Management and Budget and are expected by early 1989.

Housing Assistance and Other Income Supplements

Need To Foster Optimal Use of Resources in the Special Supplemental Food Program for Women, Infants, and Children (WIC)

RCED-85-105, 09/27/85

Background

GAO reviewed the Special Supplemental Food Program for Women, Infants, and Children (WIC), which the Department of Agriculture's (USDA) Food and Nutrition Service (FNS) operates. GAO attempted to determine how to obtain the maximum benefit from the use of WIC resources, focusing on: (1) the extent to which state and local WIC agencies attempt to target WIC benefits on the basis of need; (2) FNS procedures for targeting WIC benefits; (3) state and local WIC agencies' verification of applicants' eligibility for benefits; (4) the impact of FNS and state agency fund allocation procedures on state and local program operations and benefits targeting; and (5) opportunities to improve targeting, fund allocation, and eligibility determination procedures to maximize the beneficial impact of WIC resources.

Findings

GAO found that: (1) while WIC benefits targeting is important because WIC is not an open-ended entitlement and some eligible beneficiaries may not be served, FNS has not emphasized targeting as a major policy objective, encouraged states to emphasize targeting, or assessed targeting performance in its evaluations of state and local program

administration; (2) WIC agencies are only required to target benefits when they reach the highest participation level that available funds will support; (3) in states with no targeting programs, fewer than half of the WIC beneficiaries were in the eligible groups considered most needy; and (4) FNS allows state WIC agencies to establish their own nutritional risk eligibility criteria and does not require uniform nutritional risk criteria. GAO also found that: (1) FNS has not established uniform guidance for documenting and verifying applicants' income and family size; (2) state and local procedures for documentation and verification of income eligibility are not always sufficient to ensure that only eligible individuals receive benefits; and (3) state and local agencies rarely verify the accuracy of unsupported income information provided by WIC applicants. In addition, GAO found that: (1) variable funding actions have caused instability in program growth; and (2) this instability, combined with FNS changes in funding allocation formulas and the FNS legal obligation to recover and reallocate unspent WIC funds in any given fiscal year, has created pressures against targeting and effective caseload management at the state and local level.

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should require FNS to undertake and support appropriate targeting initiatives and demonstration projects aimed at developing and testing a variety of targeting tools and strategies that can be used by state and local WIC agencies.

Status: Action in process. Estimated completion date: 01/89. USDA has research ongoing to develop strategies that can be used by state and local WIC agencies. The research is to be completed during fiscal year (FY) 1989. Based on the results, FNS will provide technical assistance to improve states' targeting efforts.

Recommendation: The Secretary of Agriculture should require FNS to seek the advice and assistance of experts in the field of nutrition and related health sciences in evaluating the role of dietary assessment in WIC, particularly as it relates to assessing nutritional risk, and work with those at the forefront of nutrition research to develop dietary screening and assessment techniques appropriate for use in the WIC certification process.

Status: Action in process. USDA is considering this recommendation, but no time frame has been established.

Housing Assistance and Other Income Supplements

Home Ownership: Mortgage Bonds Are Costly and Provide Little Assistance to Those in Need

RCED-88-111, 03/28/88

Background

In response to a congressional request, GAO provided information on the role of qualified mortgage bonds in providing financing for first-time home buyers, specifically: (1) the extent to which they assisted low- and moderate-income buyers; and (2) how states are allocating issuance authority under the mandated cap.

Findings

GAO found that: (1) about two-thirds of the 177,786 buyers who received bond-assisted mortgage loans from January 1983 through June 1987 could have bought the same house at the same time without bond assistance; (2) assisted buyers generally had the same income, racial, marital, and age characteristics

as non-assisted buyers; (3) although about two-thirds of the assisted buyers were part of low- or moderate-income households, their median income was similar to the median income of all first-time buyers in metropolitan areas; (4) the median reduction in assisted buyers' interest rate was 1.44 percent, or about \$40 per month after taxes; (5) since bond assistance did not affect factors such as the buyer's ability to purchase the home, it did little to increase affordability; (6) recent tax reform laws narrowing the interest rate differential between tax-exempt and taxable issues will provide an even smaller increase in affordability; (7) qualified mortgage bond issuers used pre-Tax Reform Act authority to avoid cap restrictions on issuance authority; and (8) the federal tax loss was about \$25 million annually for every \$1 billion

of bonds issued and could cost \$7.8 billion from 1989 through 1993.

Open Recommendations to Congress

Recommendation: If issuance authority is extended, Congress should consider including in the Internal Revenue Code four requirements: (1) those being assisted cannot qualify to purchase the house under conventional requirements; (2) all or a portion of the subsidy should be recaptured at time of sale (based on the extent of appreciation of house price); (3) income eligibility requirements should be adjusted for the purchaser's household size; and (4) bond issuers and participating mortgage lenders should not be allowed to set aside mortgage funds for specific developers.

Status: Action in process.

Housing Assistance and Other Income Supplements

Housing Programs: Funding Approach for HUD's Section 8 Certificate Program Needs Changing

RCED-88-136, 04/18/88

Background

In response to a congressional request, GAO provided information on the adequacy of the Department of Housing and Urban Development's (HUD) funding approach for its Section 8 Existing Rental Assistance Certificate Program, focusing on: (1) the potential

shortfall in program funds; (2) whether HUD adequately compensated state and local public housing agencies (PHA) for their costs; and (3) how PHA changed administrative fees that exceeded their actual costs.

Findings

GAO found that: (1) HUD omitted some cost factors in its program cost estimates, such as inflationary rent increases, the usage rate for rental certificates, tenant contributions, and PHA administrative costs; (2) many state

and local PHA depleted their project reserves, resulting in Congress granting \$1.3 billion in supplemental budget authority from 1982 through 1987; (3) PHA had a net surplus of over \$22 million because HUD reimbursed them substantially more than their costs to administer the program; (4) HUD preferred to leave primary responsibility for usage of surplus funds with PHA; and (5) PHA used the funds for varying purposes, such as subsidizing other housing units, purchasing office equipment, and paying for office parties.

Open Recommendations to Agencies

Recommendation: To provide Congress with more accurate total program cost information for the 15-year budget

authority of the section 8 certificate rental assistance program, the Secretary of Housing and Urban Development should develop budgeting procedures that compute and annually update costs for existing and new certificates, based on all factors that have an impact on total program costs, including certificate usage rates, tenant contributions, rental increases, and administrative fees. **Status:** Action not yet initiated. HUD has not submitted its 60-day response. It has internal disagreements on its position.

Recommendation: To provide a continuing basis for determining rates for section 8 rental certificate administrative reimbursements and for updating the amounts included for administrative fees in program cost

estimates, the Secretary of Housing and Urban Development should periodically determine the actual costs being incurred by PHA throughout the country and provide this information to Congress as part of the annual HUD budget request.

Status: Action not yet initiated. HUD has not submitted its 60-day response. It has internal disagreements on its position.

Recommendation: The Secretary of Housing and Urban Development should issue more specific guidelines on the type of uses that are appropriate for surplus section 8 administrative fees. **Status:** Action not yet initiated. HUD has not submitted its 60-day response. It has internal disagreements on its position.

Housing Assistance and Other Income Supplements

Public Housing: Problems Continue To Plague the Cuyahoga Metropolitan Housing Authority

RCED-88-122, 04/20/88

Background

In response to a congressional request, GAO reviewed the Cuyahoga Metropolitan Housing Authority's (CMHA) operations, focusing on: (1) previously identified CMHA problems; (2) its controls over the expenditure of federal housing funds; and (3) problems in its administration of the Department of Housing and Urban Development's (HUD) Section 8 Moderate Rehabilitation Program.

Findings

GAO analyzed eight reports issued since 1982 on CMHA operations, and found that CMHA: (1) had significant long-

standing management problems in finance and accounting, purchasing and inventory control, and maintenance and custodial services; (2) failed to maintain adequate internal controls over expenditures of federal funds; (3) did not comply with HUD program regulations regarding contract payments; (4) awarded 12 consultant or architectural/engineering contracts valued at \$742,881 without HUD approval; (5) did not follow its own procedures in 34 payments totalling \$267,000; and (6) made eight payments totalling \$45,542 without invoices. GAO also found that, under the Section 8 Moderate Rehabilitation Program, CMHA: (1) overpaid landlords an

estimated \$245,000 due to erroneous calculations by its staff; (2) failed to discover landlords' misrepresentations of purchase and repair costs; and (3) cancelled three housing contracts, improperly paying \$15,144 in rent subsidies.

Open Recommendations to Agencies

Recommendation: The Secretary of Housing and Urban Development should require that CMHA develop a plan, with specific time frames, to implement an effective system of internal controls and to correct the management problems that have been found in virtually all

areas of its operations, including its administration of the Section 8 Moderate Rehabilitation Program. In developing this plan, CMHA should use recent audits and reviews issued on CMHA operations to help identify significant problem areas and actions needed to overcome the problems identified in these reports.

Status: Action in process. Estimated completion date: 02/89. CMHA is developing a corrective action plan with specific time frames. HUD has also

approved a CMHA request for consulting services to provide a comprehensive financial procedures manual and an evaluation of the staffing needs of the finance department. HUD has analyzed CMHA actions on 31 findings concerning its section 8 moderate rehabilitation program.

Recommendation: The Secretary of Housing and Urban Development should review the plan that CMHA develops to ensure that it appropriately addresses

the identified problems, and monitor CMHA progress in implementing its plan.

Status: Action in process. Estimated completion date: 02/89. An audit advisory committee has been convened for the purpose of ensuring that identified problem areas are appropriately addressed within specific time frames. HUD will continue to monitor CMHA in accordance with revised HUD policy.

Other Income Security

Child Support: Need To Improve Efforts To Identify Fathers and Obtain Support Orders

HRD-87-37, 04/30/87

Background

GAO reviewed the Department of Health and Human Services' (HHS) Child Support Enforcement Program to determine: (1) whether states' efforts to determine paternity and obtain support orders for children who receive Aid to Families with Dependent Children (AFDC) are adequate; (2) whether the data compiled are sufficient for program oversight; and (3) the potential impact of recent legislative amendments to the program.

Findings

GAO found that 42 percent of the children receiving AFDC who needed paternity determinations did not receive them because: (1) AFDC agencies did not refer all cases to child support agencies; or (2) child support agencies did not open cases, closed them prematurely, or did not work on open cases for 6 months. GAO also found that: (1) state case-tracking and monitoring systems and

closure criteria were ineffective; (2) local agencies concentrated on cases offering the highest collections; (3) there are no federal standards to assess agencies' effectiveness in determining paternity and obtaining support orders; and (4) the HHS Inspector General (IG) has not reviewed the program's management. In addition, GAO found that: (1) 49 states felt that the 1984 Child Support Enforcement Amendments would help in collecting and enforcing support payments; (2) 20 felt they would help in determining paternity; and (3) 29 felt they would help in obtaining support orders.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should require the Director, Office of Child Support Enforcement (OCSE), to improve state efforts to determine paternity and establish support orders by taking

appropriate steps to ensure that AFDC agencies refer cases and child support agencies open cases and pursue paternity and support orders as required by federal law and regulation.

Status: Action in process. In February 1988, OCSE issued and distributed practices for improving IV-A/IV-B interfacing. In addition, a set of minimum data collection elements for use at AFDC intake were issued in August 1988. However, proposed regulations on OCSE standards for service delivery are still being developed for issuance in fiscal year (FY) 1989, pursuant to the Family Support Act of 1988.

Recommendation: The Secretary of Health and Human Services should require the Director, OCSE, to improve state efforts to determine paternity and establish support orders by developing case closure criteria and providing guidance and assisting states in developing case-tracking and monitoring

systems for local child support agencies to ensure that cases do not go unattended for long periods, and that efforts to determine paternity and obtain support orders and provide other assistance are adequate.

Status: Action in process. OCSE plans to develop case closure regulations and changes to audit regulations to ensure that cases are not closed prematurely. States not adequately tracking and monitoring cases, compared to case closure criteria and functional performance standards, will be subject to an audit penalty. Regulations are to be issued in FY 1989, pursuant to the Family Support Act of 1988.

Recommendation: The Secretary of Health and Human Services should require the Director, OCSE, to improve state efforts to determine paternity and establish support orders by developing and implementing performance standards for determining paternity and obtaining support orders and auditing local agencies to determine whether

these standards are followed. Such audits should include an assessment of the sufficiency of staff, as specified by federal regulations.

Status: Action in process. OCSE is developing two proposed regulations to be issued in FY 1989, pursuant to the Family Support Act of 1988. They include standards for OCSE operations and paternity performance indicators. As of January 1988, OCSE had issued 32 penalty notices as a result of state audits. OCSE believes that the proposed regulations will encourage adequate staffing levels.

Recommendation: The Secretary of Health and Human Services should require the Director, OCSE, to improve state efforts to determine paternity and establish support orders by assessing the OCSE program audit and oversight operations and capabilities and recommending needed improvements to the Secretary.

Status: Action in process. OCSE has issued procedural changes for results

audits and follow-up reviews. Proposed audit regulations and paternity indicators are to be issued in FY 1989, pursuant to the Family Support Act of 1988. Two auditors have been hired and 16 more are to be hired.

Recommendation: The Secretary of Health and Human Services should require the Director, OCSE, to improve state efforts to determine paternity and establish support orders by continuing efforts to obtain accurate data from the states on paternity determinations and support orders and expanding the reporting requirements to obtain data on the states' performance of these tasks to enable OCSE to decide whether congressional intent for the program is being met, and to aid in fulfilling HHS oversight responsibilities.

Status: Action in process. OCSE is waiting for Office of Management and Budget approval of its revised state financial statistical report, which will require detailed program activity data.

Other Income Security

Social Security: Opportunities To Improve Productivity at Program Service Centers

GGD-87-54, 05/22/87

Background

Pursuant to a congressional request, GAO examined productivity at six Social Security Administration (SSA) program service centers (PSC).

Findings

SSA management recognized the need to improve and institutionalize productivity and required PSC directors to conduct at least one new project a year, which was

quantifiable in terms of monetary or work-year savings, to improve productivity. However, GAO found that the productivity variations among PSC indicated needed improvements in productivity management, specifically: (1) managerial responsibility for setting and meeting productivity improvement goals; (2) meaningful measures to assess performance and facilitate needed improvements; and (3) procedures to identify ways to reduce costs and

improve operations. GAO concluded that management could make greater use of existing performance data to enhance PSC productivity efforts and save costs by utilizing opportunities for folderless processing and implementing local computer applications at all PSC.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Commissioner of Social Security to hold managers accountable for achieving specific productivity improvement goals through establishing such goals in merit pay plans and Senior Executive Service (SES) contracts.
Status: Action not yet initiated. SSA has begun using productivity goals in SES contracts for regional commissioners, but has yet to extend this approach to PSC managers. At this time, only general requirements for productivity improvement are included in PSC managers' contracts, not specific, quantitative goals.

Recommendation: The Secretary of Health and Human Services should

direct the Commissioner of Social Security to use existing productivity data to: (1) identify which organizational elements are operating inefficiently and which products those organizational elements are inefficiently processing; and (2) expand employee involvement in the productivity effort by encouraging maximum employee participation and interest.

Status: Action in process. SSA is designing a system for identifying targets of opportunity for improvement. Currently, the system is being implemented in field offices, but has yet to be expanded to cover PSC.

Recommendation: The Secretary of Health and Human Services should direct the Commissioner of Social Security to ensure that beneficiary records folders are not retrieved and forwarded to benefit and claims

authorizers for actions which do not require the use of folders.

Status: Action in process. SSA has begun a major initiative to implement folderless processing. The project also involves reducing: (1) the number of documents in claims files; (2) inactive folder storage; and (3) folder access and movement.

Recommendation: The Secretary of Health and Human Services should direct the Commissioner of Social Security to require the expanded use of locally developed computer programs.

Status: Action in process. SSA is compiling lists of locally developed computer programs, which will be updated periodically and distributed to all PSC. Monthly reports will be used to monitor local programming activity and standardize use among PSC.

Other Income Security

Welfare and Taxes: Extending Benefits and Taxes to Puerto Rico, Virgin Islands, Guam, and American Samoa

HRD-87-60, 09/15/87

Background

Pursuant to a congressional request, GAO analyzed the potential effects of fully extending Supplemental Security Income (SSI), Aid to Families with Dependent Children (AFDC), Medicaid, foster care, Child Support Enforcement, and Food Stamp benefits, and federal income taxes, to Puerto Rico, the Virgin Islands, Guam, and American Samoa.

Findings

GAO found that: (1) federal costs would increase due to higher benefits, more recipients, and greater cost-sharing; (2)

area SSI and Medicaid costs would decrease because of changing program burdens and more restrictive eligibility criteria; (3) federal tax revenues would increase in the short term, but might decrease over time because of lost business tax incentives; (4) area corporate and income tax revenues would decrease; and (5) area officials generally supported extending most program benefits, but opposed extending federal income taxes.

Open Recommendations to Congress

Recommendation: Should Congress endeavor to make changes in the programs or taxes, it may wish to consider extending one program at a time to an area or subarea on an experimental basis, and determining the actual costs and the extent and nature of other effects.

Status: Action not yet initiated.

Recommendation: Should Congress endeavor to make tax changes, it may wish to consider gradually increasing taxes, such as by partially reducing

section 936 credits, to raise revenue to cover the cost of extending welfare programs. In addition, should Congress

consider extending U.S. income taxes to area residents and corporations, it may wish to assess the propriety of such

actions in view of the issues raised by area officials.
Status: Action not yet initiated.

Other Income Security

Legal Services Corporation: Benefits and Costs of Proposed Information System Improvements Not Clear

HRD-88-5, 03/08/88

Background

In response to a congressional request, GAO reviewed the Legal Services Corporation's (LSC) efforts to improve its management information system for evaluating grantee performance, to determine: (1) whether LSC adequately designed and developed the system; (2) whether LSC could realize the identified benefits; and (3) why system cost estimates varied.

Findings

GAO found that the proposed improvements could provide valuable information for monitoring grantee performance. GAO also found that the LSC design and development did not: (1) support the need for detailed timekeeping requirements; (2) identify and document the benefits of implementing its requirements; (3) explain how timekeeping and functional-reporting information would improve its ability to monitor grantee performance; and (4) ensure that grantees would use the information to better manage their programs. In addition, GAO found that: (1) LSC estimates varied from those of the Project Advisory Group because of

variations in estimates for processing records; and (2) neither estimate was based on analytical techniques with detailed support.

Open Recommendations to Agencies

Recommendation: The President, LSC, in conjunction with grantees, should determine what information LSC and grantees need to better monitor and manage grantee programs.

Status: Action in process. LSC has contracted with several experts in automating legal information systems to identify elements essential to the efficient and effective recording and organization of case service information. Draft review results have been submitted to LSC which are currently under review. LSC was unable to estimate when its review would be completed.

Recommendation: The President, LSC, in conjunction with grantees, should establish objectives and functions for its management information system.

Status: Action in process. LSC has contracted with several experts in

automating legal information systems to establish objectives and functions for its management information system. Draft results have been submitted to LSC which are currently under review. LSC was unable to estimate when its review would be completed.

Recommendation: The President, LSC, in conjunction with grantees, should use systematic analytical techniques to assess the costs of such a system.

Status: Action not yet initiated. No action has been taken to date to address this recommendation. LSC indicated that, as work progresses on other recommendations, it intends to take action to address this recommendation.

Recommendation: The President, LSC, in conjunction with grantees, should prepare a plan for an orderly design, development, and implementation process.

Status: Action not yet initiated. No action has been taken to address this recommendation. LSC indicated that as work is completed on other recommendations in the report, a plan will be prepared.

Other Income Security

Veterans' Pensions: Verifying Income With Tax Data Can Identify Significant Payment Problems

HRD-88-24, 03/16/88

Background

In response to a congressional request, GAO assessed the Veterans Administration's (VA) Pension Program to determine: (1) how accurately it records beneficiary income; (2) the extent of overpayments in the program nationwide; and (3) whether program access to tax data was warranted.

Findings

GAO found that: (1) of the 1.4 million 1984 VA pension recipients, 549,000 had \$947 million more income on their tax records than on the VA records; (2) because it did not include this income in its pension calculations, VA made potential overpayments of \$182.5 million; (3) more than 26,000 recipients reported no earned income to VA, while tax data showed earnings of at least \$1,000; (4) some recipients reported no earnings over several years while tax data showed significant earnings in those years; and (5) VA attributed about 60 percent of the overpayments to unrecorded interest and dividend income. GAO also found that: (1) VA could not identify about \$157.2 million in potential overpayments because it lacked access to tax data; (2) since VA did not field-test its self-reporting questionnaires before using them, design weaknesses could have added to the inaccurate reporting; and

(3) although allowing VA access to third-party-reported tax data would be the most practical way to verify income, the use of tax data for nontax purposes could intrude into personal privacy and erode public support of the nation's voluntary tax system.

Open Recommendations to Congress

Recommendation: Given the potential savings and the absence of data on potential adverse consequences to the tax system and taxpayer privacy, Congress should amend section 6103(1)(7) of the Internal Revenue Code to allow VA to access tax information so it can verify the income information that VA pension program beneficiaries report, investigate and resolve income differences, and prevent similar recurrences. In amending the law, Congress may wish to word it as follows: "Section 6103(1)(7) of the Internal Revenue Code is amended by: striking out the period at the end of subparagraph (A) and adding 'or Title 38, United States Code.' thereto; striking out the 'and' at the end of subparagraph (d)(vi); striking out the period at the end of subparagraph (D)(vii) and adding 'and' at the end thereof; and adding the following new subparagraph (D)(viii): '(viii) benefits provided under the veterans pension program.'"

Status: Action in process.

Open Recommendations to Agencies

Recommendation: To attain better reporting of beneficiary income and asset information, the Administrator of Veterans Affairs should revise VA income questionnaires and the accompanying instruction sheet to eliminate current design weaknesses, including those GAO identified.

Status: Action taken not fully responsive. VA has revised its Eligibility Verification Report (EVR) instruction sheet, but has concluded that budgetary and logistical constraints preclude any changes to the EVR form itself.

Recommendation: To attain better reporting of beneficiary income and asset information, the Administrator of Veterans Affairs should pretest the revised documents with a sample of beneficiaries before program-wide implementation to ensure that the beneficiaries clearly understand each question and instruction.

Status: Recommendation valid/action not intended. VA has concluded that budgetary and logistical constraints preclude changes to EVR at this time and that the current EVR has been sufficiently tested through use by the beneficiaries.

Other Income Security

Welfare Eligibility: Programs Treat Indian Tribal Trust Fund Payments Inconsistently

HRD-88-38, 05/20/88

Background

Pursuant to a legislative requirement, GAO provided information on: (1) the extent, size, nature, and frequency of payments Indian tribes and organizations received from certain tribal trust funds; (2) how various federal welfare programs treated the payments in determining program eligibility; and (3) the reasons for legislated special exclusions of such payments.

Findings

GAO found that: (1) from 1984 through 1986, members of 55 Indian tribes received payments from tribal trust funds that totalled about \$247 million; (2) members of 21 tribes received recurring, periodic payments that totalled about \$157 million, while members of 35 tribes received sporadic or one-time payments of about \$90 million; (3) 9,800 Indians received sporadic payments exceeding \$2,000; and (4) annual payments varied from \$12.61 to \$9,000 per person. GAO also found that: (1) federal welfare program regulations and policies varied regarding the legislative exclusion of \$2,000 from all tribal trust fund payments for non-Social Security program eligibility determinations; and (2) it could not determine the reasons for the legislative exclusion.

Open Recommendations to Congress

Recommendation: Congress should further amend the Judgment Funds Distribution Act to clarify how the \$2,000 exclusion should be applied by specifying whether it should be limited to single, annual, cumulative, or other time-phased payments. Congress may wish to consider whether it is appropriate to require excluding all tribal trust fund distributions and related purchases in determining eligibility for Social Security Act welfare programs, while specifying a \$2,000 exclusion for non-Social Security Act programs. Congress may also wish to consider the impact on Indians in conjunction with the equity of treatment of other individuals in need of federal welfare assistance.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Secretaries of Agriculture, Housing and Urban Development, and the Interior, and the Administrator of Veterans Affairs should clarify program regulations, policies, and other guidance so that tribal trust fund distributions and related purchases are treated consistently within the respective programs.

Addressee: Department of Agriculture
Status: Action in process. Estimated completion date: 02/89. The Department of Agriculture (USDA) will have regions

reiterate existing food stamp policies to state agencies.

Addressee: Department of Housing and Urban Development

Status: Action not yet initiated. The Department of Housing and Urban Development (HUD) believes it is inappropriate to take action until Congress has clarified how the exclusion should be applied.

Addressee: Department of the Interior

Status: Action in process. Estimated completion date: 02/89. The Department of the Interior's Bureau of Indian Affairs (BIA) revised its social services manual to ensure uniformity of treatment and plans to revise its procedures manual to reflect BIA policy.

Addressee: Veterans Administration
Status: Action in process. Estimated completion date: 02/89. Policy clarification was made by the Veterans Administration's (VA) Office of the General Counsel in May 1988 and its effect will be incorporated into program guidance.

Recommendation: The Secretaries of Agriculture, Housing and Urban Development, the Interior, and Health and Human Services, and the Administrator of Veterans Affairs, should establish procedures to ensure that local programs comply with federal program regulations and policies.

Addressee: Department of Agriculture
Status: Action in process. Estimated completion date: 02/89. USDA will have its regions find out whether compliance problems exist in states GAO reviewed

so that corrective measures may be taken.

Addressee: Department of Housing and Urban Development

Status: Action not yet initiated. HUD is prepared to cooperate, but believes Congress should act first to clarify how the exclusion is to be applied.

Addressee: Department of the Interior

Status: Action in process. Estimated completion date: 02/89. BIA will consider its policy change to exclude from counting as a resource or income the first \$2,000 per person per year should

be made administratively or by regulation.

Addressee: Veterans Administration
Status: Recommendation valid/action not intended. VA believed that special procedures to monitor this small element of its pension program are not warranted because it has a quality control program that regularly reviews implementation of instructions. VA verbally contacted an official in the regional office that GAO found was not adhering to written policy and believes that office practices now comply with the law as currently interpreted.

Addressee: Department of Health and Human Services

Status: Action in process. Estimated completion date: 02/89. The Department of Health and Human Services reaffirmed its draft report comments that current AFDC policy of excluding all judgment award and other tribal trust fund distributions in determining applicant eligibility will be reinforced by proposed regulations that will also provide policy for excluding ANCSA payments as required by P.L. 100-241.

Unemployment Compensation

Need To Improve Internal Controls To Curtail Fraud and Abuse in the RRB Unemployment and Sickness Insurance Program

HRD-85-37, 02/27/85

Background

GAO assessed the Railroad Retirement Board's (RRB) controls for preventing and detecting fraud and abuse in its Unemployment and Sickness Insurance (SI) Program.

Findings

The program paid out about \$1.4 billion in benefits during the last 5 years to 1 million qualified rail workers who became unemployed or were absent from work due to sickness. GAO found that, although 38 states collect wage records against which RRB could detect instances of persons working in nonrail

employment while collecting unemployment or sickness benefits, RRB does not attempt to make such detections. Further, RRB does not have procedures to notify a rail employer that a claimant has filed for unemployment benefits. GAO also found that RRB makes no attempt to identify the prevalent problem of employees' claiming benefits using another person's record. GAO noted that RRB internal controls over sickness claims are also vulnerable to fraud or abuse.

Open Recommendations to Agencies

Recommendation: RRB should, if it finds that implementation is feasible and cost-beneficial, require, as a minimum, some form of additional control to verify sickness claims.

Status: Action in process. Physician reporting forms have been revised to include physicians' tax ID. This can be used as a manual verification process at present. Development of a automated physician tax ID number verification system may be again delayed because of the passage of the Unemployment Insurance Act amendments in October 1988.

International Affairs

Internal Controls: State's Controls Over Personal Property Management Are Inadequate

NSIAD-87-156, 06/10/87

Background

GAO evaluated the effectiveness of the Department of State's internal controls over personal property and its adherence to regulations concerning such property.

Findings

GAO found that: (1) of the 16 foreign offices it visited, most had not fully and properly taken inventory, and only 1 had adequately reconciled its inventory; (2) of the seven domestic offices it visited, none had properly taken and reconciled inventories; (3) although State has automated management systems at several locations, it has not provided all locations with sufficient guidance and training; and (4) State has not given attention to ensuring that internal controls are adequate. GAO also found that: (1) State's regulations contain insufficient requirements for domestic warehouse operations; (2) its controls over the security of warehouse property are inadequate; and (3) none of State's warehouses had taken or reconciled inventories of all their property in fiscal year (FY) 1986.

Open Recommendations to Agencies

Recommendation: The Secretary of State should direct the Under Secretary for Management to implement a new mechanism that would ensure that property management problems are corrected.

Status: Action in process. Estimated completion date: 10/89. State responded to Congress that a management action plan to ensure problem correction will be fully implemented by October 1989.

Recommendation: The Secretary of State should direct the Under Secretary for Management to immediately correct the physical security problems found at domestic warehouses.

Status: Action in process. Estimated completion date: 03/89. A security review was performed, with some action being taken immediately. A few actions requiring time and funding are planned to be completed by March 1989.

Recommendation: The Secretary of State should direct CPMO to develop, for inclusion in the Foreign Affairs Manual,

specific guidance and regulations sufficient to ensure adequate internal controls over domestic warehouse operations and to monitor compliance with the regulations.

Status: Action in process. This guidance is planned for development and inclusion in the Foreign Affairs Manual by the end of 1988.

Recommendation: The Secretary of State should identify the management control weaknesses found at domestic warehouses in the next annual Financial Integrity Act (FMFIA) report to the President and Congress, including actions taken and planned for correcting the weaknesses. The actions and plans should address the specific responsibilities of each warehouse organization and establish responsibility and authority for ensuring the adequacy of internal controls in operation at State's domestic warehouses.

Status: Action in process. Regulations for warehouses will be developed. Draft regulations are in review. Warehouses are to be included in the monitoring program. Regulations were in final editing on October 17, 1988.

Conduct of Foreign Affairs

Export Promotion: Activities of the Commerce Department's District Offices

NSIAD-86-43, 02/14/86

Background

Pursuant to a congressional request, GAO reviewed the mission, activities, and effectiveness of the Department of Commerce's district offices.

Findings

GAO noted that: (1) the primary goal of district offices is to assist small firms in developing their export potential; (2) in recent years, district offices have devoted an increased portion of their resources to assisting businesses in complying with export control regulations; and (3) Commerce tracks its success by measuring how many new exports take place as a result of district office counseling and other assistance. GAO found that: (1) district offices were not as effective in influencing businesses to enter new export markets as their

reported accomplishments suggested; (2) only 38 percent of the firms surveyed found that export counseling was somewhat influential in making decisions to export in new markets; and (3) there was insufficient control over the accuracy of district office reporting. GAO also found that: (1) district offices tightened controls over reporting and revised the criteria for measuring success in developing new exporters or markets; (2) the firms assisted by the district offices did, for the most part, find the help useful; and (3) although Commerce tries to measure the effectiveness of its export promotion efforts by reporting export accomplishments, it cannot measure the usefulness or value of facilitating exports to established markets.

Open Recommendations to Agencies

Recommendation: To better evaluate the United States and Foreign Commercial Service's (US&FCS) contributions in developing new exporters and new markets and the value of its export facilitation assistance, the Director General, US&FCS, should periodically survey the businesses that are helped by the district offices to obtain their perceptions of the value of the services received.

Status: Action in process. Estimated completion date: 01/89. On May 27, 1988, OMB committed to issuing a final opinion within 30 days. The survey document was approved by OMB in August 1988. Copies of the survey document are being printed and staff is being assembled to implement the first survey.

Conduct of Foreign Affairs

International Trade: Review of Effectiveness of FAS Cooperator Market Development Program

NSIAD-87-89, 03/17/87

Background

In response to a congressional request, GAO reviewed the effectiveness of the cooperator programs that the Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) implemented to develop, maintain, and

expand foreign markets for U.S. agricultural commodities.

Findings

GAO found that FAS has: (1) allowed cooperators to implement numerous and

varied long-term programs and has placed few restrictions on the funding a cooperator can receive for a program; (2) not established criteria to help cooperators focus on opportunities for market development or expansion; (3) not critically assessed program results;

(4) failed to evaluate programs sufficiently to determine which market development activities are effective or which need refining or terminating; (5) established guidelines that encourage, but do not require, cooperators to contribute annual amounts equal to the FAS funds; and (6) defined cash, goods, and services contributions inaccurately, conveying the impression that cooperators participated more fully in financing marketing activities than they actually did.

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should direct the Administrator, FAS, to clarify the cooperator program goal of developing, maintaining, or expanding U.S. markets. In doing so, FAS should consider establishing limits on total funding levels and time frames for individual cooperator programs and whether the preponderance of federal funds should be devoted to market maintenance or market development activities. In this connection, FAS should keep the appropriate congressional committees informed of, and seek their support for,

its progress in clarifying the program goal.
Status: Recommendation valid/action not intended. USDA disagreed with the GAO position and supports its existing approach.

Recommendation: The Administrator, FAS, should also consider establishing a transition program whereby FAS and cooperators equally share initial market development costs and, depending on the criteria established pursuant to the first recommendation, determine if and when cooperators will assume the larger share of program costs, and eventually assume total responsibility for specific market development activities.
Status: Recommendation valid/action not intended. FAS disagreed with this recommendation and supported continuation of its current approach.

Recommendation: The Secretary of Agriculture should direct the Administrator, FAS, to continue efforts to measure program results to help determine the usefulness of activities under the cooperator programs. An area where efforts should be focused is the measurement of short-term performance against program objectives. For example, if a program is undertaken to raise

consumer awareness about a certain U.S. agricultural product, it would be appropriate to measure the change in consumer attitudes when the program is completed.
Status: Action in process. GAO is working with USDA to develop an improved evaluation methodology.

Recommendation: The Secretary of Agriculture should direct the Administrator, FAS, to revise guidelines to define all program contributions based on the source of contribution, rather than on the type of asset contributed.
Status: Recommendation valid/action not intended. USDA disagreed with the GAO interpretation of its approach.

Recommendation: The Secretary of Agriculture should direct the Administrator, FAS, to determine the extent to which the program is receiving improper, inflated, or misleading reports on cooperator contributions and, if significant, to use its various reviews to enforce compliance with FAS criteria.
Status: Recommendation valid/action not intended. USDA disagreed with this recommendation, and therefore, does not intend to take any corrective action.

Conduct of Foreign Affairs

Export Controls: Assessment of Commerce Department's Foreign Policy Report to Congress

NSIAD-87-176, 07/23/87

Background

Pursuant to the Export Administration Amendments Act of 1985, GAO reviewed the Department of Commerce's reports to Congress on export controls to assess

Commerce's compliance with statutory requirements.

Findings

GAO found that: (1) Commerce reported to Congress on the purpose of export controls, their compatibility with foreign policy, other nations' reactions, economic impacts, enforceability, and other

information; (2) the reports met the act's requirements; (3) the reports addressed the issue of symbolic, largely unenforceable export controls intended to meet other foreign policy objectives; and (4) the reports did not adequately discuss the controls' enforceability.

Open Recommendations to Agencies

Recommendation: With respect to section 6(b)(1)(E) of the 1979 act, as

amended, the Secretary of Commerce should include in future reports to Congress a description of all known or suspected diversions identified during the prior year, including analyses of how they occurred, remedial actions taken, expectations as to the prospects for preventing future diversions, and an assessment of the government's capability to be knowledgeable of such diversions.

Status: Action taken not fully responsive. Commerce stated its

intentions to carry out this recommendation, and the extent of its actions would be apparent in January 1988, when Commerce issued its report. Commerce's January 1988 report did not include all the information GAO recommended. GAO is working with Congress.

Conduct of Foreign Affairs

International Trade: Commodity Credit Corporation's Refunds of Export Guarantee Fees

NSIAD-87-185, 08/19/87

Background

In response to a congressional request, GAO reviewed the Commodity Credit Corporation's (CCC) export credit guarantee fee refund policies and procedures to determine why it failed to refund a firm over \$270,000 in failed export sales.

Findings

GAO found that: (1) the CCC denial of the firm's refund request was consistent with its policy to retain guarantee fees when exporters did not have a firm sale at the time they obtained coverage; (2) CCC determined that the firm had obtained coverage in anticipation of a later sale, since the firm could not

demonstrate that it had a firm export sale; (3) although CCC claimed to have informed the exporter that a firm sale was required and that the fees were nonrefundable, CCC could not ensure that the exporter understood those policies when it applied for coverage; (4) CCC incurred financial risk, since the guarantee never became effective; and (5) it was not clear that CCC provided adequate information to the exporter.

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should direct the General Sales Manager, Foreign Agricultural Service (FAS), to amend the credit guarantee program regulations to: (1)

clarify the circumstances that must exist for users to obtain credit guarantee application approvals, including the need for and definition of a firm sale; (2) provide that users must have a firm sale to be considered for a guarantee fee refund should an export sale not be consummated; and (3) require that program users acknowledge their understanding of the application requirements and refund policy on the guarantee applications.

Status: Action taken not fully responsive. FAS contends GSM-102 program refund regulations and related guidance are adequate; however, FAS has issued an announcement concerning the need for a firm sale at the time of application and CCC refund policy.

Conduct of Foreign Affairs

International Trade: FAS Management of Livestock Cooperator Program

NSIAD-88-24, 10/26/87

Background

In response to a congressional request, GAO examined livestock cooperator activities under the Foreign Agricultural Service's (FAS) Cooperator Market Development Program to determine whether non-profit cooperators were distributing trade leads in a timely manner to other livestock exporters.

competition; (2) FAS proposed a conflict-of-interest provision to amend program guidelines, but did not act expeditiously to prevent some livestock cooperators from entering into contracts with their subsidiaries; and (3) existing guidelines did not address distribution of trade leads, receipt of commissions, operation of for-profit subsidiaries, and restrictive trade standards.

interest provision as a regulation to: (1) include a requirement for cooperators to certify that their activities under the program will comply with the regulation and applicable FAS guidelines and agreements; and (2) set out procedures for handling cases of cooperator noncompliance, including possible corrective actions to be taken by cooperators and the potential sanctions to be levied by FAS, such as withholding of funding or being declared ineligible for participation in the program.

Status: Action in process. FAS is in the process of finalizing a conflict-of-interest regulation for the Cooperator Foreign Market Development Program.

Findings

GAO found that: (1) although FAS knew of problems with certain livestock cooperators, it did not initiate actions to alleviate the conditions that permitted conflicts of interest and unfair

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should direct the Administrator, FAS, in finalizing and implementing the proposed conflict-of-

Conduct of Foreign Affairs

Immigration: The Future Flow of Legal Immigration to the United States

PEMD-88-7, 01/08/88

Background

In response to a congressional request, GAO developed projections concerning future legal immigration using information from the Immigration and Naturalization Service (INS) and the Bureau of the Census to: (1) describe past legal immigration flows; (2) forecast future legal immigration flows; (3) improve understanding of the immigration process concerning immediate relatives of U.S. citizens

exempt from the annual numerical limits; and (4) assess the effect of the emigration of legal immigrants on net immigration.

Findings

GAO found that the Immigration Reform and Control Act created three time-limited categories of legal immigrants considered to be de facto permanent U.S. residents, including: (1)

aliens who lived continuously and illegally in the United States prior to January 1, 1982, and who could apply for legal status; (2) aliens who performed certain agricultural services during the last 3 years; and (3) Cuban and Haitian refugees who continuously resided in the United States prior to January 1, 1982. GAO also found that from 1972 to 1985: (1) annual legal immigration increased from 384,000 to 570,000; (2) the number of numerically limited immigrants

stayed the same; (3) exempt-immediate-relative immigration increased steadily; and (4) the immigration of refugees varied according to influence from political events. GAO projections indicated that: (1) annual immigration should moderately increase from 546,190 to 605,600 from 1986 to 1990 because of steady increases in exempt-immediate-relative immigrants; and (2) there will not be a large increase in future chain migration of exempt-immediate-relative immigrants. GAO noted that, since there was no comprehensive approach to counting emigrants or uniformity in

developing net immigration measurements, the number of permanent resident aliens who later emigrate was unknown.

Open Recommendations to Agencies

Recommendation: The Attorney General should direct the Commissioner, INS, to consult with the Director of the Bureau of the Census to develop and implement a uniform methodology for estimating net immigration to the United States by adequately accounting

for the emigration of non-U.S. citizens and permanent resident aliens. This measure of the net immigration should reflect the policy objectives and requirements of the Immigration Reform and Control Act and other immigration laws.

Status: Action in process. Estimated completion date: 12/88. Justice has been working with Census on this recommendation. Ongoing and new methodologies for estimating net migration to the U.S. are being considered in an attempt to meet the objective of this recommendation.

Conduct of Foreign Affairs

Export Controls: Commerce's Assessment of the Foreign Availability of Controlled Items Can Be More Effective

NSIAD-88-71, 02/09/88

Background

GAO evaluated the Department of Commerce's procedures for conducting foreign availability assessments to determine whether militarily significant commercial products are freely available to the Soviet bloc from other countries.

Findings

GAO found that Commerce: (1) averaged 16 months to complete foreign availability cases, although the Export Administration Act of 1979 had envisioned a 90-day processing period; (2) had incomplete cases that were in process for up to 47 months; (3) had difficulty in obtaining necessary evidence; (4) was reluctant to publish a

determination without Department of Defense (DOD) concurrence; (5) needs to improve its information-sharing procedures with DOD and other agencies; and (6) should update its regulations specifying what information it uses in determining foreign availability. GAO also found that Commerce: (1) disagreed with DOD on information-sharing procedures; and (2) has started notifying other agencies of initiated assessments and requesting relevant information.

Open Recommendations to Agencies

Recommendation: The Secretary of Commerce should direct the Under

Secretary for Export Administration and the Secretary of Defense should direct the Deputy Under Secretary for Trade Security Policy to establish procedures for complete information-sharing consistent with the Export Administration Amendments Act of 1985.

Addressee: Department of Commerce
Status: Action in process. Commerce is providing DOD with advance notice of work. Commerce and DOD are negotiating access to DOD data bases.

Addressee: Department of Defense
Status: Action in process. Commerce and DOD are negotiating access to DOD data bases.

Conduct of Foreign Affairs

Overseas Support: Current U.S. Administrative Support System Is Too Complicated

NSIAD-88-84, 03/25/88

Background

In response to a congressional request, GAO reviewed the Department of State's administrative support to U.S. agencies located overseas, specifically: (1) State's administration of its support program; (2) agencies' satisfaction with the support; (3) the methods State used to distribute costs; and (4) factors adversely affecting the consolidation of various overseas administrative support efforts.

Findings

GAO found that agencies were uncertain about the: (1) extent of services they were supposed to receive through State's Foreign Affairs Administrative Support (FAAS) System; (2) cost of individual services; and (3) system for distributing FAAS costs among the involved agencies. GAO also found that: (1) although most agencies were satisfied with FAAS services, they were concerned about inexperienced or limited FAAS staff; (2) State paid salaries and related embassy personnel costs, telegraphic and information systems costs, security, and annual building operating expenses, while the agencies reimbursed State for various administrative support costs based on their subscribed services; (3) in fiscal year 1986, State paid \$222 million in FAAS costs, while the agencies paid \$78 million; and (4) agencies were unable to determine the reasonableness of FAAS

costs. In addition, GAO found that: (1) diverse agency requirements often complicated consolidation of administrative support services that could have avoided service duplication and reduced costs; (2) under new legislation, agencies will pay the full costs of services received; and (3) if State cannot provide adequate services at a reasonable cost, agencies that voluntarily participate in FAAS will seek alternatives.

Open Recommendations to Agencies

Recommendation: The Secretary of State should ensure that each overseas post has enough skilled personnel on hand to provide adequate FAAS services by using any one or a combination of available alternatives, such as: (1) providing more experienced personnel to posts experiencing serious administrative problems; (2) providing some on-the-job training for inexperienced junior officers by having them serve in an apprentice capacity at a larger post; (3) enhancing training for certain specialized positions; (4) giving appropriate priority to training Foreign Service nationals at posts in less-developed countries; (5) contracting with other agencies at certain posts that are better able to provide a specific FAAS service to all FAAS customers; (6) giving priority to those with the requisite skills to fill chronic shortages of specialized

positions when hiring new personnel; and (7) using Civil Service employees if Foreign Service Officers cannot meet specialized skill requirements.

Status: Action in process. Estimated completion date: 11/89. This issue is slated as an agenda item for the Department's Management Council so that the requirements may be assessed by top management in developing an action plan.

Recommendation: The Secretary of State should, in conjunction with the heads of other involved agencies, develop a revised administrative support cost distribution system that will eliminate the collection of work-load statistics in those cases where the cost of collecting such data is high in relation to the amounts being allocated and replace it with a per capita method to charge agencies for services to which they subscribed based on authorized staffing levels.

Status: Action in process. Estimated completion date: 11/89. Action on this item is currently in the planning stages. State intends to determine those countries where the use of FAAS services is relatively constant, resources are relatively small, and the attendant work load prohibitive. Accomplishing this, State plans to negotiate with the FAAS Council a reimbursement scheme using FAAS reimbursements adjusted for inflation and small program changes.

Conduct of Foreign Affairs

Sub-Saharan Africa: Factors Affecting Export Capabilities

NSIAD-88-145, 05/04/88

Background

In response to a congressional request, GAO reviewed Sub-Saharan African trade between the United States, the European Economic Community (EEC), and Japan to identify: (1) principal U.S., EEC, and Japanese imports from the region; (2) key restrictions that affect importations from the region; (3) EEC and Japanese trade practices aimed at reducing trade barriers to regional exports; and (4) U.S. efforts to reduce barriers and increase regional exports.

Findings

GAO found that: (1) in 1985, 94 percent of regional exports were primarily commodities, including petroleum, minerals, metals, and agricultural products; (2) most countries in the region were vulnerable to commodity market fluctuations, since they relied on two or three commodities for their export

earnings; (3) 81 percent of regional exports are to industrialized market economies, with very little trade within the region; (4) most regional exports enter U.S., EEC, and Japanese industrial markets with little or no duty, since they provide special preferential tariff treatment to developing countries; (5) nontariff trade barriers have affected many nonpetroleum exports, such as quotas that cover agricultural products and higher tariffs that exclude some textiles and apparel, which could discourage countries in the region from developing these potentially competitive industries; (6) U.S. requirements for obtaining trade preferences, such as health requirements and customs regulations, adversely affect regional export ability; (7) 17 countries had 70 percent or more of their total eligible exports excluded from duty-free treatment because exporters did not or improperly prepared trade preference

documentation; (8) in 1986, the U.S. government appointed a task force to end hunger in Africa that included increasing U.S.-regional trade; and (9) although the Agency for International Development (AID) received no new funds to implement the initiative, it received a \$500 million appropriation for regional development and has funded some training on export laws and regulations.

Open Recommendations to Agencies

Recommendation: The Administrator, AID, should expand its efforts to provide more training and seminars to better inform exporters of U.S. requirements. **Status:** Action not yet initiated. The AID response is overdue because the Administrator disapproved the initial response. The African Bureau is in the process of preparing a revised response.

Conduct of Foreign Affairs

Internal Controls: State Department Needs to Improve Management of Travel Advances

NSIAD-88-178, 08/15/88

Background

In response to a congressional request, GAO reviewed the Department of State's efforts to resolve problems in its management of travel advance funds, specifically: (1) current delinquent travel advances and those written off as

uncollectible; (2) State's compliance with applicable laws and regulations in managing the funds; (3) the adequacy of State's internal controls over the disbursement of advances and collection of unused balances; and (4) State's implementation of a congressional

recommendation concerning travel advance management.

Findings

GAO found that: (1) State's overdue or delinquent travel advances increased from about \$10 million in 1985 to about

\$15.4 million in 1987; (2) the number of overdue or delinquent accounts increased from 8,100 in 1985 to 19,800 in 1987; (3) State collected only a small portion of overdue travel advances through payroll deductions and was reluctant to issue dunning notices because of inaccurate data, backlogs in voucher processing, and staff shortages; and (4) State provided documentation for only 6 percent of the travel advances it wrote off in fiscal years (FY) 1986 and 1987, respectively. GAO also found that State: (1) lacked adequate internal controls to monitor travel advances issued worldwide; (2) used irregular techniques, such as transferring account balances to accounts with fictitious names and social security numbers, rather than writing them off or adjusting them; (3) did not assess interest, penalties, or handling charges on delinquent accounts because its accounting system was unable to compute interest and travellers could have incurred expenses against their advances; and (4) failed to review and reconcile individual accounts and records of outstanding advances to ensure prompt recovery.

Open Recommendations to Agencies

Recommendation: The Secretary of State should take immediate steps to make full use of State's authority to collect delinquent advances from employees through payroll deductions.
Status: Action not yet initiated.

Recommendation: The Secretary of State should take immediate steps to limit the amount of travel advances to foreign service employees to 80 percent of estimated reimbursable expenses, in

conformance with governmentwide regulations.

Status: Action not yet initiated.

Recommendation: The Secretary of State should take immediate steps to assess interest, penalties, and processing charges on all delinquent travel advances, as required by the Debt Collection Act of 1982.

Status: Action not yet initiated.

Recommendation: The Secretary of State should take immediate steps to use available remedies to liquidate delinquent advances to non-State travellers, such as: (1) making appropriate arrangements with other agencies for their help; (2) offsetting income tax refunds; and (3) reporting delinquent debts to consumer reporting agencies.

Status: Action not yet initiated.

Recommendation: The Secretary of State should take immediate steps to offset from any future request for travel advances an individual's unliquidated balance from prior advances or deny further advances to anyone with a delinquent account.

Status: Action not yet initiated.

Recommendation: The Secretary of State should take immediate steps to file amended reports for FY 1986 and 1987 with the Department of the Treasury to reflect only write-offs that have been properly documented, and reevaluate the documented write-offs that exceed the authorized limits, especially those involving current and former federal employees, with a view toward having these individuals properly liquidate their accounts, rather than having State declare them uncollectible.

Status: Action not yet initiated.

Recommendation: The Secretary of State should take immediate steps to perform a detailed evaluation of State internal controls over travel advances, assessing State's vulnerability to fraud, waste, and abuse in the handling of travel advances, and taking corrective action on identified problems.

Status: Action not yet initiated.

Recommendation: The Secretary of State should take immediate steps to review the bogus transactions, make adjustments to correct the records, assess the extent that laws and regulations may have been violated, and ensure adequate internal controls are in place to prevent any future fictitious accounting entries.

Status: Action not yet initiated.

Recommendation: The Secretary of State should take immediate steps to reconcile the accounts and records of each individual outstanding travel advance, in line with government-wide regulations, prior to transferring these accounts to the new financial management system.

Status: Action not yet initiated.

Recommendation: The Secretary of State should take immediate steps to ensure that adequate resources are devoted on a continuing basis to properly controlling travel advances.

Status: Action not yet initiated.

Recommendation: The Secretary of State should take immediate steps to amend State's 1987 Federal Managers' Financial Integrity Act report on its management of travel advances to make it accurately reflect the actual status of State's efforts to correct identified weaknesses.

Status: Action not yet initiated.

Conduct of Foreign Affairs

State Department: U.S. Involvement in the American Club in Greece

NSIAD-88-207, 09/22/88

Background

Pursuant to a congressional request, GAO reviewed the Department of State's involvement with the defunct American Club in Greece.

Findings

GAO found that: (1) the U.S. Embassy in Athens, Greece, established the club as an employee association in 1948; (2) the club closed in 1985, leaving unpaid debts, including employee severance payments, social security payments, bank loans, and utility bills; (3) embassy staff did not comply with regulations regarding monitoring the club's activities; (4) a former embassy employee improperly personally cosigned a club loan; (5) the Embassy implied to Greek authorities that the cosigner had diplomatic immunity, although State regulations

did not allow such immunity for employees' personal debts; and (6) Greek courts held the U.S. government responsible for the club's debts. GAO also found that: (1) State and the Department of Justice believe that the U.S. government will ultimately pay the club's debts, but the agencies disagree over the source of funding to settle the claims; and (2) State instituted procedures to reduce the government's potential liability for similar debts, including issuing a statement regarding support for private clubs and requesting annual statements from the clubs.

Open Recommendations to Agencies

Recommendation: The Secretary of State should resolve with the Attorney General which funds will be used to pay the out-of-court settlements of the

specific cases involving the American Club in Greece.

Status: Action not yet initiated.

Recommendation: The Secretary of State should hold ambassadors or their designees responsible for monitoring employee associations, as provided in the Foreign Affairs Manual, and ensure that such activities are operating in a financially responsible manner.

Status: Action not yet initiated.

Recommendation: The Secretary of State should remind specifically involved employees that State will waive their diplomatic immunity if they attempt to evade personal debts or other personal liability that may accrue to them in their capacity as officers in embassy associations.

Status: Action not yet initiated.

Foreign Economic and Financial Assistance

Caribbean Basin Initiative: Need for More Reliable Data on Business Activity Resulting From the Initiative

NSIAD-86-201BR, 08/29/86

Background

In response to a congressional request, GAO surveyed 285 new businesses in the Caribbean Basin region regarding their operations in Central America and the Caribbean, specifically: (1) how the Department of Commerce developed its

list of businesses; (2) the data Commerce obtained on the businesses; and (3) the results of GAO conversations with some of the businesses.

Findings

GAO found that: (1) the Commerce list is not a reliable indicator of business investments made as a result of the Caribbean Basin Initiative (CBI) and is useless in measuring the program's

effectiveness; (2) the list lacked information on businesses' addresses, phone numbers, and commencement of operation dates; (3) publicized information on successful ventures could inform and encourage potential investors; (4) Commerce's data should differentiate among proposed and actual investments, new firms opened and expanded due to CBI trade provisions, and new business activities indirectly related to CBI, to lessen the risk of misinterpreted or misrepresented information; (5) some firms on the list were not related to CBI trade provisions; and (6) 37 of the 106 firms contacted said

CBI had greatly influenced their decisions to establish operations in the Caribbean Basin, while 39 said CBI had not been a factor in their decisions.

Open Recommendations to Agencies

Recommendation: The Secretary of Commerce should ensure that the planned 1986 survey of CBI-related business activity develops reliable data. At a minimum, the data should be: (1) screened to avoid double-counting of firms and to exclude firms that have no relationship to CBI; (2) verified to ensure

completeness and accuracy; and (3) analyzed to determine each business' operational status and relationship to CBI.

Status: Action in process. Estimated completion date: 12/88. Commerce accepted this recommendation and plans to implement it in a study of CBI-related investments, which began in early 1987. In coordination with the Agency for International Development, Commerce developed a methodology for the study, which has been approved by the Office of Management and Budget. The study is now in draft.

Foreign Economic and Financial Assistance

Foreign Aid: Impact of Overseas Private Investment Corporation Activities on U.S. Employment

NSIAD-87-109, 05/05/87

Background

In compliance with a legislative requirement, GAO determined the impact of the Overseas Private Investment Corporation's (OPIC) activities on employment in the United States.

Findings

GAO found that OPIC: (1) approved projects that it should have expected would have negative impacts on U.S. trade and potentially negative impacts on U.S. employment; (2) continued to assist some projects despite their negative impacts on trade and employment; (3) did not ensure that its procedures provided adequate project screening and monitoring to prevent significant adverse effects from OPIC-assisted investments; (4) used a

methodology for computing the economic impact of its projects that led to overly optimistic reports to Congress concerning direct economic benefits; (5) did not routinely consult organizations such as labor unions and trade associations before approving projects; (6) did not adequately document job loss data when it evaluated proposed projects and monitored ongoing projects; and (7) has not determined the appropriateness of and circumstances for discontinuing assistance to projects whose operations have adverse effects on the U.S. economy.

Open Recommendations to Agencies

Recommendation: The President, OPIC, in consultation with the Administrator, AID, should, in annual reports to

Congress concerning the effects of OPIC-assisted projects on the U.S. economy, report: (1) without offsetting alternatives, the aggregate results of the operations of projects expected to have positive direct impacts on U.S. trade and employment separately from the aggregate results of those expected to have negative direct impacts; (2) separately the economic effects on the United States of any alternatives and assumptions that were considered and analyzed as part of the project approval process; and (3) separately the effect on trade and employment of project construction and start-up procurement. **Status:** Recommendation valid/action not intended. OPIC has not taken action on this recommendation. It believes that this recommendation would result in an inaccurate portrayal of the effects of OPIC-supported projects.

Foreign Economic and Financial Assistance

Liberia: Need To Improve Accountability and Control Over U.S. Assistance

NSIAD-87-173, 07/16/87

Background

In response to a congressional request, GAO examined U.S. economic, food, and security assistance programs to Liberia since 1980 to determine whether controls over U.S. funds are adequate.

Findings

GAO found that: (1) the Economic Support Fund and Food for Peace Programs faced several control problems, including misuse of rice and counterpart funds and Liberia's noncompliance with established assistance agreements; (2) the programs' counterpart funds cannot meet critical development objectives if Liberia does not comply with the agreements; and (3) although there was no evidence of any abuse in the military housing construction program, there was little

evidence of systematic controls over contract administration prior to 1985, when Liberia handled contract awards. GAO believes that an effective Agency for International Development (AID) strategy will require Liberia to: (1) improve its accountability; and (2) meet the funding needs of its budget to adequately support development projects.

Open Recommendations to Agencies

Recommendation: The Administrator, AID, should negotiate agreements with the government of Liberia to strengthen controls over the Public Law 480 program. The following provisions should be considered: (1) counterpart funds should be placed in a commercial bank not affiliated with Liberia; (2) the

AID mission should be allowed to have prior approval authority for all checks written on the counterpart fund account; (3) project plans that include such things as project objectives, budget line items, and reporting requirements should be submitted to the AID mission prior to disbursing counterpart funds; and (4) independent verification of counterpart fund use should be made by a party acceptable to both Liberia and the United States.

Status: Action in process. Estimated completion date: 06/89. AID has made an initial assessment and is negotiating tighter controls with Liberia. Actions have included direct negotiations, but progress in certain areas has been slow. AID will shortly provide a copy of the operational expert report on Liberian controls, which will provide updated information on the status of actions.

Foreign Economic and Financial Assistance

Foreign Aid: Improvement Needed in Management of Technical Services Contracts

NSIAD-87-183, 08/18/87

Background

In response to a congressional request, GAO reviewed the Agency for International Development's (AID) procurement practices and management controls for centrally managed contracts to determine whether AID complied

with the laws and regulations applicable to those contracts.

Findings

GAO found that: (1) while AID generally complied with procurement regulations, in some cases it failed to adequately

publicize procurements; (2) although AID established a data base to monitor the amount of and reasons for contract amendments and noncompetitive awards, it did not analyze the data; and (3) because AID has not established written guidelines for its centrally managed procurements, it has

inadequate control over contract awards. GAO also found that project officers did not: (1) enforce compliance with an agency requirement that contractors identify the project number on their invoices; and (2) ensure that contractors performed services before receiving payment. In addition, GAO found that the agency's annual report to Congress did not discuss the status of its planned initiatives to increase competition or the

reasons for any significant changes in noncompetitive awards.

Open Recommendations to Agencies

Recommendation: The Administrator, AID, should discuss the status of all actions previously proposed and provide an analysis of the trends in number and percentage of competitive procurement

actions, since 1985, in reports to Congress on competition.

Status: Action in process. Estimated completion date: 01/89. AID discussed the status of all actions in its January 1988 report to Congress on competition, but included only a limited analysis of contracting trends. Full analysis will be included in the AID January 1989 report.

Foreign Economic and Financial Assistance

Food Aid: Improving Economic and Market Development Impact in African Countries

NSIAD-88-55, 12/21/87

Background

In response to a congressional request, GAO examined the economic and market development impact of Public Law 480 food aid to four African countries.

Findings

GAO found that under Title I programs: (1) U.S. agricultural and foreign policy interests, weak agreement provisions, and recipient governments' failure to fully implement some agreement provisions weakened developmental benefits; (2) long-term impact on the economy was difficult to measure; (3) self-help measures should be more measurable and better focused on economic development objectives; and (4) the Agency for International Development's (AID) missions have not fully complied with requirements for monitoring and reporting on recipient governments' implementation of the programs. GAO also found that Title II programs have provided humanitarian assistance, but inadequate private

voluntary organizations' (PVO) management limited efforts to alleviate malnutrition and poverty. In addition, GAO found that: (1) AID mission staff have other duties which they perceive as having a higher priority; (2) economic problems have precluded the African countries from progressing to the point of financing imports on commercial terms; and (3) improvements in AID planning and oversight could enhance both programs' benefits.

Open Recommendations to Congress

Recommendation: If Congress concludes that local currencies should be used to some extent to support community and rural development projects which do not include a direct feeding component, it should direct that such use be made. Congress should also include safeguards to ensure that traditional humanitarian feeding programs receive priority in the use of available resources. Congress should further consider amending sections 202, 206, and 207 of Title II,

making the provisions expressly applicable to cooperatives as well as PVOs.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Administrator, AID, should improve oversight of the Title I programs by ensuring, during the Washington review of draft Title I agreements, that they: (1) include specific and measurable self-help measures which directly contribute to economic development; (2) specify local currency uses; and (3) include time frames for routine progress consultations with recipient governments.

Status: Action in process. AID stated that it is reviewing its procedures and programming regulations in order to develop measures to enhance AID oversight of the Title I program.

Recommendation: The Administrator, AID, should improve oversight of the Title I programs by increasing missions'

attention to the oversight of the program, such as reallocating existing mission staff, funding monitoring activities with Title-I-generated local currencies, and using short-term consultants to evaluate self-help measure implementation and local currency projects.

Status: Action in process. AID stated that it is reviewing its regulations and has assigned food aid coordinators in each geographic region to improve analyses and management of food aid resources. AID is also testing a model food aid management plan in two missions.

Recommendation: The Administrator, AID, should improve oversight of the Title I programs by ensuring that missions: (1) verify and document recipient-government implementation of self-help and local currency provisions; (2) submit well-documented, interim and annual analyses of recipient governments' implementation of self-help programs; and (3) define the specific duties of, and the relationships between, offices and individuals responsible for program design and monitoring, including mission controllers.

Status: Action not yet initiated. AID stated that it is reviewing its procedures and programming regulations in order to develop measures to enhance AID oversight of the Title I program.

Recommendation: The Administrator, AID, should improve oversight of PVO Title II programs through assisting PVO to improve their operational plans and comply with operational plan guidance by: (1) providing them with technical assistance in preparing plans; (2) circulating to missions and PVO copies of plans that comply with operational plan guidance; (3) providing PVO with more specific criteria and a format for reporting financial information; and (4) requiring missions to be more actively involved in reviewing plans, providing them with a format for evaluating the plans' adherence to guidance and requiring mission analyses prior to AID, Washington's approval.

Status: Action not yet initiated. AID stated that it concurs with this recommendation and intends to review and revise its Title II regulations and procedures.

Recommendation: The Administrator, AID, should improve oversight of PVO Title II programs through clarifying mission oversight responsibilities, including: (1) requiring them to submit analyses of PVO annual reports on their progress toward operational plan objectives and to review management of PVO programs periodically; (2) specifying data that missions would routinely request from PVO to document the scope and results of projects; and (3)

defining mission responsibilities for monitoring PVO use of grant funds and achievements of benefits.

Status: Action in process. AID stated that it is reviewing its procedures and is testing a model food aid management plan in two missions, which is designed to clarify food aid monitoring and management responsibilities.

Recommendation: The Administrator, AID, should include in the field manual for Title II sales projects a requirement that missions review and approve PVO sales agreements with local buyers and periodically review local currency deposits and uses.

Status: Action in process. AID is developing a Food and Field Manual for Title II sales projects, which should include provisions to address this recommendation.

Recommendation: The Administrator, AID, should assess a sample of Title II local currency projects in fiscal year 1988 to ensure that sales are being properly administered and local currencies are being used as intended.

Status: Action not yet initiated. AID stated that it intends to assess a sample of Title II local currency projects.

Foreign Economic and Financial Assistance

Drug Control: U.S.-Mexico Opium Poppy and Marijuana Aerial Eradication Program

NSIAD-88-73, 01/11/88

Background

Pursuant to a legislative requirement, GAO reviewed the joint U.S.-Mexico

opium poppy and marijuana aerial eradication program in terms of the extent to which: (1) the program reduced

the Mexican poppy and marijuana crops; (2) Mexico effectively used U.S.-provided aircraft and other resources; and (3)

formal bilateral agreements provided the ongoing cooperation needed to expeditiously eliminate opium poppies and marijuana in Mexico.

Findings

GAO found that: (1) although initially the aerial eradication program significantly reduced opium poppy and marijuana cultivation in Mexico, farmers developed new techniques to make such eradication difficult; (2) Mexico has reemerged as a prominent marijuana supplier; and (3) the gap between crop cultivation and eradication will probably continue to widen. GAO also found that Mexico's Office of the Attorney General, which administered the aerial eradication program: (1) underused U.S. aircraft, primarily because of maintenance deficiencies and an insufficient number of pilots; and (2) disagreed with the United States and

contractors as to the cause of and responsibility for correcting deficiencies. In addition, GAO found that U.S. and Mexican officials: (1) agreed that the program needed additional aircraft, but purchased them without a bilateral analysis of the need; (2) lacked formal bilateral agreements addressing the frequency or scope of aerial surveys, annual eradication targets, or program validation and evaluation; and (3) failed to address problems involving insufficient spare parts, low pilot salaries, and inadequate program monitoring.

Open Recommendations to Agencies

Recommendation: The Secretary of State should instruct the Assistant Secretary for International Narcotics Matters to negotiate with the government of Mexico to revise the

formal agreements which form the framework of the bilateral program, to include provisions for: (1) developing comprehensive aerial surveys to identify the extent and location of opium poppy and marijuana cultivation; (2) setting annual eradication goals consistent with reasonable standards for aircraft use and availability; and (3) validating and evaluating the program's activities and progress.

Status: Action in process. Estimated completion date: 12/88. The governments of the United States and Mexico initiated negotiations to establish more detailed bilateral agreements for the joint aerial eradication program. However, the negotiations were suspended pending the installation of the next Mexican administration on December 1, 1988. State intends to submit draft agreements to the Mexican government in December 1988.

Foreign Economic and Financial Assistance

Agricultural Trade: Review of Targeted Export Assistance Program

NSIAD-88-183, 05/24/88

Background

Pursuant to a congressional request, GAO reviewed the Department of Agriculture's Targeted Export Assistance (TEA) program, focusing on the: (1) program's management, including the Foreign Agricultural Service's (FAS) documentation of its participant eligibility and funding allocation decisions; and (2) adequacy of the FAS evaluation process, how evaluations affect present and future funding allocations, and the commodities, activities, and geographical markets receiving TEA funds.

Findings

GAO found that: (1) FAS did not provide sufficient documentation for funding decisions, making it difficult to assess whether FAS applied funding criteria equitably and consistently; (2) FAS did not adequately solicit TEA applications at the onset of the program, which gave former or current participants in the Cooperator Market Development Program an advantage in applying for TEA funds; (3) FAS based most of its decisions on the TEA applications and not on the more detailed activity plans; (4) some TEA applications did not

contain the necessary data for FAS to conduct in-depth marketing analyses of the proposed commodities and countries; (5) some participants did not have the opportunity to review TEA guideline changes; and (6) the tripling of TEA funding in the program's last 2 years would exacerbate management problems. GAO also found that: (1) contribution level and form requirements varied among participants, but FAS did not document the reasons for these variations; (2) participants did not adequately document the identities of third-party contributors and the

methods used to derive their contribution levels; and (3) FAS did not closely monitor the nonprofit trade associations' administration of brand-identified promotion, resulting in some potential TEA participants not receiving timely program information. In addition, GAO found that FAS did not provide formal written guidelines on evaluation content, focus, cost, or characteristics of an acceptable third-party evaluator.

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should direct the Administrator, FAS, to: (1) document the funding allocation decision process to clearly show how funding criteria were applied and prioritized and the basis for those decisions; (2) base the funding allocation decisions, not only on the applications and TEA proposals, but also on the activity plans; (3) conduct ongoing, in-depth marketing analyses for all TEA commodities and their countries or regions of promotion to ensure that TEA funds are allocated for those commodities and markets with the greatest potential for successful market

development; and (4) provide all TEA participants with an opportunity to review and comment on proposed TEA guideline additions and changes, including a written record of any such proceedings.

Status: Action in process. FAS has announced its intention to require TEA program guidelines and make related management changes to improve the efficiency and effectiveness of program operations.

Recommendation: The Secretary of Agriculture should direct the Administrator, FAS, to: (1) document in writing the basis for the form and level of contributions for each TEA participant; (2) define the importance of third-party contributions in the funding decision process and more closely enforce the FAS guideline that the participants document the method by which third-party contributions are derived and the identities of the parties involved; and (3) more closely monitor TEA funds allocated for brand-identified promotion to ensure that all eligible private firms receive timely information about the program and have an opportunity to apply for TEA funds.

Status: Action in process. FAS has announced its intention to make changes in TEA guidelines and increase the management oversight, in part to respond to the GAO recommendations.

Recommendation: To help in the establishment of the new FAS Marketing Programs Division's Program Evaluation Section, the Secretary of Agriculture should direct the Administrator, FAS, to: (1) develop specific criteria to be included in the TEA guidelines for evaluating the TEA program; (2) require that the TEA evaluations be completed to coincide with the FAS application approval and funding allocation process; and (3) implement a formal system of internal controls for collecting, tracking, and documenting the progress and results of the TEA evaluations, including their impact on funding allocation decisions.

Status: Action in process. FAS has announced its intention to revise relevant TEA guidelines and establish appropriate internal controls, including the development and operation of a program evaluation unit.

Foreign Economic and Financial Assistance

International Trade: Commodity Credit Corporation's Export Credit Guarantee Programs

NSIAD-88-194, 06/10/88

Background

In response to a congressional request, GAO reviewed the Foreign Agricultural Service's (FAS) management of the Commodity Credit Corporation's (CCC) export credit guarantee programs, focusing on the programs' efficiency and effectiveness.

Findings

GAO found that CCC: (1) failed to adequately enforce program regulations requiring exporters to include payment schedules with their export reports; (2) submitted inaccurate reports to Congress and rescheduled foreign debt guarantees without knowledge of the actual

amounts outstanding; (3) lacked sufficient controls to ensure the purchase of U.S. agricultural commodities through its export guarantee programs; and (4) did not establish a procedure to verify that agricultural products arrived at the specified countries.

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should direct the General Sales Manager, FAS, to enforce compliance with the requirement that exporters must submit complete reports of exports to ensure the accurate accounting of outstanding guarantees.
Status: Action in process. FAS is reviewing the issue and considering some relevant program changes.

Recommendation: The Secretary of Agriculture should direct the General Sales Manager, FAS, to design, develop, test, and implement internal controls, including random on-site verifications, to

ensure that loan guarantees are used to obtain U.S. agricultural commodities.
Status: Action in process. FAS has indicated that it is reviewing the issue of internal controls and spot checks and has yet to make a final decision.

Recommendation: The Secretary of Agriculture should direct the General Sales Manager, FAS, to clarify program regulations with specific definitions for a U.S. agricultural commodity and a firm sale and require acknowledgement of these requirements on guarantee applications.

Status: Action in process. FAS announced a change to U.S. content guidance on September 21, 1988, as a

result of investigations showing that large amounts of foreign tobacco have been exported as U.S.-origin tobacco under the program. Further revisions appear to be possible.

Recommendation: The Secretary of Agriculture should direct the General Sales Manager, FAS, to provide timely and accurate decisions on document revisions requested by exporters or their assignees.

Status: Recommendation valid/action not intended. FAS maintains that it has always been responsive to issues raised by program participants. GAO continues to believe that FAS can do more to be responsive to participant inquiries.

Foreign Economic and Financial Assistance

Foreign Aid: Issues Concerning AID's Private-Sector Revolving Fund

NSIAD-88-185, 07/18/88

Background

In response to a congressional request, GAO reviewed the operations of the Agency for International Development's (AID) Private-Sector Revolving Fund, specifically, its: (1) financial management; (2) funding levels; and (3) management and monitoring of field projects.

Findings

GAO found that the fund had several financial management weaknesses, including: (1) a data base that was inadequate for accurately projecting cash flow and additional appropriations requirements; (2) a lack of complete and audited financial statements to ensure the integrity of its annual reports; (3) no

loss reserve account; and (4) inadequate procedures for converting loan reflows of principal, interest, and fees into U.S. securities. GAO also found that: (1) the \$8.5 million AID requested for its fiscal year 1989 appropriation would exceed its requirements; (2) staff limitations affected the quality of field mission project management and monitoring; (3) AID could not effectively operate a larger program; and (4) AID did not have an overall risk policy for the fund that defined the balance between projects' credit worthiness and AID developmental goals. In addition, GAO found that AID took several actions to address the fund's financial difficulties, including: (1) revising cash flow projections, (2) preparing financial statements; (3) establishing a loss reserve account; (4) strengthening reflow

investment procedures; and (5) hiring a financial consultant.

Open Recommendations to Agencies

Recommendation: The Administrator, AID, should provide sufficient resources for strengthening the management and monitoring of revolving fund projects by adding fund staff and increasing the direct involvement of its field missions in project management. The Administrator should also provide for annual audited revolving fund financial statements.

Status: Action in process. AID stated that it is committed to supporting the fund and that necessary resources will be provided. Actions underway include

fund projects with mission market strategies. AID also plans to increase the number of fund contract personnel in the field. AID stated that fund financial statements would be audited on an annual basis, in accordance with the Inspector General Act of 1978, as amended.

Recommendation: The Administrator, AID, should establish a fund policy on maximum collateral requirements for

local banks. The policy should: (1) establish a ceiling on banks' collateral requirements as a condition for fund loans and guarantees; (2) identify options for encouraging bank lending based on project performance and cash flow, instead of collateral-based lending; and (3) define, as part of an overall policy of what constitutes acceptable risk, the loss rates necessary and acceptable for balancing developmental goals and the objective of ensuring that revenue

exceeds losses to retain revolving fund capital.

Status: Action in process. AID agreed that a fund risk policy is needed and is in the process of developing one.

Collateral issues are to be addressed with a goal of encouraging local banks in developing countries to offer term and cash-flow lending, as an alternative to heavily collateralized loans.

Military Assistance

Collecting Research and Development Costs on Commercial Military Sales

NSIAD-86-44, 02/28/86

Background

GAO reviewed the Department of Defense's (DOD) procedures for identifying, monitoring, and collecting nonrecurring research, development, and production costs applicable to commercial sales licensed for export by the Departments of State and Commerce.

Findings

GAO noted that prior internal audits and congressional reports have concluded that millions of dollars have been lost because effective procedures have not been established for the collection of nonrecurring research and development costs. GAO found that: (1) DOD is not aware of most commercial sales agreements between defense contractors and foreign entities; (2) DOD cannot ensure that recoupments are collected; (3) although commercial sales of defense-related articles between U.S. companies and foreign entities require U.S. export licenses, State grants most

licenses without consulting DOD; and (4) although Commerce is responsible for identifying products that need export controls, the vast majority of applications for Commerce export licenses involve low-technology products, which do not involve significant military risks and, therefore, DOD does not review those. GAO also found that: (1) the military services were not aware of 44 State-issued licenses which carried recoupment charges; (2) 14 of the 52 Commerce-issued licenses warranted a recoupment charge; (3) the descriptions used on the licenses were not sufficient to determine what was being exported or the correct charge; (4) U.S. representatives did not always forward contractor payments to the appropriate military service in a timely manner; and (5) although there are procedural deficiencies in the collection of nonrecurring costs, DOD has collected most nonrecurring costs associated with commercial sales.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should take action to ensure that the Defense Security Assistance Agency (DSAA) and the military departments develop and implement procedures to surface disputes within their respective areas of responsibility.

Status: Action in process. Estimated completion date: 06/89. DSAA drafted guidance on surfacing disputes to be included in Defense Acquisition Regulations (DAR). A proposed regulation was published in the Federal Register on May 23, 1988. The public comment period ended on July 22, 1988. The OSD Comptroller's Office is currently working with the DAR Council to effect implementation of the regulation.

Recommendation: The Secretary of Defense should take action to develop procedures, in conjunction with the Secretaries of State and Commerce,

requiring that DOD be advised of shipments of more than \$1 million. **Status:** Action in process. DOD and State concurred with this recommendation. The DOD position is that implementation of this recommendation depends on support from State and Commerce. State is sending copies of all licenses valued at over \$1 million to DOD on a quarterly basis. DOD is working with Commerce to

establish procedures to receive Commerce licenses.

Recommendation: The Secretary of Defense should take steps to ensure that a focal point for monitoring commercial sales is designated.

Status: Action in process. Estimated completion date: 06/89. Regulations require that a clause be included in all contracts stipulating that the

contracting officer must report direct and commercial sales of defense equipment to DOD. The DAR Council published a proposed regulation in the Federal Register on May 23, 1988. The public comment period ended on July 22, 1988. OSD is working with the Council to effect implementation of the regulation.

Military Assistance

Panama Canal Commission's Financial Statements FY 1984 and 1983

AFMD-86-15, 04/08/86

Background

GAO reviewed the Panama Canal Commission's (PCC) financial statements as of September 30, 1984 and 1983 to assess whether PCC internal accounting controls and auditing procedures were in compliance with applicable laws and regulations.

Findings

GAO noted that: (1) PCC prepared its financial statements according to accounting principles prescribed in the Panama Canal Act, which differ in some respects from generally accepted accounting principles; and (2) the act requires PCC to compute the interest on the U.S. investment in the Panama Canal and provide a formula for

determining and adjusting the amount of the investment. GAO found that: (1) PCC incorrectly reduced the U.S. interest-bearing investment by the amount of interest due each year; (2) incorrect interest reductions amounted to \$52 million for the years 1979 through 1984; (3) although there were no material weaknesses in the PCC internal control system, the organizational location of its internal audit function did not meet generally accepted auditing standards for independence and impartiality; (4) navigational improvement project costs were expended in compliance with PCC-approved capitalization policies; and (5) except for the improper establishment of a reserve for future floating equipment repairs and the effects of computing

interest on the U.S. investment in the canal, PCC complied with the laws and regulations for the transactions tested for the years ended September 30, 1984 and 1983.

Open Recommendations to Agencies

Recommendation: The Administrator, PCC, should include in the next PCC toll rate submission a proposal to fund the reserve for floating equipment repairs.

Status: Action in process. The proposal to fund the reserve for floating equipment repairs was included in the fiscal year 1986 PCC audit. PCC plans to include the reserve in its next toll rate submission in 1989.

Military Assistance

Iran Arms Sales: DOD's Transfer of Arms to the Central Intelligence Agency

NSIAD-87-114, 03/13/87

Background

Pursuant to a congressional request, GAO reviewed the Department of Defense's (DOD) transfer of missiles and spare parts to the Central Intelligence Agency (CIA) for shipment to Iran.

Findings

GAO found that: (1) DOD properly treated the transfer as an interagency transfer under the Economy Act, rather than as a foreign military sale under the Arms Export Control Act; (2) the Arms Export Control Act's pricing and

congressional reporting requirements were not applicable to the transfer; (3) DOD bypassed its normal review and approval channels because of the covert nature of the transfer; (4) DOD undercharged CIA \$2.1 million for the missiles; and (5) while DOD covert arms transfers are ordinarily subject to congressional notification requirements, in this case a presidential intelligence finding that initiated the transfer ensured that the responsibility for meeting such requirements lay with the President.

Open Recommendations to Agencies

Recommendation: DOD should adjust its billing to CIA to reflect the conclusions in this report.
Status: Action in process. Estimated completion date: 10/89. DOD billed CIA for \$2.6 million in undercharges on February 20, 1987. According to DOD officials, CIA has acknowledged it owes DOD the amount legally required, but CIA officials say they do not have the funds to pay the bill. DOD has not received reimbursement.

Military Assistance

Arms Exports: Licensing Reviews for Exporting Military Items Can Be Improved

NSIAD-87-211, 09/09/87

Background

In response to a congressional request, GAO reviewed the Department of State's Office of Munition Control's (OMC) arms export licensing activities and procedures and identified actions OMC took to cope with its increased work load.

Findings

GAO found that OMC: (1) approved about 90 percent of the license applications it acted on; (2) acted on 80 percent in less than a month; and (3) did

not routinely check export license application data for accuracy or veracity. GAO also found that OMC has: (1) insufficient facilities and automated capabilities to store and retrieve historical data which would be useful in license application reviews; and (2) inadequate systems and procedures to ensure compliance with some administrative and reporting requirements.

Open Recommendations to Agencies

Recommendation: The Secretary of State should require OMC to ensure exporter compliance with administrative and reporting requirements.
Status: Action in process. Applications needing political contribution and agent fee statements are not processed until the information is provided. Trading expired licenses and certain other administrative requirements will require expanded automatic data processing capability. The system is being developed

and is expected to be implemented in early 1989.

Recommendation: To minimize the effect on OMC timeliness, OMC should assess its long-term automation needs with a view towards automating much of

the export license review process. In this connection, OMC should also examine the feasibility of adapting for its use the automated review system being developed by the Department of Defense. **Status:** Action in process. Estimated completion date: 07/89. OMC has

procured a \$1.8 million computer system that will largely automate the license review process. OMC expects to move to new quarters in mid-1989, and the new system will be installed at that time.

Military Assistance

NATO: U.S. Contributions to the Airborne Early Warning and Control Program

NSIAD-88-132, 04/14/88

Background

In response to a congressional request, GAO reviewed the financial controls over U.S. contributions to the North Atlantic Treaty Organization's (NATO) Airborne Early Warning and Control Program to determine whether U.S. performance in this program was consistent with: (1) the Memorandum of Understanding establishing the program; and (2) U.S. laws and regulations covering contributions to such multilateral efforts.

Findings

GAO found that: (1) the United States and other participating countries provided contributions to the program in advance of requirements; (2) NATO deposited the funds in commercial, interest-bearing accounts, which resulted in NATO earnings of about \$250 million; (3) U.S. contributions earned about \$80 million in interest; (4) NATO committed all earned interest to original program

requirements or to outstanding claims payments; and (5) the advance payments resulted in increased borrowing and interest costs for the Treasury. GAO also found that Department of Defense (DOD) representatives: (1) did not violate any U.S. laws, but failed to comply with Department of the Treasury principles and guidelines for providing funds to international organizations; (2) did not request that NATO adjust or delay U.S. contributions or support efforts to identify and return any interest earned on those contributions; (3) supported the use of the accumulated interest rather than appropriated funds for program requirements; and (4) failed to inform Congress in its summary financial information of the accumulation and use of the interest.

Open Recommendations to Agencies

Recommendation: The Secretaries of Defense and the Treasury should ensure

that U.S. contributions to NATO programs are provided by appropriations and that appropriate U.S. Treasury fiscal policies are adhered to.

Addressee: Department of Defense
Status: Action not yet initiated. Treasury agreed with the intent of this recommendation, and has updated its Financial Manual to stress agency compliance with Treasury fiscal policies. DOD had not responded to this recommendation, as of October 20, 1988.

Recommendation: The Secretary of Defense should direct his representatives to NATO organizations to support U.S. fiscal policies regarding contributions to international organizations and the return of interest, as contained in the Treasury's principles and guidelines for transactions with countries and international organizations.

Status: Action not yet initiated.

Military Assistance

Foreign Aid: Improving the Impact and Control of Economic Support Funds

NSIAD-88-182, 06/29/88

Background

In response to a congressional request, GAO reviewed the Agency for International Development's (AID) efforts to: (1) promote economic policy reform through the Economic Support Fund (ESF) program; and (2) control ESF cash transfer funds.

Findings

GAO found that AID: (1) relied on cash transfers to encourage economic policy reforms and to address balance-of-payments problems; (2) did not establish sufficient criteria to guide its policy reform efforts; (3) has had mixed success in encouraging policy reforms; (4) encountered problems in its efforts to implement separate accounting for cash transfers, since recipients continued commingling program funds with foreign exchange accounts; (5) failed to require separate accounting for certain ESF grants and projects because it did not consider them cash transfers; and (6) did not verify that recipients complied with its requirement to keep records on

separate account disbursement or ensure that they used the funds for authorized purposes.

Open Recommendations to Agencies

Recommendation: To improve the prospects for successful policy reform efforts and facilitate measuring progress, the Administrator, AID, should require that each internal AID program document justifying cash transfer programs seeking policy reform to: (1) clearly state the specific economic policy reforms that cash transfer is intended to encourage; (2) specify the anticipated time frames or milestones for achieving these reforms; and (3) state the anticipated impacts of the reforms on economic development. Wherever country circumstances render it practical, AID should also include such details in grant agreements.

Status: Action not yet initiated.

Recommendation: To ensure that AID implementation of separate accounting

is consistent with congressional intent, the Administrator, AID, should describe how AID will maintain accountability in cash transfer programs when it cannot avoid commingling cash transfers with other foreign exchange.

Status: Action not yet initiated.

Recommendation: To ensure that AID implementation of separate accounting is consistent with congressional intent, the Administrator, AID, should require recipients to maintain all ESF cash grants, not just those termed cash transfers, in separate accounts.

Status: Action not yet initiated.

Recommendation: To ensure that AID implementation of separate accounting is consistent with congressional intent, the Administrator, AID, should ensure that all separate cash transfer accounts be independently audited once every 3 years.

Status: Action not yet initiated. AID agreed to audit all separate accounts, but it has not done so yet.

Military Assistance

Foreign Aid: Better Management of Commodity Import Programs Could Improve Development Impact

NSIAD-88-209, 09/26/88

Background

Pursuant to a congressional request, GAO reviewed the Agency for International Development's (AID) commodity import programs (CIP) in Egypt, Pakistan, Zambia, and Zaire to assess how these programs could achieve greater development impact.

Findings

GAO found that: (1) CIP have helped sustain economic production in countries experiencing foreign exchange shortages; (2) the Egypt and Pakistan CIP, which supplied commodities to public sector activities at subsidized prices, contradicted the AID goal of encouraging governments to eliminate subsidies; (3) in Zaire and Zambia, AID missions programmed local currencies to support specific development activities; (4) AID officials in Pakistan believed that emphasizing programming of local currency would reduce their leverage in economic policy reform discussions, and they minimized local currency deposit requirements; and (5) as of January 1987, Egypt accumulated about \$325 million in local currencies generated from commodity sales, instead of

programming those funds to support development. GAO also found that: (1) in Pakistan, Egypt, and Zambia, AID did not ensure that funds were used for the intended purposes; (2) AID accounting systems for monitoring commodity arrival, disposition, and end use operated on a country-by-country basis and did not consistently account for imported commodities; and (3) when end-use checks showed that commodities were idle or not fully used, AID did not resolve these problems before approving further transactions, and the problems recurred.

Open Recommendations to Agencies

Recommendation: The Administrator, AID, should require missions to independently verify, on a sample basis, host government reports on the uses of local currencies.

Status: Action not yet initiated.

Recommendation: The Administrator, AID, should develop with Egypt a plan to liquidate accumulations of local currency funds and program future generation for development at a pace

more commensurate with the rate that funds are deposited.

Status: Action not yet initiated.

Recommendation: To ensure that AID can adequately account for the arrival and disposition of CIP commodities, the Administrator, AID, should require that arrival accounting systems provide a clear link between CIP obligations, commodity receipts, and local currency deposits for all import transactions.

Status: Action not yet initiated.

Recommendation: To ensure that AID can adequately account for the arrival and disposition of CIP commodities, the Administrator, AID, should specify the extent to which missions should conduct end-use checks and a minimum level of expected coverage.

Status: Action not yet initiated.

Recommendation: To ensure that AID can adequately account for the arrival and disposition of CIP commodities, the Administrator, AID, should require missions to resolve problems of underused commodities before approving financing of additional transactions by the importer.

Status: Action not yet initiated.

Multiple Functions

Telecommunications and Radio Frequency Spectrum Use (Civilian-Related)

Telephone Communications: Controlling Cross-Subsidy Between Regulated and Competitive Services

RCED-88-34, 10/23/87

Background

In response to a congressional request, GAO evaluated the Federal Communication Commission's (FCC) proposed implementation of accounting controls to prevent cross-subsidization between regulated and nonregulated telephone service in order to facilitate competition among telephone companies.

Findings

GAO found that: (1) the FCC allocation process was inefficient because it impeded companies from offering new

services and imposed costs on the public; (2) the new process of cost allocation procedures and manuals, and an annual independent audit of the companies' cost allocation manuals, should ensure compliance; and (3) FCC believes that there is a need to further regulate the telephone companies in order to prevent cross-subsidizing of nonregulated services with regulated services and discrimination against competitors.

Open Recommendations to Agencies

Recommendation: The Chairman, FCC, should develop a strategy for providing greater levels of oversight and assurance that carriers are properly implementing its cost allocation procedures.

Status: Action in process. FCC requested additional staff and travel funds in its fiscal year 1989 budget request, but Congress cut the budget. FCC will address its staff and travel deficiencies in the context of its overall budget constraints.

Telecommunications and Radio Frequency Spectrum Use (Civilian-Related)

Telecommunications: Actions Needed for Better Management of Public Safety Spectrum

RCED-88-173, 07/08/88

Background

Pursuant to a congressional request, GAO examined the Federal Communications Commission's (FCC) granting and monitoring of licenses from its 800 megahertz (MH) public safety services radio band, focusing on the: (1) types of services that obtain licenses; and (2) amount and efficiency of usage.

Findings

GAO found that FCC: (1) broadly defined public safety for purposes of 800 MH

licensing as including medical, rescue, and emergency response services and any official state and local government activity; (2) nationwide, granted 38 percent of licenses for police and fire activities' exclusive use; (3) believed that local authorities were in the best position to establish local public safety priorities; (4) could not analyze usage since it did not enforce its requirement that licensees report usage information; (5) did not verify reported usage data; (6) used its license data base, which only contained information about intended

use, to assess usage amount and efficiency; (7) did not keep a waiting list of licensees for whom frequencies were unavailable; and (8) did not monitor radio signals or conduct on-site inspections in 1987 and 1988. GAO also found that, in ten large cities: (1) police and fire activities had exclusive use of 34 percent of radio systems; (2) a mix of government activities, including police and fire activities and general government activities, had access to 17 percent of radio systems; and (3) general government, medical, and emergency

response activities had access to 49 percent of the radio systems.

Open Recommendations to Agencies

Recommendation: The Chairman, FCC, should more aggressively carry out its responsibility to see that public safety agencies are efficiently using their assigned frequencies. To this end, FCC should improve its management controls over its licensing process in the 800 MH band by enforcing its requirement that public safety licensees report usage information.

Status: Action in process. FCC has initiated a comprehensive public safety enforcement program and requires

construction progress and loading reports for slow growth licensees.

Recommendation: The Chairman, FCC, should more aggressively carry out its responsibility to see that public safety agencies are efficiently using their assigned frequencies. To this end, FCC should improve its management controls over its licensing process in the 800 MH band by monitoring radio signals and conducting on-site inspections, on a test basis in the larger cities, to obtain and verify data on actual spectrum use by public safety agencies.

Status: Recommendation valid/action not intended. FCC will not adopt this recommendation since it believes on-site monitoring and site inspections are too

costly and provide limited reliable information.

Recommendation: The Chairman, FCC, should more aggressively carry out its responsibility to see that public safety agencies are efficiently using their assigned frequencies. To this end, FCC should improve its management controls over its licensing process in the 800 MH band by maintaining formal waiting lists in high-demand areas of public safety agencies that cannot obtain frequencies because none are available.

Status: Recommendation valid/action not intended. FCC is not convinced that a waiting list would serve any useful purpose.

Telecommunications and Radio Frequency Spectrum Use (Civilian-Related)

ADP Modernization: FCC's Automation Planning Is Inadequate

IMTEC-88-51, 09/15/88

Background

Pursuant to a congressional request, GAO reviewed the Federal Communications Commission's (FCC) automation planning process, including its development of the Record Image Processing System.

Findings

GAO found that the FCC strategic automation planning process was inadequate, since FCC did not: (1) state annual plan goals, objectives, and priorities or specify ways to achieve goals; (2) submit its annual plans for review by its Automated Data Processing (ADP) steering committee or involve the committee in any planning over the last 3 years; (3) adhere to

federal system development life-cycle methodologies in developing its Record Image Processing System; (4) identify all potential users and their requirements; and (5) adequately identify or consider alternatives or their costs and benefits. GAO believes that these flaws could increase the risk of FCC selecting a system which will not: (1) meet mission objectives; (2) meet user needs; and (3) achieve the expected cost reductions and benefits.

Open Recommendations to Agencies

Recommendation: To improve the FCC automation planning process, the Chairman, FCC, should require the Managing Director to: (1) ensure that

ADP strategic automation plans identify how each automation program objective supports FCC mission goals and prioritize these automation program objectives; (2) activate the ADP steering committee or designate another group or individual to carry out the responsibilities stated in the committee's charter; and (3) ensure that budgetary decisions on automation matters are guided by requirements and activities contained in the strategic plan.

Status: Action not yet initiated. FCC has not yet responded to this recommendation.

Recommendation: To reduce the risks associated with the development of the Record Image Processing System, the Chairman, FCC, should require the

Multiple Functions

Managing Director to ensure that FCC has identified alternative approaches to developing the system, identified the costs and benefits of such alternative

approaches, and carefully defined user requirements. These actions should be completed before any significant investment in the system is made.

Status: Action not yet initiated. FCC has not yet responded to this recommendation.

National Defense

Army Inventory Management: Inventory and Physical Security Problems Continue

NSIAD-88-11, 10/09/87

Background

In response to a congressional request, GAO reviewed the Army's inventory management to determine its effectiveness and the adequacy of inventories' physical security.

Findings

GAO found that the Army: (1) was not fully aware of the extent of inventory inaccuracies existing at the wholesale and retail levels, or what the inaccuracies represented in terms of dollar value or quantity of items; (2) failed to make the necessary physical

inventories before making record adjustments when it found variances; (3) failed to identify systematic problem areas and their underlying causes; (4) had poor physical security for safeguarding inventories from theft or misappropriation at some facilities; and (5) failed to develop or report corrective actions because of internal control weaknesses.

Open Recommendations to Agencies

Recommendation: The Secretary of the Army should direct the inventory

managers to develop an inventory methodology, such as statistical sampling, which will allow managers to obtain a representative and realistic view of its inventory management effectiveness based on indicators such as dollar and unit variance, as well as initial record accuracy.

Status: Action in process. Procedures to implement a policy revision requiring a statistical inventory method to measure record accuracy should be completed by the end of 1989.

Naval Audit Service: Effectiveness of Navy's Internal Audit Organization Is Limited

AFMD-88-12, 02/24/88

Background

In response to a congressional request, GAO reviewed the Naval Audit Service's (NAS) effectiveness, specifically its: (1) allocation of audit resources; (2) report quality; and (3) independence.

Findings

GAO found several problems which significantly reduced NAS audit effectiveness, including: (1) the concentration of audit resources in areas

not likely to produce significant monetary savings; (2) management's undue emphasis on auditors' strict adherence to standard work programs and to time limitations, preventing the full development of findings; (3) audits with insufficient evidence to support their findings; (4) a lack of management concurrence with findings and recommendations, delaying some reports and causing auditors to drop others that warranted action; (5) inaccurate and incomplete audit reports; and (6) an

apparent inability to correct systemic weaknesses. GAO also found that, although there was no evidence that NAS was not conducting its activities independently and impartially, there were conditions which gave the appearance of impaired independence, including the: (1) close working relationship between NAS and the Office of the Assistant Secretary for Financial Management; and (2) rotation of military officers as auditors and directors to units to which they were once assigned or to

which they could be assigned in the future.

Open Recommendations to Agencies

Recommendation: One year after receiving the report from the Secretary

of the Navy, the Secretary of Defense should conduct, or should have conducted, a review to evaluate the effectiveness of actions taken to correct the reporting, evidence, supervision, and independence deficiencies cited in this report. This review should provide Congress and the Secretary of Defense

assurance that actions have been taken to improve the effectiveness of the Navy's internal audit function.
Status: Action not yet initiated. Action is to be taken during 1989.

Reserve Training: An Alternative to the Active Army Education Program for National Guard Technicians

NSIAD-88-164, 06/28/88

Background

Pursuant to a legislative requirement, GAO examined the Military Education Program (MEP) for Army National Guard technicians to determine: (1) whether the Reserve Component Noncommissioned Officer (NCO) Education Program provided a viable alternative to MEP; (2) how participation in MEP affected technicians' readiness; and (3) how MEP affected technicians personally, including their leave and other benefits.

Findings

GAO found that: (1) the Army is revising the NCO program to align it more closely with MEP; (2) MEP and the new Reserve Component Program were generally similar in content but sometimes varied in duration; (3) MEP costs were about three times more than the Reserve Component Program's; (4)

participation in MEP did not measurably affect units' readiness but it sometimes disrupted their operations; and (5) although MEP training requirements did not impose financial hardship on technicians, it did create some inconveniences. GAO believes that the Reserve Component Program offers a viable alternative to MEP due to its lower costs and greater convenience.

Open Recommendations to Agencies

Recommendation: The Secretary of the Army should ensure, through continued monitoring, that the remaining revisions to the Reserve Component Program are similar to those of MEP.

Status: Action not yet initiated. The Assistant Secretary of Defense/Reserve Affairs plans to task the Secretary of the Army to conduct this monitoring.

Recommendation: The Secretary of the Army should monitor and evaluate the implementation and administration of the Reserve Component Program by the National Guard's noncommissioned academies to ensure that effective training is provided.

Status: Action not yet initiated. The Assistant Secretary of Defense/Reserve Affairs plans to task the Secretary of the Army to monitor and evaluate the implementation and administration of the reserve component program.

Recommendation: The Secretary of the Army should change the National Guard Bureau's policy of sending technicians to the active Army MEP, requiring them, whenever feasible, to attend the Reserve Component Program.

Status: Action not yet initiated. The Assistant Secretary of Defense/Reserve Affairs plans to task the Secretary of the Army to change the policy in accordance with this recommendation.

Atomic Energy Defense Activities

Environment, Safety, and Health: Environment and Workers Could Be Better Protected at Ohio Defense Plants

RCED-86-61, 12/13/85

Background

Pursuant to a congressional request, GAO reviewed the Department of Energy's (DOE) effectiveness in protecting its workers, the community, and the environment at three of its defense production facilities.

Findings

GAO noted that: (1) in two previous reports, it recommended that DOE develop a system to independently verify environmental monitoring data reported by contractors; and (2) DOE did not adopt the recommendation because it believed the contractors' quality assurance programs provided an effective method for ensuring data reliability. GAO found that: (1) each Ohio contractor collects, evaluates, and reports its own radioactive air and water releases; (2) quality assurance programs help ensure that water and air samples are accurately analyzed, but do not verify that data collected are adequate; (3) each plant had environmental problems which resulted in groundwater, soil, or drinking water contamination; (4)

two of the plants were not in compliance with hazardous waste laws; and (5) one of the plants was not in compliance with state permits because it had not completed two of four pollution control projects. GAO also found that: (1) the contractors did not always follow the DOE radiological monitoring guide, which recommended that they monitor on- and off-site wells to assess environmental impacts of plant operations; (2) DOE did not adopt the recommendation that it make radiological monitoring guides mandatory for all DOE facilities because it believed contractors would lose flexibility in designing their monitoring programs; (3) contractors received sizable fees even though environmental safety and health (ES&H) problems existed; and (4) DOE appraisal programs were not identifying major ES&H problems.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should require that radiological

monitoring guides be mandatory for all DOE facilities.

Status: Action in process. The Environment and Health Office requested information from field offices to help determine what guides should be made mandatory. The information provided was used to develop a draft regulation which is circulating for informal comment within DOE. DOE submitted the draft for formal comment on December 31, 1987, and plans to issue it in final form in January 1989.

Recommendation: The Secretary of Energy should develop a coordinated DOE/state/contractor system to verify contractor-reported data.

Status: Action in process. The Environment and Health Office submitted a draft regulation for formal comment on December 31, 1987. It will require at least annual monitoring verification by the Environmental Protection Agency and state and local offices. Full implementation of the program is scheduled for July 1, 1989.

Atomic Energy Defense Activities

Nuclear Safety: Safety Analysis Reviews for DOE's Defense Facilities Can Be Improved

RCED-86-175, 06/16/86

Background

Pursuant to a congressional request, GAO reported on the adequacy of the Department of Energy's (DOE) safety analysis reviews (SAR) for its existing nuclear defense facilities. GAO examined eight facilities to determine the effectiveness of DOE efforts to protect workers and the environment.

Findings

GAO found that: (1) DOE did not approve the reviews for three of the eight facilities, each of which had the potential for significant on-site or off-site releases of radioactive material in a major accident; (2) the reviews' safety design criteria varied considerably between the facilities; (3) the reviews used different approaches to identify and analyze potential accidents at DOE facilities, with some approaches being more comprehensive than others; and (4) DOE reviewed and approved the reviews internally, which precluded an independent review process.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should complete and approve SAR for all high-hazard facilities in a timely fashion.

Status: Action in process. GAO has identified two SAR which are not completed.

Recommendation: The Secretary of Energy should require that SAR include a detailed comparison of the plant against current DOE design criteria, highlighting and explaining any deviations.

Status: Action in process. DOE indicated that its SAR will include a comparison of the plant against DOE design criteria when SAR are updated. Updates occur every 5 years.

Recommendation: The Secretary of Energy should develop more consistent requirements to be followed in preparing reviews, outlining appropriate

methodologies and assumptions to be used in analyzing accidents and their consequences.

Status: Action in process. DOE is developing more consistent requirements, but it is not clear at this time how they will be applied in preparing SAR.

Recommendation: The Secretary of Energy should establish an arrangement with an outside independent organization to review those safety analysis reviews for the most hazardous facilities. This could be accomplished either by establishing a working arrangement with the Nuclear Regulatory Commission or an independent review panel.

Status: Action taken not fully responsive. Fiscal year 1989 authorization for DOE mandates the establishment of the Safety Review Board.

Atomic Energy Defense Activities
Nuclear Energy: Environmental Issues at DOE's Nuclear Defense Facilities

RCED-86-192, 09/08/86

Background

Pursuant to a congressional request, GAO: (1) identified key environmental issues at nine Department of Energy (DOE) nuclear defense facilities; and (2) evaluated the status of DOE efforts to strengthen its environmental, safety, and health oversight programs.

Findings

GAO found that: (1) eight facilities have groundwater contaminated with radioactive or hazardous substances at levels higher than the proposed standards; (2) although six facilities have soil contamination in unexpected areas, including off-site locations, DOE sees a potential public health threat at only one of the facilities; (3) four facilities are not in full compliance with the Clean Water Act; (4) to obtain permits under the Resource Conservation and Recovery

Act (RCRA), all nine facilities are significantly changing their waste disposal practices by closing existing disposal facilities or building new treatment facilities; and (5) it may cost over \$1 billion to bring the facilities into full compliance with environmental laws and obtain the necessary permits.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should establish a groundwater and soil protection strategy that would reflect DOE policy on the extent groundwater and soil can become contaminated and include specific guidelines, to the extent practical, to protect groundwater and soil around DOE facilities.

Status: Action in process. DOE officials stated that they would develop a

groundwater and soil protection strategy. DOE has not yet developed the strategy.

Recommendation: The Secretary of Energy should provide to Congress a comprehensive report setting forth DOE plans, milestones, and cost estimates for bringing DOE defense facilities into compliance with all applicable environmental laws.

Status: Action in process. DOE is in the process of identifying specific projects needed to bring its facilities into full compliance with environmental laws.

Recommendation: The Secretary of Energy should revise DOE Order 5480.2 governing hazardous and mixed waste to reflect how waste operations will be managed in the future.

Status: Action in process. DOE is currently revising DOE Order 5480.2.

Atomic Energy Defense Activities
Nuclear Materials: Alternatives for Relocating Rocky Flats Plant's Plutonium Operations

RCED-87-93, 04/14/87

Background

In response to a congressional request, GAO examined operations at the Department of Energy's (DOE) Rocky Flats Plant to determine: (1) whether relocating the plutonium-processing

operations to other DOE sites is a viable alternative to correcting problems with the processing building; (2) what effect such a relocation would have on public health and safety in the Denver, Colorado, area; and (3) whether the costs associated with correcting the processing

building's problems are significant enough to warrant relocating the entire plant.

Findings

GAO found that DOE has several options to choose from for eliminating or reducing plutonium activities at Rocky Flats, including relocating: (1) all Rocky Flats operations; (2) the processing of residues, oxides, and site returns; (3) the processing of site returns; (4) the processing of oxides; and (5) the processing of oxides and site returns. GAO noted that: (1) relocating all operations would cost about \$4 billion; (2) relocating a portion of recovery operations would cost from \$206 million to \$7 million, depending on what operations were moved and where they were moved; and (3) repairing the processing building and keeping all operations at Rocky Flats would cost about \$303 million. GAO also found that:

(1) the plant's contractor believes that the risks associated with its operations are within DOE limits; (2) the primary hazard at the plant is from an earthquake, not from wind; (3) since fabrication, not plutonium processing, is the major contributor to safety and health risks at the plant, relocating the processing operations would not drastically change the overall risk from the plant; (4) the time required for relocating some or all of the plutonium operations could help minimize adverse socioeconomic effects; and (5) relocating all operations would not affect employment for 14 years. GAO concluded that: (1) DOE is not close to a decision on the future of plutonium processing at Rocky Flats; and (2) the most attractive alternative depends on

the emphasis DOE places on the cost and the environmental, safety, and health risks of each alternative.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should ensure that the selection of the best solution is closely coordinated with this study to ensure that construction/modernization funding is used efficiently.

Status: Action in process. Estimated completion date: 12/88. DOE is conducting a study of the long-range future of its production complex. Until this study is completed, DOE will continue to examine options for plutonium scrap and residue processing.

Atomic Energy Defense Activities

Environmental Funding: DOE Needs To Better Identify Funds for Hazardous Waste Compliance

RCED-88-62, 12/16/87

Background

In response to a congressional request, GAO reviewed the Department of Energy's (DOE) funding for activities to comply with the Resource Conservation and Recovery Act of 1976 (RCRA) and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA).

Findings

GAO found that DOE cannot: (1) specifically identify budgeted or expended RCRA and CERCLA funds, since they are not part of its defense operations allotment; (2) demonstrate

compliance with Executive Order 12088, which requires agencies to ensure that they request sufficient funds for compliance with environmental standards; (3) demonstrate proper internal controls over the funding; and (4) promptly respond to Congress's concerns regarding its environmental funding. GAO noted that, although DOE has taken some action to separately budget and account for RCRA and CERCLA funds, these efforts will not identify funding for a major portion of its compliance activities.

Open Recommendations to Agencies

Recommendation: The Secretary of Energy should specifically budget and account for all DOE RCRA and CERCLA funds. This effort should include: (1) identifying the funds in future DOE budgets and highlighting them to the Congress; and (2) creating separate accounts in the DOE accounting system to track expended RCRA and CERCLA dollars.

Status: Action in process. DOE is developing a system to track budgeted and obligated funds for environmental activities, including those relating to hazardous waste compliance.

Atomic Energy Defense Activities

Nuclear Waste: Problems Associated With DOE's Inactive Waste Sites

RCED-88-169, 08/03/88

Background

Pursuant to a congressional request, GAO reviewed the Department of Energy's (DOE) management of inactive waste sites at six defense installations, focusing on: (1) DOE identification of the number of sites at the installations; (2) DOE assessment of sites; and (3) environmental problems at the sites.

Findings

GAO found that: (1) the installations lacked accurate site inventories, with DOE headquarters citing a total of 605 inactive waste sites, while DOE installation officials cited 1,447; (2) DOE inconsistently assessed the sites' potential hazards, sometimes using the Environmental Protection Agency's (EPA) Hazard Ranking System, variations of that system, or not evaluating the sites at all; (3) the installations used different approaches for applying the Resource Conservation and Recovery Act of 1976 (RCRA) or the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) to the sites for remediation; (4) each installation had high levels of groundwater contamination with radioactive and hazardous substances, and two

installations also had high levels of soil contamination and some surface water contamination; (5) one installation is on the EPA National Priority List (NPL), and the other five have severe enough problems for likely placement on NPL; (6) the installations require a massive cleanup effort, costing as high as \$60 billion; and (7) DOE is currently revising DOE Order 5480.14, outlining its program for identifying, assessing, and cleaning up inactive waste sites, to incorporate additional requirements imposed by the 1986 amendments to CERCLA. GAO believes that DOE needs to develop a comprehensive plan, including milestones and cost estimates, to bring DOE facilities into full compliance with environmental laws.

Open Recommendations to Agencies

Recommendation: To improve DOE oversight of its inactive waste sites nationwide, the Secretary of Energy should develop and prescribe, in cooperation with EPA and the appropriate states, a comprehensive approach to address inactive waste sites which integrates provisions of both CERCLA and RCRA. For those inactive waste sites where CERCLA and RCRA

authorities overlap, assessments and remedial action plans should be developed that address the sites as both a CERCLA and RCRA site. In issuing the revised DOE Order 5480.14, DOE should incorporate provisions that specify this comprehensive approach to be followed by DOE installations nationwide.

Status: Action in process. DOE concurs with this recommendation and will coordinate with EPA to integrate the provisions of CERCLA and RCRA. To this end, DOE will issue revised DOE orders by the end of 1988 addressing the integration of the requirements of these two laws.

Recommendation: To improve DOE oversight of its inactive waste sites nationwide, the Secretary of Energy should update DOE headquarters' inventory to account for all DOE inactive waste sites. In doing so, the inventory should indicate the relative hazards associated with each inactive waste site.

Status: Action in process. DOE concurs with this recommendation and will implement it in conjunction with EPA. It will be an ongoing process as the inventory will be updated as new site information becomes available.

Defense-Related Activities

Opportunities Exist To Reduce Operating Costs of the Department of Defense Overseas Dependents Schools

HRD-82-86, 08/26/82

Background

GAO reviewed the opportunities for savings in the teacher substitution and pupil transportation programs in the Department of Defense Dependents' Schools (DODDS) system.

Findings

Department of Defense (DOD) policy states that teachers who reside in the United States should be hired only if vacancies cannot be filled by transferring currently employed teachers or by hiring locally. However, a large number of substitute teachers are needed and local applicants constitute the only source to meet demand. As a result, some principals are reluctant to hire local applicants as full-time teachers. The high demand for substitutes is attributable primarily to the tightly structured rules covering accumulated leave time among teachers, which causes them to take their maximum earned leave time to avoid forfeiting it. Hiring teachers in the United States is substantially more costly than hiring teachers locally; therefore, restructuring the leave-time regulations would lead to a decline in the need for substitutes so that more local applicants could be available for hire as full-time teachers. DODDS has budgeted approximately \$37 million for pupil transportation in fiscal year 1982. GAO found that military installation commanders, who are responsible for providing pupil transportation, have not made cost comparisons and other analyses to ensure that the most

economical busing services are used. GAO believes that until the military services undertake these cost-effective analyses, cost savings in busing services will not be realized. GAO concluded that savings to DODDS could be achieved by reducing the demand for substitute teachers and identifying the most economical mode of pupil transportation.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should require the Director, DODDS, to establish and maintain a data base on the numbers of: (1) available and qualified local applicants who are dependents of DOD military and U.S. Government civilian personnel; and (2) teacher vacancies filled by local applicants who are dependents of DOD military and U.S. Government civilian personnel overseas.

Status: Action in process. Estimated completion date: 09/88. A data base was established, but it was determined to be a duplication of effort. Filling vacancies was delayed due to a hiring freeze. DODDS plans to modify the existing CONUS tracking system for overseas local hiring, to be done by contract.

Recommendation: The Secretary of Defense should: (1) ensure that busing cost comparisons and other analyses are performed in all overseas communities where students are bused to DODDS, and that military communities forward the results of the analysis to DODDS regions along with explanations, if the

lowest-cost alternative is not selected; (2) instruct the military departments to consider structuring contracts for pupil transportation services to allow competition by smaller companies and using multiyear contracting where it promises to reduce the cost of busing to the U.S. Government; and (3) ensure that military communities providing pupil transportation services submit complete and accurate quarterly cost reports to DODDS as required by the DOD Manual.

Status: Action in process. Parts one and three of this recommendation were completed as of December 15, 1986. Cost comparisons and analyses are being performed and DODDS requested quarterly reports. Part two of this recommendation is still in process. The services are considering restructuring contracts and utilizing multiyear contracting.

Recommendation: The Secretary of Defense should require the Director, DODDS, to ensure that regional offices develop an information base and commit the resources necessary to: (1) review cost comparison and other studies and coordinate with the military communities to resolve differences in approach or methodology; and (2) analyze and compare cost data from communities to identify unusually high contract or in-house costs per mile, per bus, or per student.

Status: Action in process. This recommendation is still in process. Staff shortages have prevented in-depth reviews of service data. DODDS hopes to

contract for cost analysis of an overall transportation system.

Defense-Related Activities

Stars and Stripes: Appropriated-Fund Support Should Be Reduced

NSIAD-86-104, 05/07/86

Background

Pursuant to a congressional request, GAO analyzed the missions, management, and operation of the Department of Defense's (DOD) European and Pacific "Stars and Stripes" newspapers to determine if consolidation could alleviate the newspapers' financial difficulties.

Findings

DOD decided that the newspapers' financial problems could be resolved without consolidation by authorizing the newspapers to sell advertising and use more appropriated funds. GAO found that: (1) in fiscal year 1984, advertising provided the newspapers with \$1 million in revenues; (2) commercial publishers complained to the Joint Committee on Printing that the DOD advertising policy allows the newspapers to compete with them unfairly; (3) since 1981,

appropriated fund support for the newspapers has increased; and (4) the appropriated funds were used to pay expenses that would have been paid with nonappropriated funds, allowing for expansion and modernization of the newspapers' operations. GAO concluded that consolidation of the two newspapers into one business and financial entity would: (1) improve the financial condition of the combined newspaper; (2) allow effective allocation of resources; and (3) enable DOD to fulfill the newspapers' missions more efficiently and cost-effectively. In the past, DOD objected to consolidation of the newspapers on the grounds that the newspapers would lose their local character, and that the news would be less timely. However, DOD did agree that a study should be conducted to identify actions necessary to ensure the viability of the newspapers. GAO believes that: (1) the local character of the combined newspaper could be

retained by designating a certain amount of space for local news; and (2) the loss in timeliness of the news may not be a significant problem because timely news is available through other media.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct that the "Stars and Stripes" study begin as soon as possible, address consolidation and alternative ways to reduce appropriated-fund support, and be reported to him. **Status:** Action in process. Estimated completion date: 10/89. The study to evaluate "Stars and Stripes" has been completed and the 'Rosen' report was delivered to DOD at the end of October 1987. DOD is now obtaining comments from the unified commands before officially responding to the report.

Defense-Related Activities

Military Housing: Analyses of Overseas Housing Costs Are Misleading to Decisionmakers

NSIAD-86-82, 06/13/86

Background

GAO evaluated Army, Navy, and Air Force economic analyses issued between December 1982 and January 1984 to identify the most cost-effective alternative for satisfying military family housing requirements in Europe.

Findings

GAO found that the quality of the economic analyses was poor because of the large variety of problems they contained, the high frequency of problem occurrence, and the effects of these problems on the analyses' major conclusions. GAO determined that: (1) even though the Navy study concluded that straight leasing was the least expensive alternative, lease with purchase was actually the least expensive alternative; (2) although the Army study concluded that using housing manufactured in the United States and erected in West Germany would cost more than leasing, U.S.-manufactured housing was less expensive than build-to-lease housing; and (3) either the rent was substantially less than the mortgage payment in the build-to-lease alternative or the lessor had to be able to build housing at a

lower cost than the Air Force estimated for the military construction alternative.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should require all future economic analyses involving the use of the present-value technique to discount only: (1) current dollar expenditures; and (2) with the average rate of interest on the Department of Treasury obligations which mature during the period of anticipated expenditures. GAO understands that the Office of Management and Budget (OMB) is currently revising Circular A-104 to require this type of discounting procedure. Until this revised guidance is effective, the Secretary of Defense should request a waiver from the current version of Circular A-104 to allow the department to immediately begin using this recommended discounting technique.

Status: Recommendation valid/action not intended. The Department of Defense (DOD) will not request a waiver from OMB Circular A-104, but it will implement the revised circular upon issuance.

Recommendation: The Secretary of Defense should issue additional guidance on conducting economic analyses of foreign housing that: (1) expands instructions for sensitivity tests; (2) requires full explanation of the special circumstances present when build-to-lease is found to be less expensive than military construction; (3) gives explicit directions on when and how to calculate political risk considerations in estimates of residual value; (4) requires the use of expected inflation and exchange rates which are representative of those accepted by professional economic forecasters unless there are convincing reasons for not using them; (5) requires that housing alternatives be evaluated for financial viability; (6) requires a good rationale with supporting data for assuming maintenance of utility expenses in build-to-lease significantly different from military construction of approximately the same square footage; and (7) gives explicit directions for estimating the rental and sale prices of land.

Status: Action in process. A tri-service committee is developing guidance to ensure that economic analyses are accomplished in accordance with OMB Circular A-104. Work is continuing with no specific target date for completion.

Defense-Related Activities

DOD Tempest Protection: Better Evaluations Needed To Determine Required Countermeasures

NSIAD-86-132, 06/27/86

Background

Pursuant to a congressional request, GAO reviewed the Department of Defense's (DOD) and military services' adherence to national TEMPEST policy. TEMPEST refers to technical investigations and studies of compromising emanations from electronic data processing equipment. National security policy requires federal agencies to protect classified information from such emanations.

Findings

GAO found that: (1) TEMPEST countermeasures are very costly to implement; (2) while total DOD TEMPEST-related costs are unknown, they are estimated at hundreds of millions of dollars annually; (3) DOD has not issued an implementing regulation in connection with the national TEMPEST policy directive; (4) DOD has issued conflicting TEMPEST policy memoranda and, as a result, the services are interpreting and implementing

TEMPEST policy in different ways; (5) the services sometimes acquire TEMPEST countermeasures without determining whether they are needed; (6) the services and defense contractors are sometimes processing classified information without performing TEMPEST evaluations; (7) the services do not always conduct follow-up evaluations at contractor facilities to ensure that TEMPEST countermeasures are being implemented as needed; and (8) the Defense Investigative Service, which performs many TEMPEST evaluations for other DOD components, believes that its personnel are not adequately trained to perform TEMPEST evaluations or compliance inspections.

Open Recommendations to Agencies

Recommendation: To minimize delay in implementing national security policy, the Secretary of Defense should promptly implement a new security

policy, on an interim basis if necessary, and ensure that the services promulgate implementing instructions to the field in a timely manner.

Status: Action not yet initiated. A new DOD TEMPEST directive will be based on the revised National Communications Security Instruction 5004, which is pending approval.

Recommendation: To minimize unnecessary TEMPEST-related expenditures, the Secretary of Defense should require all DOD components to conduct TEMPEST evaluations before implementing TEMPEST countermeasures. Such evaluations are also needed to ensure proper protection of classified information.

Status: Action not yet initiated. DOD is waiting for a revision to NACSI 5004 to be issued, which will require approval of an accredited TEMPEST authority before the application of certain countermeasures is made. This is only after a certain dollar threshold is hit.

Defense-Related Activities

Army National Guard: Opportunities To Improve the Condition and Operation of Armories

HRD-86-49, 08/07/86

Background

In response to a congressional request, GAO reported on: (1) the Army National Guard's expanding federal role; (2) the adequacy of armories to accommodate the Guard's changing federal mission; (3) states' ability and willingness to pay their required 25-percent matching share for construction costs and 100 percent of maintenance and repair costs for state-owned armories; and (4) recent actions and proposals to increase the federal share of armory operating costs.

Findings

GAO found that: (1) since the Department of Defense (DOD) initiated its total force policy in 1970, the Guard's national defense role has expanded, placing new demands on the Guard's 2,655 state-owned armories; (2) troop levels have increased by over 25,000; (3) the number of full-time federal personnel working in the armories has increased, as has the amount of equipment stored at them; and (4) 42

percent of the armories were inadequate, largely due to lack of sufficient training, office space, and equipment storage space. According to the state adjutants general: (1) many armories were in a poor state of repair, resulting in an estimated \$172-million backlog of maintenance and repair projects; (2) replacement or repair of armories is dependent on the availability of state funds; and (3) states have not committed the funds needed for construction, modification, maintenance, and repair because of fiscal problems, a relatively low priority placed on Guard facilities, and the expectation that armories would primarily carry out the federal mission.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should require the Chief of the National Guard Bureau to develop and implement a policy requiring each state to maintain its prior year's level of funding of armory operations,

maintenance, and repair as a condition for receiving new federal funds for armory operations, maintenance, and modification.

Status: Action in process. The Army National Guard has developed proposed regulations, ARNG Reg. 415-5, which will help implement this recommendation. Follow-up with the Army is scheduled for November, 1988 and responses are due during January, 1989.

Recommendation: The Secretary of Defense should require the Chief of the National Guard to develop and implement a policy to consider each state's maintenance and repair record when reviewing the state's proposal for the construction of new armories.

Status: Action in process. The Army National Guard has developed proposed regulations, ARNG Reg. 420-10, which will help implement this recommendation. Responses are due January, 1989.

Defense-Related Activities

Medical Readiness: The U.S. Army Can Improve Its Management of POMCUS Hospital Equipment in Europe

NSIAD-86-197, 09/09/86

Background

GAO reviewed the Army's management of Prepositioned Overseas Materiel Configured to Unit Sets (POMCUS) hospital equipment in Europe.

Findings

GAO found that: (1) the U.S. Army, Europe, and Seventh Army (USAREUR) may be requisitioning unnecessary equipment for 11 POMCUS hospitals that will continue to have minimal capabilities until they receive deployable medical systems (DEPMEDS); (2) USAREUR cannot effectively manage its POMCUS medical equipment because of systematic weaknesses in the requisitioning procedures; (3) five USAREUR POMCUS general hospitals are capable of providing only limited medical support; and (4) USAREUR needs to more closely monitor the equipment status of its POMCUS hospitals.

Open Recommendations to Agencies

Recommendation: To ensure that the capabilities of the five pre-DEPMEDS

POMCUS general hospitals are developed in an efficient and an effective manner, the Commander-in-Chief, USAREUR, should direct the Commander, 7th Medical Command (MEDCOM), to expedite efforts to acquire and develop warm-based sites. **Status:** Action in process. Estimated completion date: 06/89. Two hospitals have been warm-based. The Army is pursuing sites for an additional three hospitals with host nations.

Recommendation: To ensure that the capabilities of the five pre-DEPMEDS POMCUS general hospitals are developed in an efficient and an effective manner, the Commander-in-Chief, USAREUR, should direct the Commander, 7th MEDCOM, to identify and redistribute any excess items. **Status:** Action in process. Estimated completion date: 06/89. Excess items were identified and are being redistributed as claimants for the property surface.

Recommendation: To ensure that the capabilities of the five pre-DEPMEDS POMCUS general hospitals are developed in an efficient and an effective manner, the Commander-in-Chief,

USAREUR, should direct the Commander, 7th MEDCOM, to determine what nonmedical equipment is available at the warm-based sites or through host nation support. **Status:** Action in process. Estimated completion date: 06/89. Action is being taken to identify available nonmedical equipment at warm-based sites. This was accomplished for two sites and will be accomplished when the remaining three sites are identified.

Recommendation: To ensure that USAREUR can effectively manage its POMCUS hospital equipment and properly prepare for its wartime medical mission, the Commander-in-Chief, USAREUR, should direct the Commander, 7th MEDCOM, to coordinate the development and installation of a medical equipment set management information system for the U.S. Army Medical Materiel Center, Europe (USAMMCE). **Status:** Action in process. Estimated completion date: 12/88. The current system is being modified to include USAMMCE requirements.

Defense-Related Activities

Test Range Needs: Future Navy Underwater Range Requirements Need To Be More Fully Assessed

NSIAD-87-30BR, 10/31/86

Background

Pursuant to a congressional request, GAO reviewed the Navy's progress in conducting an assessment of its underwater range requirements.

Findings

GAO found that: (1) the Navy has not yet developed a comprehensive, coordinated range-assessment plan incorporating all underwater requirements; (2) although 3 years have elapsed since Congress requested such an assessment, the Navy has neither collected nor analyzed all underwater range requirements data, nor provided a comprehensive report containing conclusions and recommendations; (3)

the scope of the Navy's current assessment to complete its 20-year range development plan was comprehensive; and (4) in order to accomplish its goals and objectives, the Navy needs sufficient time and effort to thoroughly collect and analyze data, draw conclusions, and make decisions to implement recommendations concerning the use of ranges in foreign waters under agreements involving millions of dollars in compensation. GAO believes that this will require effective and timely management oversight and review to ensure that the Navy will adequately meet its objectives and be available in lease renewal decisions in order to mitigate the effects of potentially serious limitations on cost and range-usage data and the impediments to improving range

facilities caused by different funding sources.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the Secretary of the Navy to resolve the fragmented range management problem and develop compatible range-usage and cost data. **Status:** Action taken not fully responsive. The Navy established a board to review and oversee test resources, needs, and process. However, the Navy still manages the ranges the same as it always has. Also, compatible range usage and cost data has not yet been developed.

Defense-Related Activities

Hazardous Waste: DOD Efforts To Preclude Disposal of Contaminated Property Need Improvement

NSIAD-87-45, 12/15/86

Background

In response to a congressional request, GAO evaluated the Department of Defense's (DOD) efforts to preclude the disposal of contaminated excess real property.

Findings

GAO noted that federal property management regulations require federal agencies to report excess property to the General Services Administration (GSA), including whether the property's present condition would be hazardous to health and safety. GAO found that: (1) the military services' reports were often

either missing or incomplete; (2) because the services have conducted incomplete inspections, they may risk exposing the public to hazardous waste contamination and increase the government's potential liability for future cleanups; (3) since excess real properties can be part of active installations, they are sometimes located in the vicinity of potential hazardous waste sites; and (4) the

services do not require evaluations of the effects of possible contamination migration, although state environmental officials believe that migration could affect excess real property and the government's liability for future decontamination expenses.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the services to: (1) require that both records searches and visual inspections be performed and documented; (2) mutually agree to and use consistent criteria in the identification of potential contamination and certification of excess real property; and (3) update disposal documentation for excess real properties that are still in the disposal process to conform with current requirements.

Status: Action in process. Estimated completion date: 06/89. DOD issued a

directive, but it does not contain the level of detailed guidance recommended by GAO. Services' interim guidance has been superseded by Environmental Protection Agency (EPA) proposed rules. Army and Navy implementing documents do not specifically address the recommendations. EPA final rules are expected in early fiscal year (FY) 1989.

Recommendation: The Secretary of Defense should emphasize to the services the importance of disclosing to GSA the potential contamination on the excess property identified through a records search and a visual inspection, actions taken to confirm the extent of contamination, and plans for any necessary decontamination.

Status: Action in process. Estimated completion date: 06/89. DOD issued a directive, but it does not contain the level of detailed guidance recommended by GAO. Services' interim guidance has

been superseded by EPA proposed rules. Army and Navy implementing documents do not specifically address the recommendations. EPA final rules are expected in early FY 1989.

Recommendation: The Secretary of Defense should direct the services to require in their disposal policies, and fully disclose to GSA, an evaluation of any potential contamination migrating from hazardous waste sites in the vicinity of the excess property.

Status: Action in process. Estimated completion date: 06/89. DOD issued a directive, but it does not contain the level of detailed guidance recommended by GAO. Services' interim guidance has been superseded by EPA proposed rules. Army and Navy implementing documents do not specifically address the recommendations. EPA final rules are expected in early FY 1989.

Defense-Related Activities

Information Security: Special Access Document Control at Northrop's Advanced Systems Division

NSIAD-87-79, 06/23/87

Background

In response to a congressional request, GAO reviewed Department of Defense (DOD) actions to ensure that the classified document control system for the Advanced Technology Bomber, a special-access program, properly accounts for and protects classified documents.

Findings

GAO found that: (1) the contractor's document control system provides

accurate status information on its accountable classified documents; (2) the contractor and DOD periodically audit and inspect the document control system; and (3) although the contractor's document control system complies with DOD security requirements, the contractor needs to improve its investigation of missing items and destruction of unaccountable classified waste.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the Deputy Under Secretary of Defense for Policy to revise the Industrial Security Manual (ISM) to prescribe procedures for screening materials placed in classified waste receptacles before the materials are destroyed.

Status: Action in process. In August 1987, DIS proposed a change to ISM, paragraph 19f. DIS expects this and

other changes to be issued in fiscal year 1989. Reduction in 1988 funding is

preventing issuance of a revised ISM

this year. DOD expects the revised ISM to be issued in January 1989.

Defense-Related Activities

Polygraph Training: DOD Program Meets Standards But Expansion Requires Better Planning

NSIAD-87-161, 09/18/87

Background

Pursuant to a congressional request, GAO reviewed the Department of Defense's (DOD) training program for polygraph examiners and its planned expansion.

Findings

GAO found that the polygraph training program meets or exceeds almost all available criteria, but DOD could improve its program by: (1) making faster progress in defining the role of its Polygraph Institute in its polygraph research; (2) developing a policy for nonfederal Institute students; (3) ensuring that the Institute does not have more instructors than it needs; and (4) ensuring that the Institute does not have more polygraph instruments than it needs.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the Deputy Under

Secretary of Defense for Policy to revise DOD directives to specify the Institute's role in planning, conducting, managing, and evaluating the DOD polygraph research program, and establish a policy with respect to reimbursement for training nonfederal examiners at the Institute.

Status: Action in process. A standard operating procedure is being developed that covers research. Two DOD directives and one regulation are being revised to include research guidance and reimbursement policy. The procedure, directives, and regulation are still in process. Target dates for completion are unknown.

Recommendation: The Secretary of Defense should direct the Secretary of the Army to assess faculty requirements, resources, and plans to ensure that the number of full-time instructors is maintained at the minimum needed to operate efficiently and effectively.

Status: Action taken not fully responsive. DOD concurred with this recommendation, but did not institute

the type of corrective action intended. DOD still believes that it needs one instructor for every two students and plans to maintain 18 instructors, even though classes have seldom been at the capacity level of 36 students. The current class has 15 students.

Recommendation: The Secretary of Defense should direct the Secretary of the Army to reassess the number and type of polygraph instruments needed by the Institute and make any excess instruments available to other Army, DOD, or federal activities that may be planning to acquire such instruments.

Status: Action taken not fully responsive. DOD stated that it had already reassessed its \$400,000 procurement of 80 instruments. That number is still substantially more than is needed, and excess instruments should be made available to other DOD or government groups.

Defense-Related Activities
Physical Security: Protection of Assets at U.S. Navy Bases

NSIAD-88-6, 10/26/87

Background

In response to a congressional request, GAO reviewed the Navy's internal control procedures for protecting its assets and facilities.

Findings

GAO found that: (1) the Navy's emphasis on physical security at all installations has increased awareness of security procedures; (2) there were several security control issues that reduced its overall effectiveness, specifically protection of waterfront and restricted

areas, control of commercial vehicles, compliance with fencing requirements, access by private boats and airplanes, and designation of restricted and secure waterways; and (3) the Navy plans to issue a revised Security and Loss Prevention Manual by 1988 to further clarify definitions and areas of responsibility.

Open Recommendations to Agencies

Recommendation: The Secretary of the Navy should direct installation officials

to correct conditions described in this report that do not meet the requirements of the Physical Security and Loss Prevention Manual. The designation of restricted and secure waterway zones at all U.S. installations should be reviewed and properly recorded in Title 33 of the Code of Federal Regulations.

Status: Action in process. Revisions to Navy regulations are expected to be issued by January 1989.

Defense-Related Activities
Prompt Payment Act: Military Exchanges Had Problems in Paying on Time

AFMD-88-17, 02/09/88

Background

In response to a congressional request, GAO reviewed the military exchanges to: (1) determine whether the exchanges were complying with the Prompt Payment Act; (2) evaluate their payment procedures and internal controls for ensuring timely payments; and (3) obtain information on vendor complaints and exchange initiatives to resolve payment-timing problems.

Findings

GAO found that: (1) of the 250 invoices it reviewed, the exchanges paid 60 late, 28

early, and 162 on time; (2) most exchanges did not pay vendors the required interest penalties; (3) internal controls in three of the six payment systems led to improper discounts, nonpayment of interest, and inconsistent exact-due-date calculations; (4) the Navy overrode the adequate payment-timing features in two of its automated systems to avoid losing cash discounts and paying interest penalties; (5) five automated payment systems contained inaccurate due-date terms for many purchase agreements; (6) the exchange staff's failure to establish accurate starting dates for 30-day payment

periods led to early payments; and (7) although Navy exchange policy required retention of purchase agreements for at least 2 years, it had discarded some recent invoices.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the Secretaries of the Army, the Air Force, and the Navy to improve payment timeliness by military exchanges by periodically reviewing whether payment due-date terms on the automated payment

systems are consistent with contractual provisions.

Status: Action in process. AAFES internal auditors have added this to its audit checklist. A review of the contracts and file maintenance was completed in June 1988, which found major discrepancies. Extensive file review is underway. The NAVRESSO A/P staff will conduct its review. First cycle of ongoing training was completed regarding the importance of payment terms and ADP system enhancements.

Recommendation: The Secretary of Defense should direct the Secretaries of the Army and the Air Force regarding their military exchanges to clarify their regional accounting procedures manual to specify that improperly taken discounts should be refunded voluntarily.

Status: Action in process. A provision to preclude confusion will be included in

the next manual revision, due late 1988. On April 14, 1988, a memo was sent to managers reemphasizing proper discount payment procedures.

Recommendation: The Secretary of Defense should direct the Secretaries of the Army and the Air Force regarding their military exchanges to establish due-date terms in written agreements for any types of payments that will be made in other than 30 days.

Status: Action taken not fully responsive. Corrective action should not be a burden on the vendor. Payment in less than 30 days must be provided for in the contract; otherwise, under Office of Management and Budget regulations, payment would be considered early.

Recommendation: The Secretary of Defense should direct the Secretaries of the Army and the Air Force to require the exchange system to incorporate

additional automated features as part of the ongoing systems modification work. The regional and headquarters payment systems should include features to: (1) routinely compute an interest penalty payment for invoices paid after a grace period; and (2) recalculate a payment due date based on terms for the full invoice amount when an offered discount period has expired. Such revisions would allow more efficient administration of prompt payment objectives and provide the same system capabilities already available in the Navy exchange payment systems.

Status: Action in process. AAFES approved a \$48-million program to improve its management information systems. The upgrade will provide faster and more reliable payments. Technical proposals for the upgrade have been received. Contract award is projected for late 1988.

Defense-Related Activities

Competition: Issues on Establishing and Using Federally Funded Research and Development Centers

NSIAD-88-22, 03/07/88

Background

Pursuant to a legislative requirement, GAO reviewed the national defense role of federally funded research and development centers (FFRDC), specifically: (1) the relationships of FFRDC with their sponsoring agencies; (2) compliance with government-wide policy on establishing and placing work with FFRDC; and (3) exemption of FFRDC from competitive procurement requirements.

Findings

GAO found that: (1) because sponsoring agencies generally regarded FFRDC as objective, competent, flexible, and convenient, they generally did not place work with FFRDC on a competitive basis; (2) FFRDC generally carried out their research work within their charters; (3) the lack of competition limited the government's ability to know whether entities other than FFRDC could do work better or at less cost; and (4) some agencies successfully use Broad

Agency Announcements to invite proposals for research.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should implement a program to test the use of Broad Agency Announcements to determine whether the use of such announcements improves its ability to assess whether some non-FFRDC can collaborate meaningfully with FFRDC to pursue Department of

Defense research goals. If Broad Agency Announcements prove useful, they should be made a permanent part of the FFRDC program.

Status: Action taken not fully responsive. DOD did not endorse this recommendation to strengthen management of FFRDC, but it will issue

a directive in 1989 which DOD believes will achieve this goal.

Defense-Related Activities

Army Training: Need to Strengthen Internal Controls Over Troop Schools

NSIAD-88-208, 08/04/88

Background

GAO evaluated the Army's management of its contractor-operated troop schools, to determine whether the: (1) Army determined troop school courses and the number of soldiers attending them in accordance with Army regulations; (2) contractors taught courses that were consistent with Army standards and doctrine; and (3) Army established effective controls over the schools' operations.

Findings

GAO found that: (1) since none of the facilities conducted adequate needs assessments or considered training alternatives before contracting for courses, the Army did not know whether it needed the courses or how many soldiers should attend them; (2) although many installations had certification programs to test soldiers' proficiency in certain duty positions, they did not implement review procedures to ensure that the tests met Army standards or adequately measured soldier proficiency; (3) the facilities had no internal controls to ensure that contractors did not use the certification programs to create a false demand for courses; (4) the Army had no established criteria to determine cross-training requirements; (5) many troop schools taught tactical or combat-

related and leadership courses that duplicated courses that Army personnel taught; (6) many troop school officials did not submit course programs of instruction to the Army for review and approval, resulting in course content varying from base to base and the use of outdated Army doctrine; and (7) the Army had not developed course monitoring and evaluation guidance.

Open Recommendations to Agencies

Recommendation: The Secretary of the Army should develop guidance on factors that commanders should consider, including alternative training sources, in conducting needs assessments.

Status: Action not yet initiated. The Army plans to revise existing regulations on troop schools in 1989. The regulations will include factors that commanders should consider in conducting needs assessments.

Recommendation: The Secretary of the Army should develop standardized criteria for commanders to use to: (1) determine the number of soldiers who should be cross-trained to provide adequate backup expertise; (2) establish entrance qualifications for enrollment in

troop school courses; and (3) evaluate program effectiveness.

Status: Action not yet initiated. The Army plans to revise existing regulations, for use in 1989, to establish enrollee entrance qualifications and procedures for evaluating program effectiveness. Guidance will also be provided on the factors to be considered in determining troop school cross-training requirements.

Recommendation: The Secretary of the Army should develop and implement internal control procedures to ensure that adequate needs assessments are conducted before installations contract for training and that troop school programs are properly monitored and evaluated.

Status: Action not yet initiated. The Army plans to implement internal control measures to ensure that needs assessments are accurate and that the total program is monitored for effective training. These initiatives should be implemented by 1989.

Recommendation: The Secretary of the Army should determine whether soldier certification tests should be continued in view of the Skill Qualification Test Program in place throughout the Army. If certification is found to be necessary, the Army should develop standardized

tests for use in all troop school programs.

Status: Action not yet initiated. The Army plans to evaluate the need to continue soldier certification testing in troop school programs. If such testing is determined to be appropriate, standardized tests would be developed by TRADOC for implementation in 1989.

Recommendation: The Secretary of the Army should ensure that programs of instruction currently used in troop schools are reviewed and approved by the Army Training and Doctrine Command (TRADOC) schools.

Status: Action not yet initiated. TRADOC plans to review current troop school programs of instruction and make the revisions needed to comply with current Army doctrine.

Recommendation: The Secretary of the Army should direct TRADOC to develop standardized programs of instruction as new requirements for troop school courses are identified.

Status: Action not yet initiated. The Army plans to revise existing regulations, for use in 1989, to ensure that standardized programs of instruction are developed for new troop school courses.

Defense-Related Activities

Military Manpower: Lack of Management Oversight Over Civilian Substitution

NSIAD-88-169, 09/06/88

Background

Pursuant to a congressional request, GAO reviewed Army and Air Force civilian substitution, focusing on their: (1) processes for identifying military positions for possible substitution; (2) procedures for making substitutions; and (3) internal controls for managing substitutions.

Findings

GAO found that: (1) the Army and Air Force did not monitor civilian substitution practices or routinely keep

records on substitutions or the disposition of military positions freed as a result of substitutions; (2) due to the lack of records, it could not compare budgeted to actual substitutions or determine whether the services had reallocated freed military positions to higher priority missions to enhance readiness; (3) cost was not the primary consideration in making substitutions; (4) the services believed that civilians generally cost less than military personnel; and (5) each service had several thousand positions with potential for civilian substitution.

Open Recommendations to Agencies

Recommendation: Before the Army and the Air Force request funding for additional civilian substitutions, the Secretary of Defense should direct them to examine the feasibility of implementing internal control procedures that would facilitate management oversight and enable the services to compare planned versus actual substitutions.

Status: Action not yet initiated.

Defense-Related Activities

Toxic Substances: PCB Spill at the Guam Naval Power Generating Plant

NSIAD-88-217, 09/22/88

Background

Pursuant to a congressional request, GAO evaluated the Navy's actions in response to the release of polychlorinated biphenyls (PCB) at its Piti Power Plant in Guam.

Findings

GAO found that the Navy: (1) immediately initiated cleanup efforts after the spill; (2) may have exposed some employees and cleanup personnel to other toxins, since it did not immediately determine if the PCB spill generated other toxins; (3) did not have a prenegotiated contract for site characterization and cleanup recommendation; (4) did not provide cleanup personnel with adequate personal protective equipment; (5) did not provide hazardous materials management training to all cleanup personnel; (6) included all employees in the plant at the time of the spill, cleanup personnel, and continuing operations personnel in its medical monitoring program, but did not ensure

that all personnel received baseline medical examinations or timely examinations after the spill; (7) after the spill, established a medical monitoring program to ensure timely examinations for potentially affected personnel; (8) had scheduled replacement of a faulty PCB transformer during fiscal year 1989; and (9) will spend about \$6 million for site cleanup.

Open Recommendations to Agencies

Recommendation: In view of the problems encountered at Piti Power Plant and the potential for similar problems at other Navy facilities, the Secretary of the Navy should determine the feasibility of having prenegotiated testing, sampling, and detailed characterization contracts available at all installations using PCB equipment. **Status:** Action not yet initiated.

Recommendation: The Secretary of the Navy should have the Navy Supply Command, in line with Occupational

Safety and Health Administration and Navy regulations, stock the required personal protective equipment in a readily accessible location.

Status: Action not yet initiated.

Recommendation: The Secretary of the Navy should emphasize the requirements that employees who work in hazardous conditions receive baseline medical examinations before entry into the work place and receive the regularly scheduled medical examinations.

Status: Action not yet initiated.

Recommendation: In view of the problems encountered at Piti Power Plant and the potential for similar problems at other Navy facilities, the Secretary of the Navy should ensure that the required training for employees working in potential hazardous situations, such as Piti Power Plant, is provided so that they will be aware of the potential dangers and of what they should do if a problem arises.

Status: Action not yet initiated.

Defense-Related Activities

Military Family Housing: Opportunities to Improve Operations and Maintenance of Military Family Housing

NSIAD-88-204, 09/23/88

Background

In response to a congressional request, GAO evaluated the Department of Defense (DOD) Family Housing Program operations and maintenance to determine whether DOD managed the program in the most economical manner.

Findings

GAO found that there were three areas in which DOD family housing operations and maintenance needed attention, including the: (1) use of substantially more electricity and natural gas than private sector residences; (2) authorization for private cleaning services when military housing residents

moved, at an estimated cost of \$51 million; and (3) unavailability of critically needed units because maintenance and repairs frequently took too long to complete.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should implement, at least on a test basis at selected installations, a program to monitor the use of energy by individual housing units and compare this information with like units both on and off the installations. As the results warrant, the Secretary should undertake additional monitoring and conservation measures.

Status: Action not yet initiated.

Recommendation: The Secretary of Defense, after receiving and analyzing each service's progress report on the contract cleaning program, should take the action needed to bring the cost of the program in line with related savings and intangible benefits.

Status: Action not yet initiated.

Recommendation: The Secretary of Defense should direct installation commanders to reexamine their performance in completing the repair and maintenance needed to return housing units to use promptly and within existing guidelines.

Status: Action not yet initiated.

Department of Defense - Military (Except Procurement and Contracting)

More Effective Use of Contract Airlift Could Reduce DOD Transportation Costs

PLRD-83-55, 04/22/83

Background

GAO reported on the Department of Defense's (DOD) use of aircraft under contract from commercial air carriers.

Findings

GAO found that DOD is losing millions of dollars annually because of empty seats on aircraft under contract from

commercial carriers. The Military Airlift Command (MAC) spent \$228 million in fiscal year (FY) 1981 and about \$250 million in FY 1982 to airlift military and civilian personnel on contracted international flights. GAO found that a significant number of empty seats existed on these flights. There are two major reasons for these empty seats: (1) passengers did not show up for flights as

scheduled; and (2) the services apparently did not generate the volume of passengers anticipated at the time they submitted their requirements to MAC. In FY 1981, the no-show rate was 13.5 percent. In FY 1982, the no-show rate climbed to 14.7 percent. GAO estimated that empty seats caused by no-shows cost \$13.5 million annually. This savings estimate was reduced to give

consideration to overbookings and passengers who walk in and actually use seats that were intended for use by no-shows. In addition, GAO estimated that underutilization of seating capacity for reasons other than no-shows cost DOD another \$13 million annually. At present, if authorizing orders are issued, military personnel have the option of buying tickets with their own funds, with subsequent reimbursement not to exceed the MAC tariff rate, which leaves empty seats on MAC flights.

Open Recommendations to Agencies

Recommendation: DOD should revise DOD Directive 4500.9 to require that the military services use the MAC airlift, where appropriate, and that order-issuing authorities be given guidance in revised travel regulations as to specific conditions under which authorized orders can be issued. In addition, DOD should consider revising the Joint Travel Regulation (JTR) provision governing

civilian travelers to require them, like their military counterparts, to use the MAC-provided airlift.

Status: Action in process. Estimated completion date: 11/89. DOD Directive 4500.9 revision was delayed to incorporate changes resulting from establishment of the U.S. Transportation Command. In the interim, DOD established and promulgated Defense policy requiring use of MAC-owned or contracted airlift when available and meets mission requirements.

Department of Defense - Military (Except Procurement and Contracting)

Ensuring Retention of Essential Civilians Overseas During Hostilities

NSIAD-84-73, 03/14/84

Background

GAO conducted a study to determine: (1) whether the military services were reasonably sure that contractor and Department of Defense (DOD) civilian support personnel would be available when needed overseas in the event of an outbreak of war; and (2) what actions might be taken to ensure continuity of essential functions during mobilization and conflict.

Findings

Recent studies have estimated that as many as 6,000 overseas U.S. civilian and contractor personnel are essential to maintain weapons systems and military equipment. There is reason for concern that some essential employees would choose not to stay at their jobs if they thought that conditions were excessively dangerous. Within the projected group of essential civilians, there is a smaller subset of critically needed civilians whose loss could be debilitating. DOD

officials have suggested several alternatives to address the situation, including: (1) requiring civilians to remain at their posts under penalty of criminal sanctions; (2) expanding jurisdiction under the Uniform Code of Military Justice to cover civilians in situations not involving a declaration of war; (3) requiring military reserve status for civilians in essential positions; (4) requiring agreement to accept officer status upon mobilization; (5) requiring written agreements from civilians performing essential functions; or (6) requiring contract provisions aimed at ensuring retention of essential contractor personnel. However, progress in defining the extent and significance of the problem and in improving the situation has been slow. DOD has recently issued draft policy guidance intended to ensure retention of essential civilians, which calls for the use of written agreements and contract provisions for danger pay and evacuation of dependents. However,

there has been some doubt about the effectiveness of such an approach because only administrative sanctions could be imposed on violators.

Open Recommendations to Agencies

Recommendation: DOD should expand its current policy proposals to include more specific guidance on what constitutes an essential civilian.

Status: Action in process. A DOD audit in August 1988 found that the situation reported on in 1984 still exists.

Therefore, GAO is keeping this recommendation open until corrective actions are taken.

Recommendation: DOD should expand its current policy proposals to include the identification of the subset of very critical civilian positions.

Status: Action in process. A DOD audit in August 1988 found that the situation reported on in 1984 still exists.

Therefore, GAO is keeping this recommendation open until corrective actions are taken.

Recommendation: DOD should expand its current policy proposals to include the tailoring of policy alternatives, based

on the essentiality of individual positions, to provide an acceptable level of assurance that critical or essential civilians will remain at their posts, focusing first on those whose loss would have the most severe impact on combat missions.

Status: Action in process. A DOD audit in August 1988 found that the situation reported on in 1984 still exists. Therefore, GAO is keeping this recommendation open until corrective actions are taken.

Department of Defense - Military (Except Procurement and Contracting)

Opportunities To Improve the DOD Personal Property Shipping Program

NSIAD-85-10, 11/09/84

Background

GAO reviewed the Department of Defense's (DOD) Personal Property Shipping Program to identify opportunities to reduce costs and improve the efficiency of the program.

Findings

GAO found that DOD has been consolidating its personal property shipping offices and planning to automate them. However, due to a lack of coordination, the full potential for consolidation cannot be achieved and money may be spent to automate offices that should be merged with others. In addition, GAO found that, due to the delay in the development of a standardized automated system for use in managing its shipping program, many offices have become frustrated and developed their own systems, which are not compatible and cannot be merged

with a standardized system. On November 8, 1983, DOD issued a memorandum restricting the development of additional new systems. Finally, GAO found that the DOD cost of storing household goods awaiting delivery has increased substantially since 1978. These costs could be reduced significantly if DOD leased storage space and provided the service in-house or used government-owned space where available, rather than having moving companies arrange space.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the Assistant Secretary for Defense, Manpower, Installations, and Logistics, to expedite development of a standard automated system for processing personal property shipments, while closely monitoring

compliance with the November 8, 1983, memorandum restricting independent development of shipments.

Status: Action in process. Deployment of the system to continental U.S. installations has been further delayed until January 1989.

Recommendation: The Secretary of Defense should direct the Assistant Secretary of Defense, Manpower, Installations, and Logistics, to integrate plans to automate the personal property shipping offices with plans to consolidate them.

Status: Action in process. Due to difficulty in obtaining an agreement between the services on a consolidation plan, the Military Traffic Management Command (MTMC) has turned the matter over to the Deputy Assistant Secretary of Defense (A&L) for resolution. No completion date is known at this time.

Department of Defense - Military (Except Procurement and Contracting)
DOD Should Adopt a New Approach To Analyze the Cost Effectiveness of Small Hospitals

HRD-85-21, 03/15/85

Background

GAO discussed the need for the Department of Defense (DOD) to adopt a new approach to analyzing the cost-effectiveness of providing inpatient services at small hospitals.

Findings

GAO found, through its studies of nonfederal hospitals, that smaller hospitals are less economical to operate than larger ones. The studies indicate that the most economical hospital size is between 200 and 300 beds. GAO also found that, in fiscal year (FY) 1983, DOD operated 69 hospitals having daily inpatient loads of 50 or less. The cost to operate these hospitals totalled about \$506 million. Using a model that compared the costs of operating small

military hospitals to the estimated costs of converting them to outpatient clinics, GAO found that DOD could have saved \$3.9 million in FY 1981 costs had it converted smaller hospitals to clinics.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the Assistant Secretary of Defense for Health Affairs and the Surgeons General of the Army, Navy, and Air Force to: (1) develop criteria to determine when providing inpatient services at small military hospitals is economical and necessary to meet the wartime or peacetime benefit missions, and the criteria should include the minimum work load needed to justify offering inpatient care, the

distance to other civilian or federal hospitals, alternative treatment settings for active duty patients who require limited care, and other relevant considerations; (2) use a methodology similar to the one discussed in this report, and analyze each small military hospital in the direct-care system to determine its potential for conversion to an outpatient clinic; and (3) perform such analyses before requesting funds from Congress, or before expending any already approved funds, for reconstructing or renovating any small hospital in the DOD system.

Status: Action in process. DOD is developing a Military Health Service System Sizing Model. This model will identify where it might be cost-effective to increase or decrease service.

Department of Defense - Military (Except Procurement and Contracting)
The Navy Can Improve Material Management at Naval Shipyards

NSIAD-85-71, 05/06/85

Background

GAO conducted a review of four naval shipyards to determine the effectiveness of Navy materiel management activities.

Findings

GAO found that the naval shipyards do not effectively determine direct materiel requirements for future overhauls because: (1) complete and accurate usage data are not collected; and (2) historical usage information on prior overhauls is not analyzed. As a result, materiel

shortages and surpluses reduce efficiency and increase costs of shipyard depot maintenance. Further, usage information is inaccurate because it includes unused materiel placed in unrecorded stockpiles instead of being returned to the proper inventory location. Usage information is also inaccurate because it does not include

many items used during overhauls that the shipyards have manufactured. Furthermore, materiel planners do not have an adequate management information system. Instead of using the data analysis part of a Naval Sea Systems Command (NAVSEA) automated materiel requirements planning system, shipyards have continued to use ineffective local systems. As a result of ineffective planning, large amounts of unused materiel from prior overhauls have been accumulated. In addition, the shipyards have not performed required physical inventories of shop stores or effectively identified, analyzed, and disposed of excess materiel. Finally, because the shipyards have not been held accountable for implementing NAVSEA systems and procedures, or held their personnel accountable for implementing the procedures, previously identified materiel management problems remain unsolved.

Open Recommendations to Agencies

Recommendation: The Secretary of the Navy should direct the Commander, NAVSEA, to initiate a one-time special project to have shipyards identify and record all existing unrecorded materiel and retain only that materiel allowed by Department of Defense (DOD) and Navy regulations, return all other needed materiel to the supply system, and dispose of materiel that is no longer needed.

Status: Action in process. Coordination procedures for retail and intermediate levels are being established. The timetable for the one-time project to

complete recommended actions is 2 to 3 years. Lack of funds has delayed this action.

Recommendation: The Secretary of the Navy should direct the Commander, NAVSEA, to: (1) collect accurate information on materiel used during overhauls; (2) properly account for unused materiel upon the completion of each overhaul; and (3) record all manufactured materiel in the historical usage data base.

Status: Action in process. Further evaluation of materiel controls is being done under the Navy Industrial Fund Improvement Program (NIFIP), scheduled to be completed over the next 3 years.

Recommendation: The Secretary of the Navy should direct the Commander, NAVSEA, to adopt and implement a materiel requirements planning subsystem that the shipyards can use to analyze historical usage data.

Status: Action in process. Final decisions on software purchases to enhance current applications will be made after the NIFIP review is completed.

Recommendation: The Secretary of the Navy should direct the Commander, NAVSEA, to ensure that shipyards implement procedures to analyze actual usage data when ordering materiel for future overhauls.

Status: Action in process. Field testing of 16 enhancements to the Shipyard Materiel Information System was a success and will be implemented at other shipyards by December 1988.

Recommendation: The Secretary of the Navy should direct the Commander, NAVSEA, to ensure that shipyards: (1) perform the required physical inventories; and (2) properly identify, analyze, and dispose of excess shop-store materiel.

Status: Action in process. Estimated completion date: 12/88. Numerous initiatives associated with NIFIP are in process. Shipyards are now implementing those material policies not dependent on changes to the shipyard management information system.

Recommendation: The Secretary of the Navy should direct the Commander, NAVSEA, to closely monitor the shipyards' implementation of any changes in guidance concerning physical inventories and excess materiel.

Status: Action in process. NAVSEA plans to monitor shipyard compliance with revised policies by setting up a reporting system. Semiannual internal reporting to NAVSEA will start in the second quarter of fiscal year 1989.

Recommendation: The Secretary of the Navy should direct the Commander, NAVSEA, to require that shipyards include appropriate standards in the performance appraisals of shipyard employees responsible for materiel management activities and hold them accountable for meeting the standards.

Status: Action in process. Estimated completion date: 12/88. The Cooper/Lybrand review included a recommendation for performance standards. NAVSEA will issue guidance on performance standards to shipyards.

Department of Defense - Military (Except Procurement and Contracting)

Routing Small Shipments of Hazardous or Sensitive Cargo

NSIAD-86-34, 12/20/85

Background

GAO evaluated the Military Traffic Management Command's (MTMC) actions in response to previous GAO recommendations concerning the routing of small shipments of hazardous or sensitive cargo.

Findings

GAO found that MTMC has attempted to comply with earlier report recommendations by: (1) obtaining and issuing additional installation shipping and receiving data; (2) making and documenting cost comparisons; (3) making more disclosures of shipping requirements; (4) maintaining more distribution records; and (5) establishing standard operating procedures which assign responsibilities and define procedures for selecting carrier service on small shipments of ammunition, explosives, and weapons. However, GAO

found that MTMC instructions and guidelines are sometimes incomplete, unclear, or not followed, resulting in: (1) the preclusion of the use of the lowest-cost air taxi service; (2) reliance on incomplete and conflicting information; (3) questionable cost analysis; and (4) inconsistent consideration of shipment time factors.

Open Recommendations to Agencies

Recommendation: The Commander, MTMC, should verify routinely that MTMC guidelines are followed. These instructions and guidelines should specifically: (1) require shippers to certify the necessity for palletization when it is used on small shipments; (2) provide for a requirement that information on air taxi landing fields be continuously updated and any discrepancies between the shippers'

information and MTMC information be resolved quickly; (3) require development and use of a MTMC-approved methodology for computing air taxi pickup and delivery costs, which would result in a greater degree of consistency in the costs among installations, and which would be available to the air taxi industry; and (4) define the required delivery date as it is to be used in requesting routing advice and how it, along with the transportation priority, will be used in making the mode and carrier choice.

Status: Action in process. Estimated completion date: 02/89. Standard methodology development has been delayed due to services' disagreement on standard elements to be utilized to compute disability costs for all modes of transportation. Concurrence should be achieved soon; the requirement will be removed from the regulation.

Department of Defense - Military (Except Procurement and Contracting)

Emergency Airlift: Responsiveness of the Civil Reserve Air Fleet Can Be Improved

NSIAD-86-47, 03/24/86

Background

GAO reviewed the Civil Reserve Air Fleet (CRAF) program to determine whether: (1) the Department of Defense's (DOD) efforts to ensure that CRAF was ready for mobilization were sufficient and effective; and (2) commercial

carriers were prepared to support CRAF aircraft, particularly at foreign airfields.

Findings

GAO found that it was uncertain whether CRAF could effectively meet DOD mobilization requirements because:

(1) Military Airlift Command (MAC) tests of the program through simulation and field exercises had been very limited; (2) DOD had provided limited mobilization planning data to CRAF carriers, making it very difficult for the carriers to plan for utilization of the

system in an emergency; (3) MAC had not sufficiently monitored carrier compliance with contract provisions designed to help ensure effective mobilization; and (4) the incompatibility of data communications services at some military airfields with existing commercial services could hinder effective communications. GAO also found that, at overseas airfields, CRAF might not get the support needed because responsible carriers were unaware of the estimated work load for each location. Having allies provide this support under host-nation support agreements is an option that DOD is pursuing.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should require MAC to: (1) provide typical work-load information to

key carrier representatives and evaluate the carriers' abilities to perform their missions; (2) assess CRAF capability of using data obtained from the carriers, field exercises, and simulations; (3) evaluate CRAF carriers' efforts to meet contractual requirements, such as number of qualified crews with security clearances, the availability of Geneva Convention cards, and navigational route kits; and (4) consider the need for additional data communications capabilities at key military airfields for use by CRAF carriers during a national emergency.

Status: Action in process. Estimated completion date: 06/89. The Air Force has taken action on all of the recommendations. Field exercises were held, but CRAF did not participate as planned because the information was classified and secure communications equipment was not installed. As of October 1988, DOD still intended to have

CRAF participate and secure communications equipment is now being purchased.

Recommendation: The Secretary of Defense should require MAC to: (1) provide carriers responsible for supporting CRAF aircraft overseas with general work-load data on the numbers and types of aircraft to be supported at each foreign airfield for their use in planning the efficient movement of combat personnel and cargo; and (2) fully consider CRAF senior lodger support requirements in negotiating host-nation support agreements.

Status: Action in process. Estimated completion date: 09/90. DOD stated that it concurred with the recommendations and has started corrective action on all of them. As DOD negotiates host-nation support agreements, these issues are supposed to be addressed on a case-by-case basis.

Department of Defense - Military (Except Procurement and Contracting)

Navy Manpower: Improved Ship Manpower Document Program Could Reduce Requirements

NSIAD-86-49, 03/27/86

Background

Pursuant to a congressional request, GAO reviewed the Navy's Ship Manpower Document (SMD) program, which the Navy uses to estimate work-force requirements for its fleet.

Findings

GAO found that: (1) the requirements that the Navy has established through the SMD program are questionable because the methodology it uses in the program is not rigorous enough; and (2)

the net effect of the lack of rigor is that the Navy has overestimated many of its manpower requirements and underestimated others. GAO also found that the Navy: (1) does not maintain adequate documentation to support its watch station (WS) requirements estimates; (2) does not base WS requirements estimates on rigorous onboard analyses of ship operating procedures; (3) has not made adequate progress in developing new standards for own unit support (OUS) requirements; (4) has no reliable historical data base of preventive maintenance (PM) and

corrective maintenance (CM) accomplished on its ships; (5) uses invalid ratios based on PM to estimate CM requirements; (6) adds allowances for preparation and nonproductivity to its PM and CM estimates; and (7) does not use the same assumptions for its computer simulation and its conceptual model for facilities maintenance (FM). In addition, GAO found that: (1) the SMD computer model does not reflect basic assumptions regarding work performed in port and the average work week for Navy personnel; (2) the SMD computer model does not account for maintenance

work that watch personnel perform; (3) the Navy does not adequately document the SMD system or changes to it; and (4) the Navy has neither adequately monitored nor controlled the program, nor ensured effective communication among program participants.

Open Recommendations to Agencies

Recommendation: In order to improve the soundness and rigor of work-load measurement and standards development and increase the confidence of administration and congressional decisionmakers in the Navy's manpower requirements, the Secretary of the Navy should expedite the development of both a PM and a CM data base for

establishing SMD maintenance work-load and work-force requirements by ensuring that the Maintenance Data System (MDSII) is: (1) developed properly to incorporate both PM and CM data collection components; (2) implemented in a timely manner; and (3) used by the fleet to accurately report actual PM and CM work-load data.

Status: Action in process. Estimated completion date: 09/90. An improved MDSII is planned to provide this capability. However, the software required to capture CM and PM data was not available until 1987, and the ship hardware needed to communicate the data will not be issued until 1989 or 1990. The Chief Naval Officer was tasked to review the PM/CM ratio for completion by mid 1989.

Recommendation: In order to improve the soundness and rigor of work-load measurement and standards development and increase the confidence of administration and congressional decisionmakers in the Navy's manpower requirements, the Secretary of the Navy should validate the pay-grade staffing tables to establish wartime grade requirements and develop documented support for their use.

Status: Action in process. The Navy Manpower Engineering Center (NAVMEC) initiated a review of SMD staffing tables that will be completed in FY 1990. A validation procedure was established and two additional staffing tables were submitted for review by NAVMEC.

Department of Defense - Military (Except Procurement and Contracting)

Military Airlift: Improving Management of Aircraft Loading Operations

NSIAD-87-5, 10/23/86

Background

GAO evaluated whether the Military Airlift Command's (MAC) aerial ports, which are airfields selected for the sustained movement of military air traffic, can effectively support wartime airlift operations.

Findings

The military airlift system is made up of both military aircraft and commercially owned and operated aircraft committed to the Civil Reserve Air Fleet (CRAF) program. System readiness depends on having reliable materiel handling equipment to load and unload aircraft and personnel to operate and maintain the equipment. However, problems with

59 elevator loaders MAC purchased from a contractor in 1982 reduced its ability to load wide-body aircraft. MAC took these loaders, which accounted for over half of its wide-body elevator loader capacity, out of service in 1985 after it experienced extensive problems. The absence of operational reliability testing, inadequate storage procedures, and lack of spare parts were major factors in reducing loader availability. Since MAC did not review the status of the spare parts kit components for 7 years, it found that the kits contained components for equipment no longer in use. While MAC has taken action to update kit components, the kits do not contain parts for elevator-type cargo loaders or have not been established for

equipment stored as war reserve. Although CRAF-owned cargo loaders would provide an alternative to the government buying new equipment to meet wartime requirements, MAC policy is to use CRAF equipment only when its own resources are unavailable. As a result, the Air Force bought loaders even though CRAF carriers had the equipment. GAO believes that MAC plans should provide for use of CRAF-owned carriers to reduce the need for additional procurement and reduce the impact of loader shortages.

Open Recommendations to Agencies

Recommendation: The Secretary of the Air Force should direct the Commander, MAC, to ascertain the extent to which the storage problems experienced with the contractor's loaders may be occurring with other materiel handling equipment (MHE) stored as war reserve. **Status:** Recommendation valid/action not intended. The Department of

Defense (DOD) stated that existing procedures are adequate for vehicle storage; however, these procedures were not employed for the Wilson loaders. The adequacy of existing storage procedures will be considered for future audit work.

Recommendation: The Secretary of the Air Force should revise Air Force regulations to require consideration of

CRAF-owned elevator loaders in formulating operational war plans and determining procurement requirements. **Status:** Action in process. Estimated completion date: 06/89. Air Force and MAC regulations will be amended to show CRAF personnel and equipment available to MAC. War plan changes will be accomplished after commitments are obtained from carriers.

Department of Defense - Military (Except Procurement and Contracting)

Navy Supply: Intermediate Inventories Can Be Reduced

NSIAD-87-19, 10/28/86

Background

GAO provided information on the Navy's management of intermediate inventories, specifically whether the Navy needed these inventories for prompt response to customer demands.

Findings

GAO noted that, at the end of fiscal year 1985, the Navy maintained intermediate inventories of consumable material in the United States worth an estimated \$729 million. GAO found that the Navy could substantially reduce total inventories without increasing supply response times by: (1) eliminating intermediate inventories that duplicate wholesale and consumer inventories; and (2) using average rather than maximum inventory levels to compute intermediate inventory requirements. GAO also found that the Navy could reduce supply response times without increasing inventories by: (1) exerting more control over the requisition priority system; and (2) improving systems for reviewing and processing requisitions and updating inventory records.

Open Recommendations to Agencies

Recommendation: The Secretary of the Navy should direct the Commander, Naval Supply Systems Command (NAVSUP), to eliminate intermediate inventories that are collocated with wholesale inventories.

Status: Action in process. Estimated completion date: 01/89. New automatic data processing (ADP) systems are being phased that will allow the Navy to develop techniques to determine inventory levels based upon user demands and establish a single wholesale level of inventory for those activities that currently have collocated wholesale and intermediate inventories.

Recommendation: The Secretary of the Navy should direct the Commander, NAVSUP, to eliminate intermediate inventories maintained for single customers that stock the same items in their consumer inventories.

Status: Action in process. Estimated completion date: 06/89. The Navy has begun a study to determine the extent to which intermediate and consumer

inventories are in close proximity to each other. Based upon the results of this study, the Navy will take action to optimize intermediate inventories in support of consumer inventories and eliminate inventories for which there is inadequate marginal return.

Recommendation: The Secretary of the Navy should direct the Commander, NAVSUP, to take steps to ensure that consumer activities and inventory stock points: (1) comply with Navy instructions on assigning high priority requisitions; (2) determine the reasons why some activities substantially exceed percentage guidelines set by the Navy; and (3) take appropriate actions to curb abuses of the issue priority system.

Status: Action in process. Estimated completion date: 01/89. The Chief, Naval Operations, has directed the Systems Commands to include review of assignment of priority designators as part of each future command inspection. Also, the Department of Defense (DOD) plans to issue revised policy and procedural guidance to strengthen

management controls and bring about greater priority discipline.

Recommendation: The Secretary of the Navy should direct the Commander, NAVSUP, to require Navy activities to comply with the NAVSUP Publication 437 requirement that they report the

date materiel receipts are posted to inventory records and the date they actually receive the materiel. Using this data, as well as other requisition processing data, the Commander, NAVSUP, should identify activities that exceed Defense time standards, ascertain

the reasons for delays, and correct the causes of these delays.

Status: Action in process. Estimated completion date: 01/89. The Navy is collecting the data necessary to identify activities that exceed time standards and will take action to correct the causes of the delays.

Department of Defense - Military (Except Procurement and Contracting)

Military Logistics: Improvements Needed in Managing Air Force Special Stock Levels

NSIAD-87-34, 12/23/86

Background

GAO evaluated the reasonableness and accuracy of the Air Force's procedures and practices for establishing and managing special stock-level requirements for recoverable aircraft and missile spare parts.

Findings

GAO found that the Air Force Logistics Command (AFLC) has taken actions to revise its methodology for establishing special stock levels based on the D041 system requirements, which will result in more accurate requirements determinations and preclude procurement of unneeded materiel at its five air logistics centers. However, further revisions are necessary because the revised methodology determines special stock-level requirements based on

initial requirements computed, not the final requirements, resulting in overstated or understated stock levels. Bases may request adjusted stock levels and submit them for item-manager approval if their normal stock levels do not meet their needs. After receiving approval, the bases input the adjusted levels and forward transaction cards to the appropriate center for input to the D143H automated system. Although automating this process would eliminate item manager computations and human errors, the two systems are not interfaced and the D143H system is inaccurate. The D143H system does not include 37 percent of the \$130 million in adjusted base stock levels approved and already included in the D041 system, and the D143H system includes \$1.3 million of adjusted stock levels that have not been approved or input to the D041 system.

Open Recommendations to Agencies

Recommendation: The Secretary of the Air Force should direct the Commander, AFLC, to establish procedures to provide for annual reconciliations of base stock requirements included in base stock records and those reflected on air logistics center records. As part of these reconciliations, causes of any discrepancies should be identified and eliminated.

Status: Action in process. The Air Force developed computer software to implement this recommendation, but communication problems have thus far prevented its use. The Air Force expects to solve the problems and begin performing automated reconciliations sometime in 1989.

Department of Defense - Military (Except Procurement and Contracting)
**Military Airlift: Management Controls Over Charter Airlift
Need To Be Strengthened**

NSIAD-87-67, 03/06/87

Background

Pursuant to a congressional request, GAO reviewed: (1) the Department of Defense's (DOD) policies and procedures for chartering commercial aircraft; (2) oversight procedures for monitoring carrier performance and compliance with Federal Aviation Administration (FAA) safety regulations; and (3) the investigation of the DC-8 air crash at Gander, Newfoundland, that resulted in the death of 248 U.S. military personnel.

Findings

GAO found that: (1) the Military Airlift Command (MAC) did not include appropriate safety clauses in its contracts with foreign airlines; (2) the ramp inspection program did not provide sufficient coverage of contractor aircraft or air taxi operators; (3) the safety clauses in current transportation agreements do not specifically charge contractors with the responsibility for flight safety; (4) in-flight quality checks were very limited; (5) DOD and FAA did not effectively communicate on charter oversight; (6) MAC did not include an evaluation of airline security programs in its airlift capability surveys; and (7) the December 1985 DC-8 air crash was still under investigation to determine the aircraft's loaded weight and balance, the possible influence of ice buildup, and the aircraft's maintenance record.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the Commander, MAC, to improve the airlift capability survey process by requiring discussions with pilots and other air crew and maintenance personnel and providing increased emphasis on evaluations of contract maintenance facilities and quality control over this maintenance. **Status:** Action in process. Estimated completion date: 11/89. DOD intends to hold discussions with pilots during a recently initiated cockpit observation program and expand maintenance observations.

Recommendation: The Secretary of Defense should direct the Commander, MAC, to develop ways to obtain and evaluate information on the capabilities and safety records of potential foreign airlift contractors. **Status:** Action in process. Estimated completion date: 11/89. MAC intends to develop ways to obtain safety data on foreign airlift contractors.

Recommendation: The Secretary of Defense should direct the Secretary of the Air Force to establish a permanent policy on MAC interim passenger and baggage weight criteria and the Commander, MAC, to inform existing contractors of the interim passenger and baggage weight criteria and include these criteria in its new airlift contracts. **Status:** Action in process. Estimated completion date: 11/89. DOD intends to

revise passenger weight and baggage criteria.

Recommendation: The Secretary of Defense should direct the Commander, MTMC, to periodically remind its customers that hazardous materials are not allowed on passenger aircraft and develop instructions covering this regulation.

Status: Action in process. Estimated completion date: 11/89. MTMC intends to periodically remind customers that hazardous materials are not allowed on passenger aircraft.

Recommendation: The Secretary of Defense should direct the Commander, MAC, to improve the management of its ramp inspection program to include: (1) centrally selecting the flights and aircraft to be inspected and evaluating the results by contractor; (2) expanding the ramp inspection program to commercial airport locations; (3) targeting aircraft not included in the airlift capability surveys for ramp inspections where possible; and (4) expanding the program to include MTMC charter airline flights, as well as MTMC and MAC air taxi flights, where possible.

Status: Action in process. Estimated completion date: 11/89. MAC intends to improve its ramp inspection program.

Recommendation: The Secretary of Defense should direct the Commander, MAC, to improve the passenger comments process by: (1) developing and using a two-copy form with one copy

always sent to MAC; (2) centrally evaluating the comments categorized by contractor; and (3) redesigning the form to focus passengers' reporting on safety and quality problems they might have noticed.

Status: Action in process. Estimated completion date: 11/89. MAC and MTMC will improve the customer comments form on service and safety concerns.

Recommendation: To help ensure optimum results from the DOD study and recommendations on commercial passenger airlift policies and procedures, the Secretary of Defense should commit the personnel and other resources required to implement the recommendations.

Status: Action in process. Estimated completion date: 06/89. DOD is implementing this recommendation by increasing staff devoted to air carrier analysis and inspection.

Recommendation: To help ensure optimum results from the DOD study

and recommendations on commercial passenger airlift policies and procedures, the Secretary of Defense should direct the DOD Inspector General to provide an independent assessment of the implementation of the recommendations.

Status: Action in process. DOD intends to implement corrective actions, as stated in its response to the report. DOD and Air Force audits are expected to be completed by May 1989.

Recommendation: To help ensure air transportation security on military charters, the Secretary of Transportation should direct the Administrator, FAA, to change FAA security regulations to require that: (1) DOD charter contractors follow FAA security procedures tailored to military requirements; and (2) FAA provide DOD charter operators with information on the classifications of foreign airports and the security measures required.

Status: Action in process. Estimated completion date: 12/89. Specific DOT

and FAA implementation action plans are not yet available.

Recommendation: To help ensure air transportation security on military charters, the Secretary of Defense should direct the Commander, MTMC, to include airport and in-flight security clauses in MTMC transportation agreements and monitor the implementation of those clauses.

Status: Action in process. Estimated completion date: 06/89. MATA now include security clauses.

Recommendation: To help ensure air transportation security on military charters, the Secretary of Defense should direct the Commander, MAC, to provide for evaluation of contractors' airport and in-flight security programs during the airlift capability surveys.

Status: Action in process. Estimated completion date: 11/89. MAC will be directed to review air carrier security procedures.

Department of Defense - Military (Except Procurement and Contracting)

Military Airspace: Better Planning Is Needed To Meet Future Requirements

NSIAD-87-93, 03/23/87

Background

GAO reviewed the military's plans for its future airspace requirements to determine whether the plans are adequate.

Findings

GAO found that: (1) a number of Air Force and Navy units have encountered airspace shortages that have decreased air crew training effectiveness and

increased training costs; (2) the Department of Defense (DOD) has not provided guidance to the services in their airspace planning to ensure consistency and coordination; and (3) the services need to make comprehensive, long-range airspace plans to meet their future requirements.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should require the military services to: (1) develop comprehensive airspace plans that define, validate, and support their future airspace requirements; (2) keep the plans current and coordinate them among the services; (3) use the information developed on airspace requirements and availability to

assist in aircraft basing and mission decisions; and (4) share their plans with

the Federal Aviation Administration and affected states, to the extent possible.

Status: Action in process. A DOD directive will be published in the second quarter of fiscal year 1989.

Department of Defense - Military (Except Procurement and Contracting)

Military Airlift: Requirements for Aerial Port Personnel in Wartime Need To Be Determined

NSIAD-87-115, 05/11/87

Background

Pursuant to a congressional request, GAO evaluated the Military Airlift Command's (MAC) requirements for aerial port personnel to support wartime operations. MAC is responsible for providing technical supervision and assistance to the military services and providing and operating specialized materiel-handling equipment when it is not otherwise available.

Findings

GAO found that: (1) MAC plans to provide personnel to perform wartime unit movement functions that are assigned to the Navy and Marine Corps; (2) the Army needs to make its field manual consistent with the joint service regulation; (3) the Army has not established active organizations to perform certain duties, as required by joint service regulations; and (4) MAC

should focus on strengthening the services' capabilities, rather than performing their functions.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the Air Force to validate the need for the personnel it has programmed to support unit move and aerial port operations and, consistent with its evaluation of the services' capabilities, reduce the number of personnel MAC has programmed for functions that are the services' responsibility.

Status: Action not yet initiated. The Air Force will initiate action upon publication of FM-55-12, anticipated by the end of 1988.

Recommendation: The Secretary of Defense should direct the Army to revise

its field manual to clearly place the responsibility on the moving services for the functions outlined in the joint service regulation.

Status: Action not yet initiated. The Army plans publication of the joint service regulation during the first quarter of 1989.

Recommendation: The Secretary of Defense should periodically evaluate the services' and MAC capabilities and revalidate MAC staffing levels.

Status: Recommendation valid/action not intended. While the Department of Defense (DOD) concurred with this recommendation, it stated that the Air Force regularly validates its staffing levels. Other services' capabilities to mobilize are already evaluated through exercises and inspections. GAO believes that service-specific validations will not likely identify duplication among the services.

Department of Defense - Military (Except Procurement and Contracting)

Navy Manpower: Squadron Manpower Program Needs Improvement

NSIAD-87-101, 05/19/87

Background

Pursuant to a congressional request, GAO evaluated the Navy Squadron Manpower Document (SQMD) program to determine whether the Navy based its manpower requirements on sound and rigorous processes.

Findings

GAO found that the Navy: (1) has not established staffing standards on work loads for all ground officers and about 20 percent of ground enlisted personnel; (2) did not document the initial standards development for ground enlisted personnel, or require that revised standards be based on efficiency reviews; (3) does not independently verify, consistently calculate, or completely document work loads; (4) uses allowances for nonproductive time that are not based on supportable evidence; and (5) has neither updated nor adequately supported the work-week standard it uses to determine SQMD requirements. GAO noted that limited program support affects the SQMD program in the form of insufficient travel funds, key position vacancies, high staff turnover, and inexperienced program personnel.

Open Recommendations to Agencies

Recommendation: The Secretary of the Navy should direct that efficiency reviews be performed before developing or updating staffing standards.

Status: Action in process. Estimated completion date: 09/89. Efficiency

reviews will be conducted as functional areas come up for standards development. Guidance on this will be incorporated in the new SQMD procedures manual to be issued by March 1989.

Recommendation: The Secretary of the Navy should direct that staffing standards be developed for as many position requirements as practical, both officer and enlisted.

Status: Action in process. Estimated completion date: 09/89. A ground officer staffing standard is being developed and a plan of action to complete staffing standards for all positions is being drawn up.

Recommendation: The Secretary of the Navy should direct that staffing guidelines be developed for those officer and enlisted positions where staffing standards are seen as impractical. Such guidelines should include the process for establishing positions, documenting their justification, and periodically reevaluating the need for them.

Status: Action in process. Estimated completion date: 09/89. The Chief of Naval Operations (CNO) directed that all such positions be identified and documentation be developed. The Ground Officer Staffing Guide was implemented in late 1987.

Recommendation: The Secretary of the Navy should direct that the SQMD standards application process be improved to ensure the accuracy of maintenance work load by actions such

as: (1) using acceptable work-measurement techniques to establish anticipated time for performing planned aircraft maintenance tasks; and (2) requiring an independent, periodic review of maintenance documentation, at the squadron level, including validation of historical maintenance data by analyzing other materials related to work load.

Status: Action in process. Estimated completion date: 09/89. New guidance being developed will emphasize maintenance work load accuracy.

Recommendation: The Secretary of the Navy should direct that studies be conducted to determine the appropriate time allowances to be added to measured work load.

Status: Action in process. Estimated completion date: 09/89. Production delay allowance was discontinued at the end of fiscal year 1987, however, other allowances will continue to be applied, unless studies presently being conducted of other allowances show them to be incorrect or unjustified.

Recommendation: The Secretary of the Navy should direct that staffing standards and guidelines, work-load allowances, and work-week time factors be validated periodically, in accordance with Department of Defense guidance.

Status: Action in process. Estimated completion date: 09/89. CNO directed the Navy Manpower Engineering Center to incorporate a triannual review of all standards, guidelines, and allowances.

Recommendation: The Secretary of the Navy should direct that the SQMD computer model be revised to: (1) allow certain squadron indirect maintenance work load, including facilities maintenance and tasking, to be allocated at least on a departmentwide basis, where feasible; and (2) eliminate the compounding effect of work-load allowances.

Status: Action in process. Estimated completion date: 09/89. The SQMD computer model is being revised.

Recommendation: The Secretary of the Navy should require that current, accurate, and complete documentation be maintained to support the: (1) methodology for establishing squadron manpower requirements; (2) staffing standards, work-load allowances, and

work-week time factors; (3) squadron work-load data used in calculating manpower requirements; and (4) assumptions of the SQMD computer model.

Status: Action in process. Estimated completion date: 09/89. The procedures manual is being revised to stress proper documentation. Improved documentation will be maintained as standards are developed.

Department of Defense - Military (Except Procurement and Contracting)

Marine Corps Manpower: Improvements Needed in Processes for Determining Manpower Requirements

NSIAD-87-102, 05/26/87

Background

In response to a congressional request, GAO evaluated the adequacy of the processes the Marine Corps used to determine its manpower requirements for non-Fleet Marine Forces (FMF) and administrative and support components of FMF units.

Findings

GAO found that the Marine Corps: (1) often based its staffing standards on an official judgment rather than on a measured work load or on methods improvement studies; (2) did not make on-site surveys to establish personnel and supply administration requirements; (3) did not apply staffing standards for positions during one on-site survey, but based its determination mainly on interviews with work center personnel; (4) had inadequate documentation for the development and maintenance of staffing standards; (5) had inadequate oversight of the manpower determination processes; and (6) did not

sufficiently coordinate or monitor the units' determination of their needs.

Open Recommendations to Agencies

Recommendation: The Commandant of the Marine Corps should issue guidance governing the development and application of manpower determination processes, including: (1) when engineered manpower standards, rather than less precise criteria such as staffing guides, should be used; (2) when and how staffing standards should be developed, validated or updated, and documented; (3) how structure studies should be used in determining manpower needs; and (4) when and how judgement should be used in the manpower determination process and how it should be documented.

Status: Action in process. Estimated completion date: 07/89. A formal handbook is being developed and will provide guidance and instructions governing the development and application of the manpower program.

Recommendation: The Commandant of the Marine Corps should require systematic management oversight that will provide adequate coordination and monitoring of the procedures the various organizations use to determine their manpower needs.

Status: Action in process. Estimated completion date: 07/89. Manpower department representatives will conduct periodic visits to all commands to ensure coordination and management oversight.

Recommendation: The Commandant of the Marine Corps should require that the staffing standards program: (1) use accepted work-measurement techniques in standards development and validation; (2) use efficiency review results in the development of staffing standards; and (3) expand coverage of staffing standards to include all FMF and non-FMF functions where work-load measurement is feasible and practical.

Status: Action in process. Estimated completion date: 07/91. Initial efforts are being directed at non-FMF units and

selected FMF functions are being examined for methodology applicability.

Recommendation: The Commandant of the Marine Corps should require that the on-site survey program use: (1) applicable standards and explain deviations from the standards; (2) a combination of techniques where the operational audit approach is applied; and (3) on-site surveys to help establish requirements for appropriate elements of FMF units.

Status: Action in process. Estimated completion date: 07/89. New manpower

requirement procedures are being developed and will be used at selected FMF units in garrison.

Recommendation: The Commandant of the Marine Corps should ensure that adequate documentation is maintained on the development and application of staffing standards, the conduct of on-site surveys, and the use of manpower requirements information from structure studies.

Status: Action in process. Estimated completion date: 07/89. The new manpower program will provide full

documentation and audit trail on the development and use of standards.

Recommendation: The Commandant of the Marine Corps should identify manpower requirements independent of fiscal and personnel management constraints.

Status: Action in process. Estimated completion date: 07/89. This will be done incrementally as the new manpower requirements determination program progresses.

Department of Defense - Military (Except Procurement and Contracting)

Army Deployment: Better Transportation Planning Is Needed

NSIAD-87-138, 06/18/87

Background

GAO discussed the Army's ability to mobilize and move forces to ports of debarkation within the time frames of its operational plans, including: (1) the availability of the required transportation resources; and (2) the adequacy of unit and installation plans and preparations to use them.

Findings

GAO found that: (1) because the Army has not identified what equipment it needs to move to mobilization stations, identifying the number or types of transportation resources it needs is difficult; (2) mobilization station commanders and transportation operating agencies believe that the Computerized Movement Planning and Status System (COMPASS) is inaccurate and outdated; (3) the outloading capability of mobilization stations varies

from the Military Traffic Management Command's (MTMC) requirements; (4) deterioration of rail lines impedes movement of units to and from mobilization stations; (5) the Army has not determined mobilization stations' out-load capacities and capabilities to receive, off-load, and return transportation resources; (6) the U.S. Army Forces Command (FORSCOM) overstated its requirements for blocking, bracing, packing, crating, and tie-down (BBPCT) materials and warehouses by about \$10 million; and (7) FORSCOM overstated its needs for railcar spanners, hand tool sets, and loading ramps by \$5.5 million.

Open Recommendations to Agencies

Recommendation: The Secretary of the Army should direct the Commander, FORSCOM, in conjunction with the

mobilization commanders, to ensure that the equipment requiring commercial transportation for movement to and from the mobilization stations be accurately reflected in COMPASS reports.

Status: Action in process. Estimated completion date: 06/92. COMPASS system redesign efforts have been initiated, as have courses and training for proper development of COMPASS data. Steps to verify compliance are to be developed by the end of fiscal year (FY) 1988.

Recommendation: The Secretary of the Army should direct mobilization station commanders to determine and document the amount and type of commercial transportation required to meet the most demanding requirements in the operation plans for which a mobilization station is tasked. The most demanding out-load requirements may vary from

mobilization station to mobilization station depending on the transportation mode selected, installation out-load capabilities, proximity to port of embarkation, or other factors.

Status: Action in process. Estimated completion date: 06/90. The Army is developing contingency standing route orders for all reserve and guard units by FY 1990. The Army goal is to semiannually validate carrier capability and provide data directly to installations.

Recommendation: The Secretary of the Army should direct FORSCOM and MTMC to compare the number of railcars and trucks planned for use by mobilization stations with the number expected by MTMC for each operation plan to ensure that any differences will not materially affect the out-loading capabilities of the mobilization stations or port-reception capabilities of the ports of embarkation.

Status: Action in process. Estimated completion date: 06/89. MTMC is developing a handbook for determining out-loading capability. Coordination increased with FORSCOM and other commands. An action plan is to be completed during FY 1989.

Recommendation: The Secretary of the Army should direct mobilization stations to develop plans for distributing BBPCT materials and equipment to the out-loading units.

Status: Action in process. FORSCOM Regulation 55-1 is being changed to address this by clarifying mobilization station requirements and assigning

responsibilities. FORSCOM plans to publish the revised Regulation 55-1 by early 1990.

Recommendation: The Secretary of the Army should direct the Commander, MTMC, in coordination with the Department of Transportation's Office of Emergency Transportation, to annually assess the availability of rail and truck resources for meeting the Army's deployment needs. This assessment should consider: (1) the Army's need for special types of railcars and trucks; (2) the out-loading capacity and capability of the mobilization stations; and (3) the capability of the ports of embarkation to receive, off-load, and return the transportation resources for reloading.

Status: Action in process. The Joint Chiefs of Staff directed the services and the Defense Logistics Agency to develop commercial transportation requirements. Heavy lift rail requirements and heavy lift motor capability studies are supposed to be completed by MTMC in early 1990.

Recommendation: The Secretary of the Army should direct FORSCOM to reassess installations' needs for BBPCT materials and warehouses and retain the current hold on funds for these items until the reassessments are completed and existing stocks are redistributed in accordance with actual installation out-loading needs. Before further funding of BBPCT, FORSCOM should ensure that: (1) reassessments properly consider the percentage of the flatcar fleet requiring BBPCT and the use of multilevel flatcars; (2) mobilization stations are in compliance with regulations and policy

regarding the development of BBPCT requirements and its use and storage; and (3) installations comply with requirements to conduct local BBPCT availability surveys and adjust BBPCT stocking requirements accordingly.

Status: Action in process. Estimated completion date: 12/88. The microcomputer program to develop more refined BBPCT requirements was unsuccessful. The flatcar ratio for determination of BBPCT needs will be developed subsequent to MTMC update of the Defense Freight Railway Interchange Fleet study. FORSCOM Regulation 55-1 is being revised to provide guidance on percentage of flatcars needing BBPCT and the use of multilevel flatcars.

Recommendation: The Secretary of the Army should direct FORSCOM to reduce planned funding levels for railcar spanners, rail hand tool sets, and portable end ramps by \$5.5 million and place a hold on remaining funds intended for these items until FORSCOM completes its ongoing reassessment of need and redistributes existing stocks in accordance with installation outloading needs.

Status: Action taken not fully responsive. A FORSCOM study on tool sets, spanners, and end ramps has concluded. There is no current requirement for additional equipment or redistribution. It is unclear whether this action is fully responsive since it is dependent on other studies identifying flatcar availability.

Department of Defense - Military (Except Procurement and Contracting)

Air Force Manpower Program: Improvements Needed in Procedures and Controls

NSIAD-87-137, 06/25/87

Background

In response to a congressional request, GAO reviewed the Air Force Management Engineering Program (MEP) to determine if the Air Force based its manpower requirements on sound and rigorous processes.

Findings

GAO found that: (1) although the program is sound and contains many of the basic elements necessary for an effective manpower system, there are weaknesses in operational procedures,

standards controls, and recording procedures; (2) the Air Force strategy to defer updating standards could result in misleading manpower requirements and adversely affect managerial decisions regarding manpower resources; (3) errors occur in collecting and using accurate work-load counts and in recording the results due to insufficient guidance and monitoring of standards and applications; (4) there is little monitoring of compliance with standards application policy; and (5) commands do not visit bases to ensure that they adhere to manpower regulations.

Open Recommendations to Agencies

Recommendation: The Secretary of the Air Force should strengthen the management controls in the standards application and recording processes of MEP by clarifying the existing 20-percent verification policy.

Status: Action in process. Step-by-step instructions for the 20-percent verification policy are being developed and will be incorporated into AFR 26-1, which is expected to be published in fiscal year 1989.

Department of Defense - Military (Except Procurement and Contracting)

Navy Maintenance: The P-3 Aircraft Overhaul Program Can Be Improved

NSIAD-87-157, 06/26/87

Background

GAO reviewed the Navy's procedures for overhauling P-3 aircraft to determine if it could reduce depot turnaround time.

Findings

GAO found that: (1) although the Navy established a program to inspect aircraft before they were due for overhauls, the major commands were not requesting inspections on many aircraft; (2) performing more inspections and scheduling overhauls more efficiently

could reduce overhaul costs; (3) lack of adequate central control over aircraft deliveries resulted in aircraft waiting outside overhaul depots; and (4) because depots spread available workers over as many aircraft as they could fit into production lines, overhaul times increased and aircraft availability decreased.

Open Recommendations to Agencies

Recommendation: To improve the P-3 aircraft overhaul program, the Secretary of the Navy should require that all P-3 aircraft due for overhaul be inspected under the Aircraft Service Period Adjustment (ASPA) Program unless an inspection exemption is specifically authorized.

Status: Action in process. Estimated completion date: 12/88. Policy guidance on OPNAVINST 3110.11 that pertains to

when an inspection exception is authorized will be clarified.

Department of Defense - Military (Except Procurement and Contracting)

Electronic Warfare: Navy/Air Force Still Developing Separate, Costly Radar Warning Receivers

NSIAD-87-167, 07/01/87

Background

GAO reviewed Air Force and Navy radar warning receiver (RWR) programs, focusing on the: (1) Department of Defense's (DOD) lack of response to prior recommendations for achieving commonality in RWR acquisition programs; and (2) Air Force's and Navy's continued acquisition of separate receivers and the adverse effects resulting from this acquisition.

Findings

GAO found that: (1) DOD did not implement the recommendations for overcoming obstacles to the merger of Air Force and Navy RWR programs; (2) the Air Force RWR improvement program will cost an estimated \$500 million; (3) the Navy's RWR improvement program was estimated to cost over \$1.3 billion; (4) both the Air Force and Navy are acquiring nine different receivers for existing tactical aircraft, at an estimated cost of over \$6.6 billion; and (5) none of the receivers are common to both Air Force and Navy aircraft, and seven of them entered development or production since GAO and Congress made their merger

recommendations. GAO noted that the: (1) main problem in achieving commonality appears to be each service's belief that its system concept is best and the constant updating of unique systems; (2) services' main argument against changing to a common system is the cost involved in the aircraft wiring adjustments to accommodate a replacement RWR; and (3) services did not include the cost benefits of commonality in their analyses of RWR programs. GAO also found that, because the Air Force and Navy concurrently tested and produced receivers, production began before operational testing revealed serious deficiencies with the receivers.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should select the best RWR equipment, based on cost and effectiveness, for maximum common use on existing Air Force and Navy tactical aircraft.

Status: Action taken not fully responsive. DOD partially concurred with this recommendation. The new

DOD policy that RWR improvements, updates, or new programs have a cost operational effectiveness analysis (COEA) will not result in commonality.

Recommendation: Until the selection of the common RWR, the Secretary of Defense should slow production and delay further contract awards for RWR until operational tests provide reasonable assurance that their performance will be satisfactory.

Status: Action not yet initiated. DOD disagreed with this recommendation.

Recommendation: The Secretary of Defense should stop those RWR programs that cannot be demonstrated as cost-effective.

Status: Action not yet initiated. DOD concurred with this recommendation.

Recommendation: To ensure selection of the best RWR, the cost-effectiveness analyses performed should not be restricted to short-term cost, but should consider the life-cycle costs, including expected savings to result from commonality.

Status: Action not yet initiated. DOD concurred with this recommendation.

Department of Defense - Military (Except Procurement and Contracting)
Military Procurement: Air Force Should Terminate More Contracts for On-Order Excess Spare Parts

NSIAD-87-141, 08/12/87

Background

In response to a congressional request, GAO reviewed the Air Force's procedures and practices for terminating procurements of excess spare parts.

Findings

GAO found that: (1) the Air Force actually terminated less than 3 percent of the excess on-order parts that GAO reviewed; (2) the Air Force should have terminated about 24 percent of the on-order excess, resulting in savings of approximately \$36 million; (3) the requirements system responsible for generating on-order termination lists contained inaccurate information and was unreliable; (4) the Air Force's procedures and practices for terminating on-order excess were inadequate, since it did not consider the cost of holding

excess parts in storage and untimely reviewed data generated by the requirements system; and (5) terminating excess on-order parts was more economical than accepting them.

Open Recommendations to Agencies

Recommendation: The Secretary of the Air Force should emphasize to the Commander, Air Force Logistics Command (AFLC), the importance of an effective program, including appropriate management guidance and oversight, for terminating procurements of excess on-order spares when termination is in the best interest of the government. Such a program should ensure that: (1) item managers base termination decisions on timely comparisons of the costs of accepting excess material with those of

terminating procurements; (2) item managers do not routinely conclude that it is uneconomical to terminate on-order material solely because they believe 75 percent or more of the production lead time has expired; (3) the data in the D041 requirements system are accurate; and (4) air logistics centers do not deviate from AFLC termination regulations without proper approval. **Status:** Action in process. Estimated completion date: 04/89. The Department of Defense concurred with this recommendation. Major aspects of this recommendation were implemented by June 6, 1988. For example, AFLC now requires the use of an economic model to decide whether termination will be cost-effective. AFLC has eliminated the use of 75 percent of production lead time as termination criteria.

Department of Defense - Military (Except Procurement and Contracting)
Live Fire Testing: Evaluating DOD's Programs

PEMD-87-17, 08/17/87

Background

In response to a congressional request, GAO reviewed the Department of Defense (DOD) Joint Live Fire (JLF) Test Program to determine: (1) the status of each munition and system scheduled for testing; (2) the methodological quality of the test and evaluation process; (3) the advantages and limitations of full-up,

live-fire testing; and (4) needed improvements.

Findings

GAO found that: (1) the JLF tests for armor were two years behind schedule due to a controversy over objectives and methodology; (2) although the aircraft testing program has suffered less severe

delays, a lack of targets is a problem for both components; (3) DOD has made little progress in validating its vulnerability/lethality (V/L) assessment program estimates; (4) full-up, live-fire testing is the only V/L assessment method that provides direct visual observation of weapon damage to a target under realistic conditions; (5) high

cost and the limited target availability are the main limitations to testing; and (6) other test methods could supplement full-up, full-scale testing, but not substitute for it. GAO identified possible improvements in the design, conduct, and interpretation of live-fire testing.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should: (1) conduct full-up tests of developing systems, first at the

subscale level as subscale systems are developed, and later at the full-scale level mandated in the legislation; (2) establish guidelines on the role live-fire testing will play in procurement; (3) establish guidelines on the objectives and conduct of live-fire testing of new systems, with particular attention to clarifying what is to be expected from the services; and (4) ensure that the primary users' priorities drive the objectives of live-fire tests. Modelers are secondary users.

Status: Action not yet initiated.

Recommendation: Recent live-fire legislation requires the services to provide targets for testing new systems, but there is no similar requirement for the fielded systems in JLF, where lack of targets has impeded testing.

Accordingly, the Secretary of Defense should provide more support to JLF for obtaining targets.

Status: Action not yet initiated.

Department of Defense - Military (Except Procurement and Contracting)

Inventory Management: Defense Logistics Agency Inventory Accuracy Problems

NSIAD-88-39, 12/24/87

Background

In response to a congressional request, GAO reviewed the Defense Logistics Agency's (DLA) inventory records, its inventory research, and its inventory security.

Findings

GAO found that: (1) while DLA data showed a net inventory gain for fiscal years 1985 and 1986, GAO data showed a net inventory loss; (2) DLA did not include 88 percent of its inventory adjustments in its inventory accuracy reports; (3) items stored in caged areas had lower-than-expected accuracy rates; (4) DLA could better research the causes of inventory discrepancies; and (5) DLA was improperly storing drugs and other pilferable items.

Open Recommendations to Agencies

Recommendation: To ensure that physical inventories are representative and that causative research is an effective tool for identifying and correcting recurring causes of inventory variances, the Director, DLA, should require that statistical samples of items be taken by commodity type and that the record, quantity, and dollar value accuracy indicators be collectively analyzed to identify areas for further analysis.

Status: Action in process. Estimated completion date: 04/90. DLA has specified in the management requirements for DLA defense automated warehousing and shipping system initiative that a statistical sampling inventory application be provided to give depot management a tool for examining record accuracy and identifying areas in need of improvement with minimal expenditure.

Recommendation: To ensure that physical inventories are representative and that causative research is an effective tool for identifying and correcting recurring causes of inventory variances, the Director, DLA, should require that its planned reassessment of the causative research criteria include a determination of whether a sample of adjustments under \$800 should be researched annually.

Status: Action in process. Estimated completion date: 01/89. The Department of Defense (DOD) has chartered a study to thoroughly review the research portion of the DOD inventory control program. This study will examine the criteria for conducting causative research. Upon completion of the study, DLA will review the conclusions for any indication that revising the criteria for causative research would be beneficial.

Recommendation: To ensure that physical inventories are representative

and that causative research is an effective tool for identifying and correcting recurring causes of inventory variances, the Director, DLA, should require that centers and depots establish controls for the proper distribution of quarterly causative research reports and follow up on corrective actions for identifying inventory variances.

Status: Action in process. Estimated completion date: 06/89. DLA defense depots and defense supply centers were directed on September 10, 1988, to ensure that proper controls are established over the quarterly feedback reports, that proper analysis of the data is accomplished, and that corrective actions initiated are documented. Compliance with the directive will be a special item of interest of DLA depot operational review and technical assistance team.

Recommendation: The Director, DLA, should require the Mechanicsburg depot to take immediate action to correct known security problems and emphasize the need to properly store pilferable items.

Status: Action in process. Estimated completion date: 12/88. Efforts to convert entire warehouse to controlled area to protect pilferable type items stored outside security cages were completed on June 30, 1988, and included security barriers and alarms. Warehouse storing drugs has been redesignated a controlled area and installation of security devices and alarm systems is in progress. Physical security standards for special items are under revision.

Recommendation: To provide DOD decisionmakers with more accurate,

complete, and appropriate data, the Secretary of Defense should change DOD policy regarding inventory effectiveness reporting to require DLA inventory control effectiveness reports to identify inventory performance data for its depots separately from data of military service sites at which DLA materiel is stored.

Status: Action in process. Estimated completion date: 06/92. Current DOD policy permits separate reporting of data by the storing component at the option of the reporting component. DLA intends to begin submitting separate reports for each service storing DLA material when the necessary changes to the management information system are implemented. These changes are part of the standard automated materiel management system modernization project.

Department of Defense - Military (Except Procurement and Contracting)

Navy Supply: Economic Order Quantity and Item Essentiality Need More Consideration

NSIAD-88-64, 01/06/88

Background

GAO evaluated the economic order quantity (EOQ) and safety-level aspects of the Navy's requirements determination process for replenishment materiel for peacetime operating stocks to determine whether the process could lead to inflated procurements and unnecessary costs.

Findings

GAO found that the Navy: (1) ordered \$133.7 million in materiel in fiscal year 1986 that exceeded EOQ; (2) incurred additional costs of \$10.5 million on this materiel because the increased holding

costs more than offset the decreases in ordering costs and implied shortage costs; (3) increased overbuying rates by ordering a year's supply of materiel instead of EOQ; (4) lowered the acceptable risk of running out of stock, which increased safety-level requirements by \$80.6 million; and (5) provided safety-level requirements of \$11.1 million for items that aircraft did not need to perform their missions.

Open Recommendations to Agencies

Recommendation: The Secretary of the Navy should direct the Commander,

Naval Supply Systems Command, not to routinely buy more than EOQ under the overall Defense order parameters of the 3-month minimum and the 3-year maximum, unless it can be shown that larger procurements will result in quantity discounts that more than offset the additional holding costs.

Status: Recommendation valid/action not intended. The Department of Defense (DOD) did not agree that EOQ normally should be used in ordering materiel in lieu of ordering a 1-year supply. DOD stated that GAO did not consider all of the relevant costs and benefits of the 1-year policy. After reevaluating the matter, GAO still

believes that the Navy should rescind its policy of routinely buying more than EOQ.

Recommendation: The Secretary of the Navy should direct the Commander, Naval Supply Systems Command, to base safety-level requirements on the relative importance of the items, rather

than constrain acceptable stockout risks for certain items. The Secretary should also direct the Commander to use mission essentiality in safety-level requirement determinations when this information is available.

Status: Action in process. Estimated completion date: 01/90. DOD agreed with this recommendation and stated that the

Navy intends to use item essentiality for both initial provisioning and replenishment stocks. Full capability to use essentiality will be available when processing modernization efforts are completed in the 1990 time frame.

Department of Defense - Military (Except Procurement and Contracting)

DOD Inventory Management: Revised Policies Needed

NSIAD-88-75, 01/14/88

Background

GAO provided information on the Department of Defense's (DOD) inventory management system.

Findings

GAO found that DOD: (1) had inventory management problems throughout its supply systems; (2) lacked the necessary data to assess the problems facing it; (3) failed to identify and address the causes of its inventory inaccuracies; and (4) did not always correct the errors it found.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should require adjustments to inventory records as soon as they are identified through physical inventories or other methods.

Status: Action not yet initiated.

Recommendation: The Secretary of Defense should develop a comprehensive policy on inventory management and measuring inventory accuracy, addressing such areas as: (1) the adequacy of the Inventory Control

Effectiveness Report for management oversight; and (2) eliminating the practice of reversing prior inventory adjustments.

Status: Action not yet initiated.

Recommendation: The Secretary of Defense should reemphasize the need for effective causative research that identifies inventory variances and analyzes them to identify systemic problems. Variances currently under the monetary criteria for causative research should be sampled as further input to identifying systemic problems.

Status: Action not yet initiated.

Department of Defense - Military (Except Procurement and Contracting)

Electronic Warfare: Multiple Developments of Costly Threat Simulators

NSIAD-88-93, 02/01/88

Background

GAO reviewed the Department of Defense's (DOD) simulator program, specifically the: (1) need for the armed

services to avoid paying for the development of duplicate simulators; and (2) acquisition of simulators which misrepresent Soviet threat systems.

Findings

GAO found that: (1) the armed services are paying for multiple development of simulators for emitter-receiver

processors (ERP) and emitters; (2) the total ERP development costs exceeded \$560 million, while the emitter program costs exceeded \$600 million; (3) a perceived lack of authority within DOD for managing the services' simulator programs and the services' desire to control their separate programs contributed to multiple ERP development; and (4) the Joint Executive Committee on Air Defense Threat Simulators (EXCOM) and its agent committee, Crossbow-S, have attempted to develop cooperation among the services without much success. GAO also found that: (1) 35 of 46 simulators it examined deviated substantially from estimates of the threat characteristics and affected system range, accuracy, and resistance to countermeasures; and (2) the services were accepting deficient simulators without review by or approval from potential users.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should ensure that EXCOM and Crossbow-S, or other appropriate DOD elements, execute responsibility and authority for centrally managing simulator programs to provide for timely identification and consolidation of simulator requirements and for disapproval of programs representing unwarranted development.

Status: Action in process. Estimated completion date: 06/89. New charters were drawn up detailing the authority and responsibility of the Office of the Secretary of Defense (OSD) overview committees. It gives one committee a management role rather than just oversight.

Recommendation: The Secretary of Defense should require the services to strengthen internal controls over

simulator acquisitions by segregating responsibilities for development, testing, and acceptance of simulators as valid representations of the threat.

Status: Action in process. Estimated completion date: 06/89. The services are reviewing and revising their internal simulator development, testing, and acceptance to comply with new OSD simulator validation procedures.

Recommendation: The Secretary of Defense should assign to an appropriate DOD element the responsibility for monitoring the quality of simulators acquired and participating in the acquisition process as necessary to ensure the adequacy of simulators.

Status: Action in process. Estimated completion date: 06/89. The DOD EXCOM committee now has responsibility to provide management, policy, guidance, and program approval for all DOD threat simulator development and acquisition programs.

Department of Defense - Military (Except Procurement and Contracting)

Command and Control: Upgrades Allow Deferral of \$500 Million Computer Acquisition

IMTEC-88-10, 02/23/88

Background

GAO reviewed the Department of Defense's (DOD) modernization program for its Worldwide Military Command and Control System (WWMCCS) and its corresponding information system (WIS), focusing on: (1) the justification for the planned \$500 million WIS joint mission computer system acquisition; and (2) whether completed or planned upgrades to the current system met the defined user requirements.

Findings

GAO found that: (1) completed or planned upgrades will correct six of the seven system deficiencies DOD identified and will bring system capability to the level of current computer technology; (2) the remaining deficiency in system security is not correctable by currently available computer technology; and (3) DOD is developing the Joint Operation Planning and Execution System (JOPES) in two increments, with the first increment modernizing and integrating current information management

activities, and the second supporting upgraded system activities. GAO also found that, although DOD has identified a need for important new joint mission and security capabilities, DOD has not: (1) defined system requirements for supporting JOPES Increment II capabilities; (2) established a security policy, defined security requirements, or explored alternative approaches for meeting these requirements; or (3) established a computer performance measurement and capacity planning program to help guide future computer

system upgrades or replacement decisions.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should defer the currently planned \$500 million WIS joint mission computer system acquisition until: (1) requirements for the acquisition are defined and approved, especially the processing capabilities needed for JOPEs Increment II; (2) a formal security policy is established, security requirements are defined, alternatives for implementing these requirements are evaluated, and the most cost-effective means of meeting security requirements are selected; and (3) the above processing and security requirements can no longer be met by

upgrading the current computer systems.

Status: Action in process. The WIS Joint Program Office has taken the following actions: (1) deferred the acquisition milestone from June 1988 to 1994; (2) started to define requirements for JOPEs Increment II; (3) started to develop a plan for establishing security requirements; and (4) committed to completing a cost/benefit analysis prior to any planned acquisition.

Recommendation: To ensure a proper and timely acquisition, the Secretary of Defense should establish milestones and monitor the development and approval of the requirements for the additional mission capabilities needed in JOPEs Increment II, incorporate these milestones into the WIS acquisition

schedule, and target completion of development and approval for 1992.

Status: Action in process. DOD has initiated action to combine WIS milestones with those for the development of JOPEs.

Recommendation: To ensure a proper and timely acquisition, the Secretary of Defense should establish a network-wide performance management and capacity planning program to: (1) measure computer system performance against DOD standards; (2) identify future needs for computer system resources; and (3) project when the current computer systems can no longer provide cost-effective mission support.

Status: Action not yet initiated.

Department of Defense - Military (Except Procurement and Contracting)

Internal Controls: Controls Over Expedited Payments to Defense Suppliers Need Improvement

NSIAD-88-113, 02/29/88

Background

In response to a congressional request, GAO: (1) reviewed the Defense Logistics Agency's (DLA) implementation of the Office of Management and Budget's (OMB) fast pay program revisions; and (2) evaluated the effectiveness of DLA internal control procedures to ensure receipt of items purchased under the program.

Findings

GAO found that: (1) DLA did not implement the revised OMB fast pay-procedures; (2) both the Defense Personnel Support Center (DPSC) and Defense Electronics Supply Center

(DESC) inappropriately used fast-pay procedures to purchase stocks sent directly to supply depots; and (3) DPSC failed to observe the OMB limit of \$25,000 on contracts using fast-pay procedures. GAO also found that DLA: (1) internal control procedures did not identify or resolve payment for items that were not received; (2) failed to collect an estimated \$7 million in overpayments to vendors; (3) continued to award fast-pay contracts to contractors with poor performance histories because contracting officers either failed to check or disregarded sanction lists; and (4) has not established procedures to ensure receipt of materiel

sent directly from contractors' plants to overseas locations.

Open Recommendations to Agencies

Recommendation: The Director, DLA, should conform to provisions of OMB Circular A-125 by: (1) discontinuing use of fast-pay procedures for payment of supplies sent to depots; and (2) reviewing and approving fast-pay contracts awarded in excess of the \$25,000 limitation specified by OMB.

Status: Action in process. Estimated completion date: 12/88. DLA has agreed to discontinue, by December 31, 1988, the use of fast pay for routine depot

shipments and will review and approve fast-pay contracts awarded in excess of \$25,000.

Recommendation: The Director, DLA, should improve controls over fast-pay procurements by: (1) establishing interim measures to match receiving reports to payment records for direct vendor deliveries to overseas customers until the automated receipt confirmation process is established so that vendors

can be notified of nonreceipt within prescribed time frames; and (2) ensuring that current problem vendors do not receive fast-pay contract awards.

Status: Action in process. A Department of Defense (DOD) policy on this issue was established on October 6, 1987. DLA will assure agencywide compliance with this policy by December 31, 1988. Also, problem vendors are being identified to ensure that problem vendors do not receive fast-pay contracts.

Recommendation: The Director, DLA, should again identify this area as a material weakness in the fiscal year 1988 internal controls annual assessment and discuss corrective actions planned.

Status: Action in process. Estimated completion date: 12/88. DLA will continue to identify and report this as a material weakness until it is assured that the problems have been corrected.

Department of Defense - Military (Except Procurement and Contracting)

VA/DOD Health Care: Further Opportunities To Increase the Sharing of Medical Resources

HRD-88-51, 03/01/88

Background

In response to a congressional request, GAO reviewed the Veterans Administration's (VA) and the Department of Defense's (DOD) implementation of legislation to promote their sharing of health care resources, to determine: (1) whether the two agencies took full advantage of opportunities to share their resources; (2) the adequacy of the current incentives to share resources; (3) whether there were any barriers to their sharing arrangements; and (4) whether administrative or legislative changes could further encourage sharing.

Findings

GAO found that: (1) VA and DOD made significant progress in sharing their health care resources; (2) as of September 1986, the agencies had entered into 240 agreements; (3) although the agencies did not estimate cost reductions resulting from the agreements, both VA and DOD data

indicated that reductions occurred; (4) local hospitals believe that the sharing agreements provide patients with better access to health care; and (5) VA and the Air Force developed agreements for the joint use of hospitals, which could serve as models for other federal facilities. GAO also found that: (1) the high reimbursement rates at VA medical centers discouraged many military hospitals from sharing their health care services with VA; (2) DOD reimbursement procedures did not provide sharing incentives; (3) the Office of Management and Budget (OMB) rejected a VA proposal to allow DOD dependents to be treated under sharing agreements; and (4) congressional and DOD restrictions on the use of Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) funds have limited DOD use of nearby medical centers.

Open Recommendations to Congress

Recommendation: Congress should enact legislation authorizing VA to accept all categories of DOD beneficiaries under a VA/DOD sharing agreement on a space-available, referral basis when care of VA beneficiaries would not be adversely affected. Specifically, 38 U.S.C. 5011(d)(1) should be amended to remove the restriction on VA providing health care to DOD beneficiaries.

Status: Action not yet initiated.

Recommendation: Congress should amend the National Defense Authorization Act for fiscal year 1987 to specifically authorize the military services to use CHAMPUS funds to purchase care from VA medical centers, when it is cost-effective to do so.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Administrator of Veterans Affairs and the Secretary of Defense should enhance VA and DOD medical sharing opportunities by notifying each of their medical center directors, hospital commanders, and audit and inspection organizations that, under the VA/DOD Health Care Resources Sharing Guidelines, reimbursement rates may be locally negotiated at less than total cost.

Addressee: Department of Defense
Status: Action in process. DOD and VA are jointly revising sharing guidelines to implement this recommendation.

Addressee: Veterans Administration
Status: Action in process. DOD and VA are jointly revising sharing guidelines to implement this recommendation.

Recommendation: The Secretary of Defense should direct the Assistant Secretary of Defense (Comptroller), in consultation with the service secretaries, to develop procedures to ensure that

DOD hospital managers are explicitly informed of the amounts of resources being provided to handle anticipated reimbursable work under Public Law 97-174.

Status: Action in process. DOD planned to issue guidelines to implement this recommendation by October 1, 1988. However, congressional action in the appropriations process will delay this until early 1989.

Department of Defense - Military (Except Procurement and Contracting)

Navy Inventory Management: Inventory Accuracy Problems

NSIAD-88-69, 03/04/88

Background

Pursuant to a congressional request, GAO reviewed the: (1) accuracy of inventories at the Naval Supply Center in Norfolk, Virginia; and (2) management of these inventories by the Navy Ships Parts Control Center (SPCC).

Findings

GAO found that the Norfolk Center: (1) inconsistently implemented or misinterpreted Department of Defense or Navy policies concerning physical inventories, adjustments, causative research, and reversals; (2) did not know if its inventory records accurately reflected the status of its on-hand inventories; (3) used inadequate and incomplete data to measure inventory accuracy, and subsequently overstated the amount of inventoried items and inventory accuracy; (4) postponed discrepancy adjustments pending completion of causative research; and (5)

consistently exceeded the deadline for completing causative research. GAO also found that: (1) current policies concerning adjustment reversal and inclusion of unscheduled inventories in accuracy measures cause overstatement or understatement of inventory accuracy; (2) the Navy plans to implement the Statistical Accuracy Techniques and Measurements Analysis (STATMAN) sampling and analysis tool to improve inventory accuracy; and (3) SPCC did not maintain adequate control over items sent to contractors or interservice maintenance facilities for repair. GAO believes that the Navy's reports of supply system accuracy are unreliable, since they are based on rates computed from questionable and inaccurate data.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should clarify inventory adjustment reversal procedures to: (1) preclude misinterpretation; (2) ensure complete financial and inventory accountability; and (3) ensure that inventory adjustment reversals are included in the computation of inventory accuracy rates.

Status: Action in process. Estimated completion date: 06/89. The Military Standard Transaction and Accounting Procedures (MILSTRAP) are being changed to implement this recommendation.

Recommendation: To improve inventory accuracy and develop more meaningful accuracy measures, the Secretary of the Navy should provide the naval supply centers with specific criteria for designing physical inventory

samples to eliminate inventory abuses that distort accuracy reports. These criteria should include guidance that ensures that STATMAN, the Navy's new statistical sampling and analysis tool, enables managers to obtain a representative view of inventory accuracy based on such indicators as initial record accuracy and dollar and unit variances. **Status:** Action in process. Estimated completion date: 06/89. MILSTRAP are being changed to implement this recommendation.

Recommendation: To improve inventory accuracy and develop more meaningful accuracy measures, the Secretary of the Navy should require that SPCC stock records be established and kept current with regard to items sent to non-Navy facilities for repair. **Status:** Action in process. The Navy is implementing a Commercial Asset Visibility Program which should correct this problem. Phased implementation will continue through 1989.

Recommendation: To improve inventory accuracy and develop more meaningful accuracy measures, the Secretary of the Navy should require that the next annual Financial Integrity Act assessment include a review of the internal control weaknesses discussed in this report, such as inventory accuracy and causative research. **Status:** Action in process. Estimated completion date: 06/89. The Navy will include physical inventory control as a mandatory element to be addressed in its next annual assessment.

Department of Defense - Military (Except Procurement and Contracting)

Internal Controls: Status of Army Efforts To Control Contractor Access to the DOD Supply System

NSIAD-88-98, 03/11/88

Background

In response to a congressional request, GAO reviewed the Army's: (1) efforts to better control contractor access to the Department of Defense (DOD) supply system; and (2) financial accountability for government-furnished materiel (GFM).

Findings

GAO found that: (1) in 1981, DOD directed the services to establish management control activities (MCA) over maintenance contractors' access to the DOD supply system, but the Army did not expect total implementation of MCA until 1989; (2) the Army had not

developed a GFM accounting system that would identify or control the amount of GFM provided to contractors; (3) the Army allowed contractors uncontrolled access to the DOD supply system to requisition GFM; and (4) the Army is studying the feasibility of establishing MCA controls at the base level and expects to implement the study's recommendations in 1988.

Open Recommendations to Agencies

Recommendation: Since over 6 years have passed since DOD required better controls over contractor access to the DOD supply system, the Secretary of the

Army should give priority to developing a plan of action with firm milestones for implementing the needed controls. **Status:** Action in process. Estimated completion date: 11/89. Army milestones for implementing controls over contractor access to the DOD supply system were incorporated in the recent update of the Army Supply Master Plan. Implementation at the wholesale level is now expected by November 1989. The plan for retail level controls should be completed during the first quarter of fiscal year 1989.

Department of Defense - Military (Except Procurement and Contracting)

Internal Controls: Air Force Can Improve Controls Over Contractor Access to DOD Supply System

NSIAD-88-99, 03/18/88

Background

Pursuant to a congressional request, GAO examined the Air Force's policies, procedures, and practices for providing and controlling government-furnished material (GFM) to Department of Defense (DOD) contractors, focusing on the Air Force's: (1) compliance with requirements to justify and document decisions to provide GFM; (2) management controls for validating and approving contractors' GFM requests; and (3) oversight of contractor maintenance of GFM.

Findings

GAO found that the Air Force: (1) violated the existing Federal Acquisition Regulation (FAR) and DOD and Air Force policies by routinely providing GFM to contractors without adequate evaluation or justification; (2) provided GFM even when materials were commercially available at lower prices; (3) did not properly implement an Air Force Logistics Command (AFLC) regulation requiring identification of specific parts and quantities contractors needed; (4) established Management Control Activities (MCA) to control GFM requisitions on the wholesale, but not retail, level; (5) cited accuracy problems in its D034A Special Support Stock Control and Distribution System and its D049 data base, both intended to track contractors' requisitions for and receipt of GFM; (6) improperly allowed contractors direct access to supply sources or used military codes instead of

the contractors' DOD Activity Address Codes (DODAAC) to requisition supplies; (7) is unable to verify the amount of GFM contractors received or maintained, since government property administrators did not provide appropriate oversight, such as verification of contractors' receipt records or annual property surveys; and (8) has implemented some controls to correct internal problems, but still does not have independent means to identify the amount of GFM contractors have, the amount provided annually, and the amount of excess GFM.

Open Recommendations to Agencies

Recommendation: The Secretary of the Air Force should direct all Air Force commands and activities to enforce compliance with existing FAR and DOD and Air Force policies regarding GFM which, among other things, require that decisions to allow contractors to obtain GFM be justified in advance, in writing, and be adequately documented to demonstrate that they are in the government's best interest from a cost-effectiveness or other critical standpoint.
Status: Action not yet initiated.

Recommendation: The Secretary of the Air Force should direct that MCA or their equivalents receive and validate all wholesale-level contractor requisitions before they are sent to the source of supply to be filled.
Status: Action not yet initiated.

Recommendation: The Secretary of the Air Force should direct that AFLC improve the D049 data base to generate stock numbers and quantities required for the D034A Special Support Stock Control and Distribution System to make it more accurate and complete.
Status: Action not yet initiated.

Recommendation: The Secretary of the Air Force should direct that procedures similar to those performed by MCA at the wholesale level be adopted at the retail level as soon as possible to review and validate all retail-level contractor requisitions before they are sent to the source of supply.
Status: Action not yet initiated.

Recommendation: The Secretary of the Air Force should direct that contracts providing for GFM at the retail level list the parts contractors are authorized to obtain whenever it is feasible to do so.
Status: Action not yet initiated.

Recommendation: The Secretary of the Air Force should direct that all contractor requisitions be identified and assigned the required contractor DODAAC.
Status: Action not yet initiated.

Recommendation: The Secretary of the Air Force should direct that government property administrators conduct adequate annual surveys of the contractors' property control systems.
Status: Action not yet initiated.

Department of Defense - Military (Except Procurement and Contracting)
Management Review: Follow-Up on the Management Review of the Defense Logistics Agency

NSIAD-88-107, 03/28/88

Background

GAO assessed the Defense Logistics Agency's (DLA) actions in response to 16 GAO recommendations for improving management controls and effectiveness.

Findings

GAO found that DLA: (1) completed actions in response to seven recommendations and has actions underway in response to nine; and (2) could further improve the steps it has already taken to improve strategic and mobilization planning and management controls. GAO also found that DLA: (1) did not identify the resources necessary for strategic, mid-, and short-range planning; (2) the services disagreed over the types of items to include in mobilization requirements, which delayed plan revisions; (3) field activity reports of potential contractor overpayments contained incomplete data; (4) program offices did not provide managers with the data needed to assess their effectiveness in reducing the growth of nonstandard parts in its inventory; (5) lacked actual cost data for its existing automatic data processing (ADP) operations to make the appropriate cost/benefit and other financial decisions related to its modernization program; (6) did not centralize management control over its information resources activities; and (7) continues to work on improving its

weapon system support and its productivity program.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should require the Director, DLA, to identify resources associated with accomplishing mid- and short-range objectives as part of the planning, programming, and budgeting process.

Status: Action in process. DLA has revised its Planning, Programming, and Budgeting System (PPBS) regulation to require that mid- and short-range objectives be included in PPBS. The regulation will be implemented sometime in mid-1989.

Recommendation: The Secretary of Defense should issue guidance that defines which items should be included in mobilization requirements data the services submit to DLA.

Status: Action in process. Estimated completion date: 06/89. DLA and the services are continuing to work together to resolve their disagreements over what mobilization requirements data should be reported to DLA.

Recommendation: The Secretary of Defense should ensure that DLA regional offices make accurate and complete reports about possible overpayments to contractors.

Status: Action in process. Estimated completion date: 06/89. DLA has implemented two mechanized programs to assist in detecting possible overpayments to contractors. It is also redesigning the payment system used by DCASRC to allow upfront validation of new transactions.

Recommendation: The Secretary of Defense should revise the existing Department of Defense (DOD) instruction to require that program offices provide information on the disposition of all DLA recommendations for the use of standard military parts that are not accepted and establish management controls that ensure complete reporting.

Status: Action in process. Estimated completion date: 06/89. DOD-I H120.19 is being revised to clarify the program manager's feedback requirement for standard part recommendations.

Recommendation: The Secretary of Defense should develop a system that will allow DLA to identify the costs of its ADP operations on a system-by-system basis.

Status: Action in process. Estimated completion date: 12/89. The existing accounting system will be expanded to accommodate the cost tracking requirements of the Logistics System Modernization Program.

Department of Defense - Military (Except Procurement and Contracting)
Internal Controls: Air Force Correcting Weaknesses in Its Property Disposal Practices

NSIAD-88-106, 04/20/88

Background

In response to a congressional request, GAO assessed Air Force controls over property disposal practices to determine whether the Air Force: (1) implemented actions to address the major problem areas that the Inspector General identified; (2) revised its controls and procedures to ensure that it no longer sent needed items to disposal prematurely; and (3) should reimpose the disposal moratorium.

Findings

GAO found that the Air Force took specific actions to address the problem areas, including: (1) changing policies at wholesale levels to require retention of usable items for the life of the weapon system or other end items they support; (2) increasing retention requirements at

the retail level from 12 to 30 months; (3) changing computer programs to reflect the revised retention policies; (4) requiring item managers to initial their disposal authorizations and supervisors to review the authorizations before disposal; (5) developing improved and automated procedures to identify and recall usable items from disposal yards; and (6) developing procedures to prevent premature disposal of noncataloged items. GAO also found that, since the Air Force lifted the moratorium it: (1) has experienced sporadic improper disposal actions; (2) disposed of some documentation of noncataloged items during the required 30-month retention period; (3) has no oversight of retail disposal decisions; and (4) has not conducted supervisory reviews of wholesale item managers' and base supply officials' decisions.

Open Recommendations to Agencies

Recommendation: The Secretary of the Air Force should: (1) develop policies and procedures for retaining prior user identities of noncataloged items for 30 months after the date of last demand; (2) consider extending, on a sample basis, supervisory review of the wholesale item managers' disposal decisions on excess items reported by base-level activities; and (3) consider requiring supervisory reviews of base supply personnel disposal decisions when computer retention edits are overridden.

Status: Action not yet initiated. The Department of Defense (DOD) and the Air Force were coordinating on the planned actions.

Department of Defense - Military (Except Procurement and Contracting)
Navy Maintenance: Naval Aviation Depots' Asset Capitalization Program Needs Improvement

NSIAD-88-134, 04/28/88

Background

GAO evaluated the naval aviation depots' (NADEP) implementation of the Department of Defense's (DOD) Asset Capitalization Program (ACP) to determine: (1) whether NADEP benefited from the program; (2) the

adequacy of the internal controls for managing the program; and (3) the status of the ACP budget execution.

Findings

GAO found that NADEP: (1) did not effectively implement ACP to achieve its

full potential for increasing efficiency and productivity; (2) did not fully justify many ACP projects; (3) lacked adequate guidance and effective procedures to identify and acquire beneficial investment projects; (4) achieved few benefits from 21 of 52 equipment modernization projects installed between

1985 and 1987; and (5) did not develop an effective internal control system to provide reliable feedback to managers, safeguard assets, and provide accurate accounting for revenues and expenditures. GAO also found that NADEP: (1) did not follow proper accounting techniques for depreciation expenses, resulting in inaccurate records; (2) collected program funds from customers long before they needed the funds; and (3) had a program fund which significantly exceeded the level obligated at the end of the budget year.

Open Recommendations to Agencies

Recommendation: The Secretary of the Navy should direct the Commander, Naval Air Systems Command, to place additional management emphasis on the NADEP ACP. Specifically, the Commander should: (1) issue ACP guidance that includes well-defined procedures for justifying, ranking, reviewing, and approving projects to ensure that only valid beneficial projects

are approved; (2) develop a systematic approach for identifying investment opportunities, including planning that emphasizes work process improvements; (3) ensure prompt implementation of approved projects so that anticipated benefits can be obtained as quickly as possible; and (4) initiate post-investment analyses or other measures to determine if anticipated benefits are being realized and if changes in program management are needed.

Status: Action in process. Estimated completion date: 03/89. The Navy is: (1) preparing a comprehensive ACP instruction and a capital asset planning guide; (2) providing training to personnel; and (3) establishing and monitoring goals to help ensure that ACP projects are installed quickly.

Recommendation: The Secretary of the Navy should direct the Commander, Naval Air Systems Command, to improve internal controls for the NADEP ACP program by ensuring accurate ACP depreciation accounting within NADEP and emphasizing

adherence to existing controls for safeguarding assets.

Status: Action in process. Estimated completion date: 03/89. Depreciation accounting and safeguarding assets will be pursued at all depots and will receive extraordinary attention during Inspector General audits. Also, these internal control deficiencies will be considered for inclusion in the Navy's fiscal year (FY) 1988 Annual Assurance Statement.

Recommendation: The Secretary of the Navy should: (1) report actual ACP obligations to the Secretary of Defense and Congress; and (2) limit future funding for the NADEP ACP to that which can be successfully obligated each year, considering actual requirements and resources assigned to execute the program.

Status: Action in process. Estimated completion date: 03/89. DOD stated that ACP amounts reported to DOD and Congress will be based on actual obligations rather than commitments.

Department of Defense - Military (Except Procurement and Contracting)

Federal Catalog System: Continuing Item Identification Problems

NSIAD-88-121, 05/05/88

Background

In response to a congressional request, GAO assessed the nature and extent of deficiencies in the Department of Defense's (DOD) Federal Catalog System.

Findings

GAO found that: (1) the system fell short of its mandate of ensuring unique identifiers for federal supply items; (2) 30

percent of all cataloged items did not have approved names, while another 29 percent lacked descriptive data; (3) numerous items were misclassified or assigned duplicate numbers; (4) improper identification of supply sources in the cataloging systems could inhibit competitive procurement; and (5) using a Defense Logistics Services Center (DLSC) cost estimate, it would cost about \$14.1 million to maintain inventory records of

3,800 duplicate items, not including the price of the duplicates.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the Secretaries of the Army, Navy, and Air Force, and the Director, Defense Logistics Agency, to improve item identifications by: (1)

expanding the list of approved item names and closely monitoring their use; (2) developing additional Federal Item Identification Guides and updating existing guides; (3) giving more attention to the Item Identification Improvement Program; (4) providing greater emphasis on working with contractors to have them more timely submit technical data; and (5) establishing more effective mechanisms for challenging contractor proprietary data claims and obtaining and entering technical data in the Federal Catalog System for items already cataloged, but inadequately described.

Status: Action in process. Estimated completion date: 06/90. DOD has initiated actions to implement this recommendation. While some interim actions will be taken, those involving major changes, such as improving the item name process, will not be implemented before 1990.

Recommendation: The Secretary of Defense should direct the Secretaries of the Army, Navy, and Air Force, and the Director, Defense Logistics Agency, to significantly reduce the number of duplicate items in the Federal Catalog System through such programs as the

special DLSC study that identified duplication in the catalog, and exploring alternative ways to search out items that do not belong in the system.

Status: Action in process. Estimated completion date: 06/90. All of the initiatives described by DOD have as their ultimate goal the reduction of existing, and prevention of new, duplicate items in the catalog. Additional actions are underway that have not been mentioned previously. A contract is tentatively scheduled to be awarded during the first quarter of 1989 to perform a technical validation of non-approved item names.

Department of Defense - Military (Except Procurement and Contracting)

Inventory Management: Air Force Inventory Accuracy Problems

NSIAD-88-133, 05/12/88

Background

Pursuant to a congressional request, GAO evaluated the Air Force's: (1) physical inventory procedures to determine their accuracy and completeness; (2) research into differences between inventory counts and records; and (3) physical security over inventory.

Findings

GAO found that, although the Air Force has implemented a variety of policies and practices that have improved the Air Force Logistics Command's (AFLC) inventory management and accuracy, it: (1) cited inventory management controls as a material weakness in its fiscal year 1986 Federal Managers' Financial Integrity Act (FMFIA) report; (2) adopted a new physical inventory statistical sampling approach which may

have overstated inventory accuracy, since it assumed that zero-balance item records with no storage location were correct; (3) adopted, without specific Department of Defense (DOD) authority or sufficient support, a policy for researching and adjusting potential inventory variances; (4) continues to experience problems in conducting adequate causative research into the differences between physical inventory counts and its records; (5) did not routinely conduct trend analysis of causative research at air logistics centers (ALC); and (6) allowed privately owned and contractor vehicles to park adjacent to warehouse facilities.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense, in requiring annual statistical

samples as the basis for measuring and reporting inventory accuracy in the inventory control effectiveness report, should provide that these samples exclude zero balance items where there is no record of a storage location.

Status: Action not yet initiated.

Recommendation: The Secretary of the Air Force should direct the Commander, AFLC, to reevaluate its research and adjustment policies, especially the policy of not adjusting discrepancies under \$5,000, which do not involve more than 10 percent of recorded items, to ensure that they do not have adverse effects on inventory management. If the policy is determined to be supportable, ensure that approval to implement it has been obtained from DOD.

Status: Action not yet initiated.

Recommendation: The Secretary of the Air Force should direct the Commander, AFLC, to continue emphasizing the need for effective causative research that determines underlying causes of inventory discrepancies and systemic problems. Variances currently under the monetary criteria for causative research should be sampled as further input to identifying and correcting systemic problems.

Status: Action not yet initiated.

Status: Action not yet initiated.

Recommendation: The Secretary of the Air Force should direct the Commander, AFLC, to strengthen physical security at ALC by providing fencing around warehouses where practical, especially primary storage facilities, and not allowing parking of contractor or privately owned vehicles adjacent to warehouses.

Recommendation: The Secretary of the Air Force should reassess inventory accuracy in its next FMFIA statement and continue executing and reporting progress on the milestones for correction of the material weaknesses identified in the fiscal year 1986 FMFIA statement.
Status: Action not yet initiated.

Department of Defense - Military (Except Procurement and Contracting)

Army Transportation: Alleged Overcharges on Rail Shipments to and From Ft. Irwin, California

NSIAD-88-174, 05/13/88

Background

Pursuant to a congressional request, GAO reviewed: (1) a former U.S. Army National Training Center (NTC) employee's allegations that rail carriers frequently overcharged NTC for equipment transportation; (2) a related U.S. Army Forces Command audit; and (3) related General Services Administration (GSA) transportation audits.

Findings

GAO found that: (1) rail carriers overcharged NTC by over \$3 million; (2) rail carriers' improper application of the negotiated rates in their transportation bills accounted for \$1.7 million of the overcharges; and (3) military

transportation offices' improper preparation of government bills of lading (GBL) accounted for about \$1.3 million of the overcharges. GAO also found that: (1) the Army's actions to correct overcharge problems included auditing carriers' bills before paying them, issuing detailed written instructions on GBL preparation, and adopting new internal control procedures; (2) GSA does not have ready access to all the information it needs to conduct effective preaudits; and (3) the Army has not issued a written standard operating procedure for its new internal controls.

Open Recommendations to Agencies

Recommendation: The Secretary of the Army should direct that the internal

control procedures adopted by the NTC transportation office for determining outbound substituted cars be placed in writing as standard operating procedures for NTC. In addition to covering the procedures currently followed, the written procedures should require the transportation office to obtain information supporting the reasons for any significant change in the number of cars used on the inbound and outbound shipments.

Status: Action in process. Estimated completion date: 06/89. The Army's response to this recommendation has been prepared, but has not yet been received by GAO.

Department of Defense - Military (Except Procurement and Contracting)

Government Property: DOD's Management of the Property It Furnishes to Contractors

NSIAD-88-151, 05/26/88

Background

GAO reviewed the Department of Defense's (DOD) management of government property furnished to DOD contractors to determine the: (1) effectiveness of DOD implementation of the government policy of relying on contractors to provide the property needed for government contracts; (2) adequacy of management controls over contractor requisitions; and (3) adequacy of government oversight of property in contractors' possession.

Findings

GAO found that DOD: (1) did not effectively implement the policy of relying on contractors to provide materiel for government contracts; (2) either did implement or inadequately implemented regulations designed to control contractors' materiel

requisitions; (3) did not adequately enforce federal acquisition regulations requiring contractors to account for government-owned property in their possession and the government to oversee contractors' materiel management; and (4) made slow progress in developing and implementing financial property accounting systems.

Open Recommendations to Agencies

Recommendation: To ensure that all of these actions are implemented in a timely fashion, the Secretary of Defense should establish specific milestones for each action.

Status: Action not yet initiated. DOD plans to address this recommendation once it has responded to the four separate property management reports on the Defense Logistics Agency (DLA)

and the services. The DOD contact point stated that DOD had signed out its final response to the GAO June 21, 1988 report on its controls over government-furnished material on October 11, 1988.

Recommendation: To ensure that all of these actions are implemented in a timely fashion, the Secretary of Defense should direct the Inspector General to independently monitor and report on the progress made by the services to implement each action.

Status: Action not yet initiated. DOD plans to address this recommendation once it has responded to the four separate property management reports on DLA and the services. The DOD contact point stated that DOD had signed out its final response to the GAO June 21, 1988 report on its controls over government-furnished material on October 11, 1988.

Department of Defense - Military (Except Procurement and Contracting)

Navy Maintenance: Ship Maintenance Strategies Need Better Assessments

NSIAD-88-187, 06/14/88

Background

GAO reviewed the Navy's revised ship maintenance strategies.

Findings

GAO found that the Navy: (1) scheduled fewer ship overhauls and performed shorter and more frequent depot-level repairs; (2) incurred \$5.6 million in ship maintenance and modernization costs in

fiscal year 1987; (3) lacked essential management features in its ship management program, such as evaluation criteria, a management information system, or documentation procedures for determining the strategies' effectiveness; and (4)

responded primarily to unfunded maintenance requirements and budget cuts in initiating changes and did not support them with a detailed engineering analysis to determine the optimal frequency and level of repair. GAO believes that the Navy cannot reasonably predict the strategies' impact on its ships' material readiness, operational availability, and maintenance costs.

Open Recommendations to Agencies

Recommendation: So that data are available for an effective feedback loop, the Secretary of the Navy should

perform detailed engineering analyses of optimum frequency and type of maintenance for all ships.

Status: Action not yet initiated.

Recommendation: So that data are available for an effective feedback loop, the Secretary of the Navy should establish criteria for evaluating the effects of changes in maintenance strategies and operating cycles.

Status: Action not yet initiated.

Recommendation: So that data are available for an effective feedback loop, the Secretary of the Navy should use the information to compare the costs and benefits of different maintenance

strategies and provide managers with necessary data to make decisions on sustaining or modifying strategies in light of maintenance costs and operational availability of ships.

Status: Action not yet initiated.

Recommendation: So that data are available for an effective feedback loop, the Secretary of the Navy should collect the data needed for evaluating different maintenance strategies in the management information systems.

Status: Action not yet initiated.

Department of Defense - Military (Except Procurement and Contracting)

Internal Controls: Controls Over Material Furnished to Navy Contractors Can Be Improved

NSIAD-88-150, 06/21/88

Background

In response to a congressional request, GAO reviewed the Navy's controls over government-furnished materiel (GFM) provided to its contractors to determine: (1) if the Navy properly implemented the Federal Acquisition Regulation (FAR) and Department of Defense (DOD) policy requirements to justify and document decisions to provide contractors with GFM; (2) the adequacy of Navy controls to validate and approve contractor GFM requisitions; and (3) the adequacy of government oversight of GFM in contractors' possession.

Findings

GAO found that the Navy: (1) routinely provided GFM to its contractors without adequate justification or documentation,

even though government policy required contractors to provide their own materiel unless otherwise justified; (2) did not have adequate management and control systems to control GFM provided to contractors; (3) prepared a draft instruction that would improve GFM control procedures for all contracts, but did not establish a target date for implementation; (4) reported weaknesses in contractor controls over GFM in past audits without initiating improvements; (5) had not fully implemented DOD policies or complied with its own policies; (6) did not maintain adequate oversight over its contractors' property control and did not ensure that contractors reported potential excess GFM due to personnel shortages; and (7) had not met DOD financial accounting manual requirements.

Open Recommendations to Agencies

Recommendation: The Secretary of the Navy should require that decisions to allow contractors to obtain GFM are justified in advance, in writing, and are adequately documented to demonstrate that they are in the government's best interest from a cost-effectiveness or other critical standpoint, as required by FAR, DOD, and Navy regulations.

Status: Action not yet initiated.

Recommendation: The Secretary of the Navy should ensure that Navy contractors and organizations fully comply with and enforce FAR, DOD, and Navy policies on authorizing, issuing, and overseeing GFM. To ensure that this is done, monitoring may be required

until it is evident that the long-standing problems in controlling GFM have been corrected.

Status: Action not yet initiated.

Recommendation: The Secretary of the Navy should identify and make available, as appropriate, the additional resources needed for effective property administration.

Status: Action not yet initiated.

Recommendation: The Secretary of the Navy should further improve property accountability for government materiel and develop and implement a financial accounting system that satisfies DOD accounting manual requirements.

Status: Action not yet initiated.

Recommendation: The Secretary of the Navy should continue reporting the inadequate control of GFM as a material weakness in the Navy's annual Federal Managers' Financial Integrity Act report to DOD until corrective actions have been taken.

Status: Action not yet initiated.

Department of Defense - Military (Except Procurement and Contracting)

Inventory Management: Receipt Confirmation Problems

NSIAD-88-179, 07/14/88

Background

GAO reviewed inventory management practices within the Army, Navy, Air Force, and the Defense Logistics Agency (DLA) to determine whether their internal controls were adequate to ensure that they received the materials they paid for.

Findings

GAO found that: (1) generally, the military services and DLA failed to provide the Department of Defense (DOD) with assurances that items paid for were received at storage facilities; (2) of 121 Army shipments, it could not determine the status of 5 shipments valued at \$491,000; (3) the Army's automated inventory records did not accurately identify shipment receipt status, the follow-up on overdue shipments received low priority, and inventory control points did not reconcile financial records; (4) due to the Navy's ineffective automated control system, the status of 48 shipments valued at \$154,000, out of a total of 140 overdue shipments, was unclear; and (5)

because of improper receipt processing and inadequate documentation, the Air Force could not account for 22 shipments valued at about \$330,150. GAO also found that: (1) DLA did not have records for 12 of 62 shipments it received due to erroneous data on shipping documents and on receiving reports which transmitted receipt data to the inventory control points; (2) although DLA had a receipt follow-up system in one of its centers, managers failed to follow up with vendors and depots to clear overdue shipments; and (3) although DLA policy required investigation on shipments over \$100, management did not expect follow-up unless the missing shipment exceeded \$10,000. In addition, GAO found that DOD failed to implement changes to the material receipt acknowledgement and supply discrepancy reporting process because of the services' objections to its procedural complexities and implementation costs.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should require the Secretaries of the Army, Navy, and the Air Force, and the Director, DLA, to comply with existing DOD guidance regarding shipments of material in transit to wholesale storage activities.

Status: Action not yet initiated.

Recommendation: The Secretary of Defense should require the Secretaries of the Army, Navy, and the Air Force, and the Director, DLA, to establish or reemphasize routine follow-up procedures on shipments of material that have been paid for but not received.

Status: Action not yet initiated.

Recommendation: The Secretary of Defense should require the Secretaries of the Army, Navy, and the Air Force, and the Director, DLA, to establish routine reconciliation procedures for their supply and financial records to ensure that material that is paid for is actually received.

Status: Action not yet initiated.

Department of Defense - Military (Except Procurement and Contracting)
Military Manpower: Problems in Accounting for Occupational Shortfalls

NSIAD-88-188, 07/15/88

Background

In response to a congressional request, GAO reviewed the Department of Defense's (DOD) personnel management accounting and reporting systems to determine whether they provide DOD managers with the kind of information they need to determine personnel shortfalls and excesses in occupational specialities in the event of a major mobilization.

Findings

GAO found that: (1) DOD does not reconcile the total military force by occupational specialities; (2) although the services do not consolidate and analyze occupation-specific skill data for their total-force requirements, the Army is refining a process to reconcile mobilization requirements and resources for all its military occupational specialities; (3) the services' current manpower and personnel management systems do not require any type of consolidated total-force occupational analysis; (4) although the services collect the raw data needed to perform total-force reconciliation, the data would

require many adjustments before the services could use it for that purpose; (5) occupational data was not consistent and comparable across the services; and (6) DOD has no procedures for comparing requirements, authorizations, and inventory data on an occupation-specific, total-force basis.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should review the services' central manpower and personnel management accounting and reporting systems to determine what changes can be made to these systems so that total-force occupational requirements and resources can be related, monitored, and reported.

Status: Action in process. Estimated completion date: 09/89. A review is in process.

Recommendation: The Secretary of Defense should develop and implement policies and procedures for reconciling, analyzing, and reporting total military force needs and resources by occupation

for peacetime, mobilization, and wartime operations.

Status: Action in process. Estimated completion date: 09/89. Draft DOD Instruction 7730.XX, dealing with automated data extracts, is out for formal coordination.

Recommendation: The Secretary of Defense should use the results of total-force occupational reconciliation and analysis to review and monitor service recruiting, training and assignment plans, strength changes, and force readiness.

Status: Action in process. Estimated completion date: 09/89. A data call has been made to the services and the Defense Manpower Data Center.

Recommendation: The Secretary of Defense should maintain documentation of total-force reconciliations and analyses to support statements of shortfalls and excesses.

Status: Action in process. Estimated completion date: 09/89. OSD is in the process of determining what documentation is required.

Department of Defense - Military (Except Procurement and Contracting)
Strategic Air Command: KC-135A Crash and the Need for SAC Air Show Regulations

NSIAD-88-172, 07/19/88

Background

In response to a congressional request, GAO reviewed the crash of a Strategic Air Command (SAC) KC-135A aircraft while it was practicing for an air show to determine: (1) the rationale for the SAC Air Show Program; (2) how well SAC developed and managed the program; and (3) the thoroughness of the Air Force's investigation of the crash.

Findings

GAO found that: (1) SAC officials believed that the flight crew erred in placing the aircraft in a position from which it could not recover when it encountered turbulence; (2) although SAC did not issue written orders to include the KC-135A aircraft in the program, it verbally approved its inclusion in a later SAC demonstration;

(3) SAC oversight of the 92nd Bombardment Wing's (BMW) development of the flight profile was less thorough than for other aircraft; (4) the 92nd BMW established its own flight parameters for the KC-135A, rather than using SAC guidelines; (5) the 92nd BMW did not have a simulation of the integrated B-52H/KC135A profile before the flight; and (6) neither SAC nor the 92nd BMW appear to have followed command and control requirements in developing the integrated profile. GAO also found that: (1) SAC had no air show regulations; (2) although SAC believes that its guidance was adequate, it admits that it did not document the planning, direction, and oversight of the B-52H/KC-135A profile development as thoroughly as it did for the other show aircraft; and (3) the Air Force's accident report was thorough and complete and

reflected an objective and accurate investigation.

Open Recommendations to Agencies

Recommendation: If a decision is made to continue the program, the Secretary of the Air Force should direct the Commander-in-Chief, SAC, to: (1) establish official regulations for the air show program; (2) ensure that all participating units in its command are aware of the regulations and their specific responsibilities; and (3) ensure, through documentation, that its procedures are followed and that units are maintaining an adequate margin of safety for air show maneuvers.

Status: Action not yet initiated. The Air Force and SAC have suspended the air show program. If it is started again, criteria would be established.

Department of Defense - Military (Except Procurement and Contracting)
Women in the Military: More Military Jobs Can Be Opened Under Current Statutes

NSIAD-88-222, 09/07/88

Background

In response to a congressional request, GAO reviewed issues relating to job opportunities for women in the military services, to determine how: (1) combat exclusion policies affected the number and assignment of women in the

military; and (2) military procedures unrelated to combat exclusion limited job opportunities for women.

Findings

GAO found that the: (1) military services excluded women from about 1.1 million jobs based on combat exclusion policies and related program needs; (2) services further limited the number of certain

noncombat jobs that women could hold based on their job availability policies; (3) Marine Corps distributed some unrestricted noncombat jobs equally between men and women; (4) Navy limited women to no more than one-half of the unrestricted noncombat pilot positions; (5) Air Force limited the number of new pilot and navigator openings available to women; (6) Army limited the number of women it recruited and the availability of jobs to women; and (7) size of the berthing areas on noncombat Navy ships prevented women from filling sea duty positions open to them.

Open Recommendations to Agencies

Recommendation: The Secretary of the Navy should direct the Commandant of the Marine Corps to provide open access on a gender-neutral basis to noncombat

assignments now equally divided between men and women to reflect the gender composition of the general population.

Status: Action not yet initiated.

Recommendation: The Secretary of the Navy should consider berthing area configurations when establishing the male and female distribution of noncombat sea duty positions.

Status: Action not yet initiated.

Recommendation: To enable the services to obtain the most capable people overall, and to gain the maximum benefit possible from available resources, the Secretary of the Air Force should allow all unrestricted pilot and navigator openings to be available for competition based on individual qualifications without regard to gender.

Status: Action not yet initiated.

Recommendation: To enable the services to obtain the most capable people overall, and to gain the maximum benefit possible from available resources, the Secretary of the Army should remove limits resulting from the implementation of accession goals for women enlistees.

Status: Action not yet initiated.

Recommendation: To enable the services to obtain the most capable people overall, and to gain the maximum benefit possible from available resources, the Secretary of the Navy should review the procedures used by officer career field managers for determining proposed female accession goals for women officers to eliminate unnecessary restrictions on job availability which may result from those procedures.

Status: Action not yet initiated.

Department of Defense - Military (Except Procurement and Contracting)

Military Airlift: Operational Support Airlift Program Needs More Controls

NSIAD-88-219, 09/16/88

Background

In response to a congressional request, GAO reviewed Department of Defense (DOD) policies and procedures concerning the services' use of military operational support airlift (OSA) aircraft versus commercial aircraft for the transportation of DOD military and civilian personnel, to determine whether the: (1) services followed current policies and procedures; and (2) use of military aircraft was cost-effective compared to commercial air transportation sources.

Findings

GAO found that: (1) the services' continued noncompliance with DOD policies and procedures and their own management criteria resulted in increased DOD transportation costs; (2) problems included services' failing to conduct or document periodic management reviews, implementing instructions for OSA inconsistent with DOD regulations, and overstating requirements, resulting in uneconomical flights; (3) DOD believed that use of OSA training missions to transport passengers was cost-effective and

economical; and (4) the services' programs needed more automation and organization to have a more efficient, cost-effective, and service-oriented system.

Open Recommendations to Agencies

Recommendation: To achieve greater management control over OSA operations, the Secretary of Defense should direct the Secretaries of the Army, the Navy, and the Air Force to ensure that their implementing

instructions and procedures for OSA are consistent with DOD criteria, especially with regard to: (1) assigning priorities; (2) retaining OSA documents; (3) not overstating requirements; (4) fully implementing and documenting internal management control reviews for OSA, including the procedures used at the requester level; and (5) using civilian pilots for OSA operations.
Status: Action not yet initiated.

Recommendation: To achieve a more cost-effective OSA system, the Secretary of Defense should direct the Secretaries of the Army, the Navy, and the Air Force to: (1) schedule OSA training missions that increase passenger utilization as much as possible, consistent with the need to meet wartime readiness training requirements; and (2) eliminate overscheduling to ensure service.
Status: Action not yet initiated.

Recommendation: To achieve further efficiencies and economies in OSA operations, the Secretary of Defense should direct the Secretary of the Air Force to automate the Air Force's OSA scheduling system so that the system can interface with the Navy system and the Army system when it is fully automated. The Secretary of Defense should also consider consolidating all OSA scheduling at a single automated scheduling activity.
Status: Action not yet initiated.

Department of Defense - Procurement and Contracts

Technical Risk Assessment: The Status of Current DOD Efforts

PEMD-86-5, 04/03/86

Background

Pursuant to a congressional request, GAO reviewed the Department of Defense's (DOD) procedures and practices for risk assessment in connection with major weapons systems procurement. GAO reviewed the 25 program offices responsible for conducting risk assessments.

Findings

GAO found that, while DOD has identified a number of risk assessment approaches: (1) it has not specifically defined technical risk; (2) it has insufficient policy and training to guide program managers in assessing technical risks; (3) the program offices have developed inconsistent and sometimes contradictory approaches to risk assessment; and (4) none of the program offices have conducted a quantitative risk assessment to support budgeting for risk. Since DOD has developed no standards for risk assessments, GAO

developed risk assessment criteria and found that: (1) only three offices' risk assessment efforts met the criteria; and (2) most program offices did not implement their efforts to achieve the most accurate and useful results. In addition, GAO found that: (1) program offices did not always convey technical risk information to decisionmakers; (2) some program staff were unaware of risk assessment efforts or lacked information on assessment procedures and results; (3) contractors did not often properly document their technical risk assessment data; and (4) it could not make any meaningful studies of the accuracy or effects of individual assessments until DOD improved its assessment processes.

Open Recommendations to Agencies

Recommendation: To improve technical risk assessment concepts and procedures, the Secretary of Defense should define

technical risk and categories for rating risk.

Status: Action in process. DOD actions include: (1) preparation of a risk assessment handbook; (2) a review of its training in technical risk assessment; and (3) a review of relevant regulations.

Recommendation: To improve technical risk assessment concepts and procedures, the Secretary of Defense should require that risk efforts focus explicitly on technical risk and be prospective, planned, and repeated at least twice, early and late, in each acquisition phase.
Status: Action in process. DOD actions include: (1) preparation of a risk assessment handbook; (2) a review of its training in technical risk assessment; and (3) a review of relevant regulations.

Recommendation: To improve technical risk assessment concepts and procedures, the Secretary of Defense should require program management offices to

document their risk assessment procedures and results.

Status: Action in process. DOD actions include: (1) preparation of a risk assessment handbook; (2) a review of its training in technical risk assessment; and (3) a review of relevant regulations.

Recommendation: To improve technical risk assessment concepts and procedures, the Secretary of Defense should establish guidelines regarding options for format for rating risks, scope, data collection, and assessment approaches.

Status: Action in process. DOD actions include: (1) preparation of a risk

assessment handbook; (2) a review of its training in technical risk assessment; and (3) a review of relevant regulations.

Recommendation: To improve technical risk assessment concepts and procedures, the Secretary of Defense should require that technical risk information that program offices or contractors require for review include a description of format, scope, data collection, sources of risk information, and assessment approaches.

Status: Action in process. DOD actions include: (1) preparation of a risk assessment handbook; (2) a review of its

training in technical risk assessment; and (3) a review of relevant regulations.

Recommendation: To improve technical risk assessment concepts and procedures, the Secretary of Defense should provide more focused training in technical risk assessment.

Status: Action in process. DOD actions include: (1) preparation of a risk assessment handbook; (2) a review of its training in technical risk assessment; and (3) a review of relevant regulations.

Department of Defense - Procurement and Contracts

Contract Pricing: Material Prices Overstated on the Amphibious Assault Vehicle Contract

NSIAD-86-123, 05/16/86

Background

GAO reviewed subcontract pricing on the Navy's 1984 option buy of amphibious assault vehicles to determine if the contractor complied with contract pricing laws in providing accurate, complete, and current pricing data in its prime contract.

Findings

GAO found that the contractor: (1) overstated the proposed prices it gave the Navy for two of its eight

subcontracted items; (2) in one case, received lower quotations, but did not disclose them to the Navy or base the contract price on the lowest quotation; and (3) in the second case, acknowledged a lower available price and proposed a contract price reduction, but had not begun negotiations for the reduction.

Open Recommendations to Agencies

Recommendation: The Commander, Naval Sea Systems Command, should

initiate action to obtain recovery of funds from the contractor.

Status: Action in process. The Defense Contract Audit Agency (DCAA) reviewed the contract and recommended a price adjustment of \$18 million. The contractor rebutted the DCAA claim. As of October 18, 1988, the Department of Defense Inspector General case officer stated that action is still in process and the case should be resolved by April 1989.

Department of Defense - Procurement and Contracts
Quality Assurance: Efforts To Strengthen DOD's Program

 NSIAD-87-33, 11/03/86

Background

In response to a congressional request, GAO evaluated the Department of Defense's (DOD) in-plant quality assurance program to determine its effectiveness.

Findings

The Army, Navy, and Air Force plant representative offices (PRO) and the Defense Contract Administration Service carry out the quality assurance program for each plant. GAO found that: (1) individual service and Defense Logistic Agency (DLA) reviews have identified widespread contractor quality deficiencies; (2) the program did not meet Federal Acquisition Regulation requirements because PRO delegated some of their inspection responsibilities to contractors and did not perform all the mandatory quality assurance inspections; (3) the Army PRO (APRO) Quality Management Information System understated the actual number of times contractors performed government inspections; (4) APRO and the Navy PRO did not always perform mandatory government inspections; and (5) PRO could not readily identify recurring quality defects using existing

plant data. GAO also found that: (1) the services have identified problems such as ineffective surveillance methods and a lack of qualified personnel that weaken PRO operations; (2) a former Assistant Secretary of Defense for Acquisition and Logistics suggested a new approach to quality assurance, but the services and DLA have not reached a consensus; (3) the DOD Quality Assurance Council has not developed DOD-wide solutions to quality problems; and (4) the Council has not followed through on a previous effort to improve the program. GAO concluded that, although the services and DLA have developed and implemented their own in-plant programs, these efforts are not a substitute for a DOD-wide program.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should instruct the Quality Assurance Council to facilitate the interchange of ideas between the services and DLA and, as necessary, direct the implementation of specific improvements to DLA and service programs.

Status: Action in process. Estimated completion date: 12/88. The DOD Quality Assurance Council has been reaffirmed as the body to exert unified leadership and guide implementation of the DOD total quality management (TQM) approach. Milestones and target dates have been set to meet this recommendation.

Recommendation: The Secretary of Defense should instruct the Quality Assurance Council to prepare and carry out a long-range plan for developing and implementing a DOD-wide optimum quality assurance plan. This step should include close coordination with industry, the services, DLA, and quality assurance experts.

Status: Action in process. The DOD Quality Assurance Council is developing a plan to restructure the DOD Quality Assurance Program under an unifying approach that implements new concepts in the achievement of quality. The new concepts are contained in the DOD Management Improvement Plan. A plan has been developed to implement the DOD TQM concept. The TQM guide for program managers is scheduled for December 1988.

Department of Defense - Procurement and Contracts
Contract Pricing: Material Prices Overstated on Standard Missile and Phalanx Systems

NSIAD-87-31, 02/11/87

Background

As part of a nationwide review, GAO examined subcontract pricing on five prime contracts for the production of the Standard Missile System and the Phalanx Weapon System to: (1) determine whether the contractor complied with the Truth in Negotiations Act in providing accurate, complete, and current pricing data; and (2) assess whether Navy contracting officers implemented subcontract pricing requirements designed to ensure the negotiation of fair and reasonable prices.

Findings

GAO found that: (1) the contractor failed to disclose accurate, complete, and current pricing information for 14 of the 66 subcontract estimates before concluding contract negotiations; (2) the Navy contracting officers did not obtain evaluations from the contractor on 21 of 23 major noncompetitive subcontract price proposals for use in contact negotiations; and (3) the contractor overstated contract prices by about \$1.9 million, including overhead and profit.

Open Recommendations to Agencies

Recommendation: The Commander, Naval Sea Systems Command (NAVSEA), should use the results of the GAO review as a basis for initiating action to recover funds from the contractor.

Status: Action in process. Estimated completion date: 04/89. According to the Navy discussions are currently underway among NAVSEA, the Defense Contract Audit Agency (DCAA), and the contractor for resolution and recovery of appropriate sums.

Department of Defense - Procurement and Contracts
Military Construction: The Letterkenny Army Depot Retrieval System

NSIAD-87-112BR, 05/21/87

Background

In response to a congressional request, GAO examined the funding and acquisition of the Automated Storage and Retrieval System at the Letterkenny Army Depot to determine if the Army properly classified it as an equipment procurement, rather than a construction project.

Findings

GAO found that the Army: (1) originally determined that the Department of

Defense's (DOD) definition of construction did not apply to the facility because it would neither stand alone nor form a separate building useable for other purposes; (2) incorrectly continued to classify the facility as an equipment procurement despite design changes, which required the construction of an individual building with other possible uses; (3) improperly charged funds to the Army Industrial Fund Capitalization Program; and (4) should have used available military construction appropriations.

Open Recommendations to Agencies

Recommendation: The Secretary of the Army should take the administrative actions necessary to report the Army's violation of the Antideficiency Act, 31 U.S.C. 1341(a).

Status: Action in process. Estimated completion date: 11/88. As of October 18, 1988, this matter had been reviewed by the Chief of Staff of the Army and he has decided that the individual identified in the investigative report is culpable. That individual is now attempting to

rebut the Army's charges. Resolution of this matter is expected by November 30, 1988.

Department of Defense - Procurement and Contracts

Procurement: Defense Logistics Agency Implementation of the Spare Parts Initiatives

NSIAD-87-143, 06/01/87

Background

In response to a congressional request, GAO assessed the Defense Logistics Agency's (DLA) progress in implementing the spare parts initiatives at the Defense Electronics Supply Center (DESC), specifically: (1) price increases; (2) the adequacy of the price analysis procurement officials performed; (3) personnel changes resulting from the initiatives; and (4) DESC difficulties in maintaining a trained and experienced contracting work force.

Findings

GAO compared the prices on 107,333 procurements totalling \$507.9 million during the year ended March 1, 1985, and found that: (1) 8 percent of the procurements experienced price increases of 25 percent or more; and (2) 65 percent had either no price change or

a price decrease. GAO also found that DESC: (1) bought in larger quantities, increased the use of competition, changed its employee performance evaluation factors, and provided internal government price estimates; (2) performed inadequate price analyses in 46.7 of the procurements it sampled with 25-percent price increases and in 28 percent of the procurements with no price change; and (3) did not consolidate purchase requests, resulting in unnecessary duplication of contract awards, increased administrative costs, and uneconomical purchase quantities. DESC indicated that the major obstacle to continued improvement in price analysis under the initiatives was its inability to retain experienced, well-trained buyers. GAO believes that this could slow or reduce the improvements necessary to the success of the initiatives.

Open Recommendations to Agencies

Recommendation: The Director, DLA, should require the Commander, DESC, to take the necessary action to ensure consolidation of purchase requests when appropriate. The need for such action at other DLA centers should also be assessed, and if necessary, a system established to ensure consolidation is considered during price analysis.

Status: Action in process. Modification of the automated system at all supply centers to ensure consolidated procurement occurs when appropriate. The modification will be phased. The prototype system has been successfully implemented at one supply center. Full implementation is scheduled for mid-1990.

Department of Defense - Procurement and Contracts
Procurement: Better Compliance With the Competition in Contracting Act Is Needed

NSIAD-87-145, 08/26/87

Background

In response to a congressional request, GAO reviewed selected federal agencies' procurement practices to determine whether they complied with the provisions of the Competition in Contracting Act of 1984 (CICA).

Findings

GAO reviewed 104 contracts that agencies awarded on a competitive basis and found that: (1) although agencies generally failed to adequately follow CICA procedures, most of their decisions were appropriate; (2) agencies awarded contracts without justification and the contracts lacked the proper certification and approval; and (3) many of the justifications did not meet Federal Acquisition Regulation (FAR) standards. GAO also found that: (1) agencies did not comply with requirements relating to use of the Commerce Business Daily (CBD); (2) CICA seems to have had a positive effect on the level of competition in federal government procurement, since the percentage of competitively awarded agency contracts increased between 1983 and 1986; and (3) some agency officials believe that CICA has caused an increase in contract award processing time.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense and the Administrators of General Services, NASA, and Office of Federal Procurement Policy (OFPP)

should amend FAR 6.302-2(c) to provide that justifications for contract awards, based on the second exception to full and open competition, shall be prepared and approved no later than 30 days after the date of contract award if the current FAR criteria for preparation and approval after award are met.

Addressee: Department of Defense
Status: Action in process. DOD disagreed with this recommendation and stated that a consistent regulatory requirement for preparation of J&A, based on the urgency exception, would be counter to its needs. Despite the DOD response, CAAC Case 88-46 and DARC Case 88-71 were established to address this recommendation.

Addressee: National Aeronautics and Space Administration
Status: Action in process. NASA stated that no FAR change was necessary, but conceded that if a change were to be made, timely should be the criteria, rather than 30 days or a specified time period. Despite the NASA response, CAAC Case 88-46 and DARC Case 88-71 were established to address this recommendation.

Addressee: Office of Federal Procurement Policy
Status: Action in process. OFPP agreed that some reasonable time limitation should be placed on the approval of J&A, based on the urgency exception. It noted that 90 days may be more appropriate, and that it would request that a FAR case be established to consider this. CAAC Case 88-46 and DARC Case 88-71 are now underway to consider this recommendation.

Addressee: General Services Administration

Status: Action in process. The General Services Administration (GSA) agreed that guidance in this area may be necessary, and that it would request a FAR case be opened to consider this recommendation. CAAC Case 88-46 and DARC Case 88-71 are now underway to consider this recommendation.

Recommendation: The Secretary of Defense and the Administrators of General Services, NASA, and OFPP should revise FAR to preclude any required CBD notices of proposed awards, regardless of whether or not the award is expected to be based on full and open competition, from: (1) referring to numbered notes 40, 41, 46, or footnote symbol *; or (2) otherwise including wording that conflicts with statutory requirements or unnecessarily discourages responses from offerors.

Addressee: General Services Administration

Status: Action in process. GSA agreed that these and other numbered notes are obsolete and require revision. DAR Case 86-145 and CAAC Case 86-11 will deal with reviewing these notes.

Recommendation: The Secretary of Defense and the Administrators of General Services, NASA, and OFPP should revise FAR to improve the wording of CBD numbered note 22 so it indicates that: (1) an award is expected to be based on other than full and open competition, unless the market survey results show that the use of full and

open competition is appropriate; (2) all interested sources may submit a response; (3) this market survey effort is intended to find out whether any additional sources are available that are capable of satisfying the government's needs, verify that no other types of supplies or services are available that can satisfy those needs, and help identify potential sources for future requirements, if applicable; and (4) if a competitive procurement is held, competitive solicitations will be sent to all sources that have demonstrated they are capable of satisfying the government's needs.

Addressee: Department of Defense

Status: Action in process. DOD stated that a review of all numbered notes is underway, and that wording changes will be considered as part of that effort.

Addressee: National Aeronautics and Space Administration

Status: Recommendation valid/action not intended. NASA disagreed with this recommendation, and the other executive agencies, and stated that the wording of numbered note 22 was acceptable to NASA.

Addressee: Office of Federal Procurement Policy

Status: Action in process. OFPP agreed with this recommendation and explained that the rewording of numbered note 22 to the GAO recommendation is being considered in a current FAR case.

Addressee: General Services Administration

Status: Action in process. DAR Case 86-145 and CAAC Case 86-11 will address the wording of this and other numbered notes.

Recommendation: The Secretary of Defense and the Administrators of General Services, NASA, and OFPP should revise FAR to state that, for written justifications based on the first exception to full and open competition, contracting officers may not certify, and approving officials may not sign, a

required justification until: (1) any required notice of proposed award has been published in the appropriate section of CBD and, whenever feasible, a copy of the actual published notice demonstrating this fact has been attached to the justification; (2) the contents of all CBD footnotes referred to in the notice have been disclosed as part of the justification; (3) information has been provided showing that the requirements of FAR 5.203 have been met; and (4) the results of all market survey efforts made have been considered and described in the justification.

Addressee: Department of Defense

Status: Recommendation valid/action not intended. DOD disagreed with this recommendation and stated that requiring synopsis before J&A approval could jeopardize streamlining actions and create increased administrative lead time. The DOD response did not address the proposed FAR change, stating that there is no FAR requirement to include the results of the synopsis in J&A.

Addressee: General Services Administration

Status: Recommendation valid/action not intended. GSA disagreed with this recommendation, and cited the administrative burden to the contracting officer and minimal benefit.

Recommendation: The Secretaries of Defense and Energy and the Administrator, NASA, should take actions, such as those involving formal or informal training, written instruction, better supervision, and other improved management controls, to ensure that all personnel involved in awarding contracts of more than \$25,000 understand and comply with the requirements of CICA and FAR relating to use of CBD.

Addressee: Department of Defense

Status: Recommendation valid/action not intended. DOD disagreed that additional training and management

controls, among other things, are needed. DOD added, however, that it would continue to provide procurement management review efforts.

Recommendation: The Secretary of Defense and the Administrators of General Services, NASA, and OFPP should revise FAR to state that restricting a solicitation to a specific make and model: (1) does not meet the requirement for full and open competition; and (2) requires written justification, certification, and approval for other than full and open competition, in accordance with CICA.

Addressee: Department of Defense

Status: Recommendation valid/action not intended. DOD disagreed and did not directly address the recommendation, stating that specific make and model procurements, when reprourement drawings are available, may result in competition. DOD added that specific make and model purchases for ADP equipment must have a justification, according to DFARS.

Addressee: National Aeronautics and Space Administration

Status: Action in process. NASA stated, similar to GSA, that the DAR Council should consider the need for a FAR change based on this recommendation.

Addressee: Office of Federal Procurement Policy

Status: Recommendation valid/action not intended. OFPP disagreed with this recommendation; however, it noted that restricting a solicitation to a specific make and model should not be applied on a wider basis than is necessary.

Addressee: General Services Administration

Status: Action in process. GSA stated that it will request a FAR case be opened to further study this recommendation.

Recommendation: The Secretary of Defense and the Administrators of

General Services, NASA, and OFPP should revise FAR to state that, if a proposed procurement for a specific make and model is justified, certified, and approved as other than full and open competition, offers are required to be solicited from as many other sources, such as dealers, licensees, and sellers of used equipment, as is practicable in the circumstances.

Addressee: Department of Defense
Status: Recommendation valid/action not intended. DOD disagreed with this recommendation and stated that offers must already be solicited from as many sources as possible. DOD does not intend to label or justify specific make and model procurements as being based on other than full and open competition.

Addressee: National Aeronautics and Space Administration
Status: Recommendation valid/action not intended. NASA did not believe a FAR revision is necessary, and noted that FAR requires competition to the maximum extent practical for all procurements.

Addressee: Office of Federal Procurement Policy
Status: Recommendation valid/action not intended. OFPP did not directly address this recommendation in its response, but noted that use of specific make and model solicitations should be used only as necessary.

Addressee: General Services Administration
Status: Recommendation valid/action not intended. GSA indicated that current FAR coverage was sufficient.

Recommendation: The Secretary of Defense and the Administrators of General Services, NASA, and OFPP should revise FAR to preclude limiting the solicitation to a particular product of one manufacturer and alternate products meeting the agency's requirement under procedures providing for full and open competition, unless the solicitation describes the essential features of the agency's requirement so that potential offerers of alternate products may know what is acceptable to the agency.

Addressee: Department of Defense
Status: Recommendation valid/action not intended. DOD disagreed and did not address this recommendation. Instead, DOD stated that performance or design specifications provide the essential features of the agency's requirements.

Addressee: National Aeronautics and Space Administration
Status: Recommendation valid/action not intended. NASA stated that current FAR coverage is adequate, and that NASA procurements routinely describe the salient characteristics.

Addressee: Office of Federal Procurement Policy
Status: Recommendation valid/action not intended. OFPP disagreed with this recommendation and stated that current FAR coverage is adequate.

Addressee: General Services Administration
Status: Recommendation valid/action not intended. GSA stated that current FAR coverage is adequate.

Recommendation: The Secretary of Defense and the Administrators of General Services, NASA, and OFPP should amend FAR subpart 6.5 to better inform agency officials regarding the duties and responsibilities, such as those closely related to the award of contracts, which should not be performed by competition advocacy staff because they are inconsistent with those CICA has assigned to the competition advocates.

Addressee: Department of Defense
Status: Recommendation valid/action not intended. DOD disagreed with this recommendation and stated that current FAR coverage is adequate.

Addressee: National Aeronautics and Space Administration
Status: Recommendation valid/action not intended. NASA believes that current FAR coverage is adequate, and that no revision is necessary.

Addressee: Office of Federal Procurement Policy
Status: Recommendation valid/action not intended. OFPP believes that current FAR coverage is adequate, and that individual agency management should decide on staffing duties/responsibilities of competition advocates.

Addressee: General Services Administration
Status: Recommendation valid/action not intended. GSA stated that a FAR change was unnecessary, and that individual agencies must decide on which duties/responsibilities are inconsistent for competition advocates.

Department of Defense - Procurement and Contracts

Contract Pricing: Material Prices Overstated on Ground/Vehicular Laser Locator Designators

NSIAD-88-25, 10/13/87

Background

GAO reviewed the pricing of an Army contract for Ground/Vehicular Laser Locator Designators to determine whether the: (1) contractor complied with the Truth in Negotiations Act in providing accurate, complete, and current cost or pricing data; and (2) contracting officer negotiated fair and reasonable prices.

Findings

GAO found that the contractor overstated target prices by \$2,339,601, including overhead and profit, because

it: (1) failed to disclose current material prices; (2) made a computation error; and (3) failed to disclose an updated bill of material. GAO also found that contract prices were overstated by an additional \$1,777,396, including overhead and profit, because the contracting officer: (1) did not rely on an audit recommendation regarding anticipated material price reductions between the contractor and its vendors; and (2) accepted escalation on material costs that the contractor had based on firm vendor quotations.

Open Recommendations to Agencies

Recommendation: The Commander, U.S. Army Missile Command, should initiate action to recover these funds from the contractor.

Status: Action in process. The U.S. Army Missile Command (MICOM) is in the process of responding to the Department of Defense Inspector General's (DOD/IG) request for action. The contractor has claimed substantial offsets which are currently being reviewed by DCAA. Final determination by the contracting officer is expected in December 1988.

Department of Defense - Procurement and Contracts

Defense Procurement: Work Measurement Programs at Selected Contractor Locations

NSIAD-88-43BR, 11/04/87

Background

In response to a congressional request, GAO reviewed the Department of Defense (DOD) Work Measurement Program to determine whether: (1) contractors were complying with program requirements; (2) the program improved contractors' labor performance; and (3) contractors used the program results to estimate or negotiate labor hours for contract pricing.

Findings

GAO found that: (1) the four contractors it reviewed did not fully comply with work measurement program requirements; (2) because of ambiguities in the military standard and guidance for implementing the program, contractors reported higher labor productivity than actually occurred; (3) three contractors did not use work measurement data for contract pricing purposes; (4) one contractor did use the data and proposed lower contract costs

as a result; and (5) although the program is intended to apply to all the armed services, only the Air Force has implemented it.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct DOD personnel to take actions to ensure wider use of the work measurement program and greater

contractor compliance with program requirements.

Status: Action in process. A proposed revision to the Defense Federal Acquisition Regulation Supplement was

sent to DAR Council on October 30, 1987, for consideration and coordination. As of September 1988, DAR Case 87-123, which proposed DFAR revision, was published for public comment. DOD IG does not

concur with the proposed language and DAR Council will consider DOD IG and public comments before a final rule is issued.

Department of Defense - Procurement and Contracts

Navy Maintenance: Competing Vessel Overhauls and Repairs Between Public and Private Shipyards

NSIAD-88-109, 03/25/88

Background

Pursuant to a congressional request, GAO assessed the Navy's program to increase competition between public and private shipyards for its naval vessel overhaul and repair contracts, focusing on whether: (1) inherent differences between public and private shipyards precluded realistic and fair competition; (2) public shipyard bids included all direct and indirect costs; and (3) mechanisms existed to ensure the integrity of the competitive process.

Findings

GAO found that the Naval Sea Systems Command (NAVSEA), which oversees the competitive process, awarded: (1) \$656 million, or 80 percent of total competitive repair contracts from 1985 through 1987, to public shipyards; (2) \$166 million in repair contracts to private shipyards; and (3) all repair contracts involving nuclear ballistic missile submarines to public shipyards. GAO also found that private shipyards: (1) typically lacked the qualifications to

perform submarine repairs; (2) successfully competed with public shipyards for surface vessel repair contracts; and (3) faced greater financial risk than public shipyards, since they accomplished repair work through fixed-price contracts while public shipyards accomplished work through project orders, which were analogous to cost-reimbursement type contracts. In addition, GAO found that: (1) public shipyards' addition of certain discretionary costs increased cost estimates for submarine repairs and decreased estimates for surface vessel repairs; (2) NAVSEA cost comparisons did not incorporate some indirect costs in public shipyards' bids; (3) NAVSEA awarded contracts on the basis of proposed prices rather than comparisons; and (4) the Navy could not substantiate its estimate that private and public shipyard competition saved about \$200 million. GAO believes that, while the Navy attempted to treat private and public shipyards as equitably as possible, certain inherent differences precluded complete comparability and equity.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the Secretary of the Navy to base the certifications of public and private shipyard competitive proposals on all reasonably identifiable and objectively quantifiable costs to the federal government.

Status: Action in process. Estimated completion date: 01/89. The Navy is in the process of writing instructions/regulations to implement this recommendation.

Recommendation: The Secretary of Defense should direct the Secretary of the Navy to solicit and evaluate proposals and award competed work on that basis.

Status: Action in process. Estimated completion date: 01/89. The Navy is in the process of writing instructions/regulations to implement this recommendation.

Department of Defense - Procurement and Contracts
Government Contractors: Criteria Needed for Allowable Employee Health Care Costs

HRD-88-27, 05/12/88

Background

GAO evaluated government efforts to ensure that contractors' health care costs under negotiated contracts were reasonable, focusing on: (1) health care costs of selected government contractors compared to those of other manufacturing industries and the government work force; (2) the primary reasons for cost differences; and (3) the adequacy of federal internal controls over allowable compensation costs.

Findings

GAO found that: (1) government health care costs under negotiated contracts were high because contractors required less cost-sharing from their employees compared with employees in the manufacturing industries; (2) only 1 of

the 10 largest government contractors it reviewed required its employees to share in the cost of their health insurance premiums; (3) the government lacked adequate internal controls to ensure that reimbursements to contractors were reasonable; (4) 1986 revisions to the Federal Acquisition Regulation (FAR) did not specify the criteria for assessing the reasonableness of contractor compensation; and (5) during a 5-year period, the government reimbursed its 10 largest contractors about \$4.5 billion for their employee health care costs.

Open Recommendations to Agencies

Recommendation: The Director of the Office of Management and Budget (OMB), through the Administrator of the

Office of Federal Procurement Policy, should work with the Department of Defense, National Aeronautics and Space Administration and the General Services Administration to develop, and publish in FAR, quantitative criteria for determining the reasonableness of the government's reimbursement of contractor health insurance costs. The Director should develop similar criteria for assessing the reasonableness of other elements of compensation and contractors' total compensation costs. **Status:** Recommendation valid/action not intended. DOD disagreed with the recommendation and indicated that it has no plans to implement it.

Department of Defense - Procurement and Contracts
Air Force Contracting: Protecting Liquid Oxygen/Nitrogen Plants From Contamination

NSIAD-88-206, 08/11/88

Background

Pursuant to a congressional request, GAO reviewed the Air Force's procurement of portable liquid oxygen and nitrogen generating plants to determine its compliance with Department of Defense (DOD) policy

regarding protection against nuclear, biological, and chemical attack.

Findings

GAO found that the Air Force: (1) complied with DOD policy by evaluating the plants' needs for nuclear, biological, and chemical attack protection; (2)

concluded that it did not need to protect the plants, since it planned to reduce operations to minimize personnel exposure and use uncontaminated stored products if such attacks occurred; and (3) planned to keep storage tanks full and shut down or move plants if it perceived a risk of attack. GAO also found that

DOD: (1) determined that protection for the plants was desirable, but not essential; and (2) directed the Air Force to buy only the units it needed to meet immediate needs and to consider protection for future procurements. GAO believes that protection for the plants would offer the Air Force an expanded capability and operational versatility in meeting its needs.

Open Recommendations to Agencies

Recommendation: The Secretary of the Air Force should review the current procurement of portable liquid oxygen and nitrogen generating plants to determine if it is feasible to add approved filters to the plants, which would protect them in the event of nuclear, biological, and chemical attack.

If the Air Force can obtain protection at an acceptable cost, the Secretary should modify the current contract and/or delivered units to incorporate these filters.

Status: Action in process. Estimated completion date: 08/99. The Air Force is currently investigating the feasibility of adopting suitable approved filters to the existing procurement, as well as other liquid oxygen/liquid nitrogen plants.

Department of Defense - Procurement and Contracts

Army Disposal: Construction Equipment Prematurely Disposed of in Europe

NSIAD-88-77, 09/20/88

Background

In response to a congressional request, GAO reviewed the Army's replacement of its construction vehicles in Europe, to determine why it disposed of certain vehicles.

Findings

GAO found that: (1) the Army disposed of old construction vehicles without determining whether it would be cost-effective to retain them; (2) the Army did not provide any evidence to support its contentions that the vehicles were outmoded, expensive to maintain, and

impacted readiness; (3) repair estimates for seven vehicles at a disposal site ranged from \$230 to \$13,000, and about 240 of the 800 vehicles to be disposed of in Europe were useable and operable; and (4) the Army sold 47 vehicles to Portugal for \$11,500, or about \$240 per vehicle. GAO also found that: (1) the Army purchased 850 vehicles for Europe at a cost of \$79 million out of \$470 million for the overall vehicle program; and (2) users of the new vehicles expressed concern about their ability to perform as well as the older vehicles that the Army replaced.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct the Secretary of the Army to: (1) ensure that, for any future Army fleet replacement actions, the Army has a documented analysis of the cost-effectiveness of retaining existing equipment for the remainder of its useful life; and (2) reassess the problems identified by field commands in Europe to determine if those problems require changes beyond just retaining field personnel.

Status: Action not yet initiated.

Weapons Systems

DOD Acquisition: Strengthening Capabilities of Key Personnel in Systems Acquisition

NSIAD-86-45, 05/12/86

Background

In response to a congressional request, GAO examined the Department of Defense's (DOD) acquisition work force, specifically program managers and contracting officers and their: (1) roles in weapons system acquisition; (2) tools to carry out their jobs; (3) external influences; and (4) career preparation.

Findings

A program manager heads each weapon system acquisition with assistance from various specialists, including a contracting officer who is legally authorized to commit the government to contracts. GAO found that the program managers' and contracting officers' capability to contract for new weapon systems is limited because: (1) their roles in early program phases are not fully defined or well understood in practice; (2) acquisition strategy development lacks the criteria to tailor the competition's scope and intent to individual programs; (3) external factors affect many programs and create a poor climate for logical, planned program

development; and (4) career programs do not provide the intense and diverse experience, training, qualification criteria, and incentives to develop program managers and contracting officers. GAO also found that about half of the 17 new programs it reviewed fell short of the minimum competition level that DOD policy called for because: (1) DOD has not identified the program characteristics sensitive to various levels of competition or the criteria to apply them; (2) insufficient advance funding limited the programs; (3) many recently appointed program managers lacked substantial program-office or other acquisition experience, as well as specialized training; (4) the selection of contracting officers was not based on specific experience, education, or training; and (5) military career paths did not identify the types of acquisition experience desired.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should require training to be

provided to program managers and contracting officers on the newly developed guidance.

Status: Action in process. Training courses already include instructions on using criteria, such as those to determine whether dual sourcing will benefit the procurement. It needs to be understood, however, that models and criteria are decision aids and will not obviate the need to exercise sound judgement in these areas.

Recommendation: The Secretary of the Army should select program managers based on demonstrated performance in the acquisition career field.

Status: Action not yet initiated. DOD Directive 5000.23, which the services are in the process of implementing through day-to-day planning, management, and oversight of the Defense Systems Management College, requires demonstrated experience, as well as mandatory acquisition training, in order to be selected as a program manager.

Weapons Systems

Weapon Performance: Operational Test and Evaluation Can Contribute More to Decisionmaking

NSIAD-87-57, 12/23/86

Background

In response to a congressional request, GAO reported on operational test and evaluation (OT&E) as a means of testing weapon system performance, specifically: (1) its historical adequacy since 1970; and (2) its limitations concerning recently deployed major weapon systems.

Findings

GAO found that: (1) there were 32 historical cases where testing was unrealistic because it did not adequately replicate the operational environment; (2) the use of contractor support limited the realism of the test agency's OT&E results in its evaluation of aircraft

effectiveness; (3) there were 25 historical cases where test objectives, criteria, and plans were incomplete, unclear, or absent; (4) OT&E personnel lacked clearly defined evaluation criteria; (5) test resources were limited or unavailable in 27 cases; (6) test reports in 22 cases did not provide the most current, complete, or accurate data on the performance of major systems before production; (7) the test report on the Multiple Launch Rocket System did not adequately describe the significance of a problem with the ammunition resupply trailer; and (8) the services frequently failed to operationally test a prototype before production.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should improve the usefulness of OT&E results by the services' OT&E agencies by requiring the agencies to: (1) state whether OT&E demonstrated that the system met operational requirements; (2) discuss the operational effect of significant test limitations and adverse test results on system performance; and (3) clearly state whether a system is operationally suitable and effective.

Status: Recommendation valid/action not intended.

Weapons Systems

DOD Warranties: Improvements Needed in Implementation of Warranty Legislation

NSIAD-87-122, 07/21/87

Background

Pursuant to a congressional request, GAO reviewed the Department of Defense's (DOD) implementation of a statutory requirement that it obtain warranties on weapon systems.

Findings

GAO found that: (1) the 1985 DOD authorizing legislation required it to

obtain guarantees that procured items would conform to contract requirements and be free from defects; (2) DOD significantly increased its use of warranties in response to the legislative requirement; (3) the military services requested few warranty waivers; (4) most warranties contained performance guarantees; and (5) the DOD procurement activities that it visited paid about \$244 million for 61

warranties that had specific prices. GAO also found that: (1) the services had prepared cost-effectiveness analyses for only 9 of the 97 warranties that it reviewed, despite a DOD regulation requiring such analyses; (2) warranties could be more specific regarding performance requirements, performance assessment, and potential corrective actions; (3) DOD could better define warranty duration periods; and (4) only

23 of the 97 warranties included provisions requiring physical markings of warranted items.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should direct that warranties specifically state whether redesign is or is not a possible remedy under the warranty.

Status: Action in process. The Office of the Secretary of Defense (OSD) General Counsel has reviewed the new

warranties guidebook and provided its comments. OSD(P&L) is reviewing these comments and planning to issue implementing guidance to the services.

Recommendation: The Secretary of Defense should direct the military services to review a representative number of recent and future warranties to ensure that procuring activities are routinely: (1) doing cost-effectiveness analyses of proposed warranties; (2) delineating essential performance requirements and identifying how and when performance will be assessed; (3)

considering storage time, coverage of repaired or replaced parts, and coordination of government-furnished components and related end items in establishing warranty duration periods; and (4) directing that warranted items be appropriately marked.

Status: Action in process. The OSD General Counsel has reviewed the new warranties guidebook and provided its comments. OSD(P&L) is reviewing these comments and planning to issue implementing guidance to the services.

Weapons Systems

DOD Simulations: Improved Assessment Procedures Would Increase the Credibility of Results

PEMD-88-3, 12/29/87

Background

GAO reviewed selected Department of Defense (DOD) weapons systems simulations to determine: (1) what factors DOD should consider in assessing simulation credibility; (2) the results of assessing weapons systems simulations with respect to these factors; and (3) DOD efforts to reinforce simulation credibility.

Findings

GAO developed an assessment framework of 14 factors covering theory, model design, input data, correspondence between the model and the real world, management, documentation, and reporting, and applied it to three Army air defense simulations, and found that: (1) the simulations' representations of combat reality were limited; and (2) DOD efforts to validate simulation results were weak. GAO also found that:

(1) the Army support structures for simulation activities were very limited; (2) although DOD believes that the credibility of simulation results is important, it has not established a systematic and uniform system for determining credibility; and (3) although DOD issued directives and regulations on related topics, there was little guidance with direct relevance to simulations.

Open Recommendations to Agencies

Recommendation: To reinforce its efforts and to ensure that such practices are followed, the Secretary of Defense should develop and implement guidance on producing, validating, documenting, managing, maintaining, using, and reporting weapon-system effectiveness simulations. The guidance should include a provision for routine reviews of

a simulation's credibility and, in this way, the identification of problems that should be resolved.

Status: Action in process. Draft guidance will be prepared and circulated for review in late 1988.

Recommendation: The Secretary of Defense should explore the possibility of requiring that a statement regarding validation accompany the report of a simulation's results.

Status: Action in process. Estimated completion date: 11/88. Draft guidance will be prepared and circulated for review.

Recommendation: To make the ADAGE, Carmonette, and COMO III models more useful in future applications, the agency responsible for managing each simulation should explore the feasibility of remedying the

limitations identified, especially in the area of validation.

Status: Action not yet initiated. DOD did not provide information on this

recommendation other than a general comment about the Army's modeling efforts.

Weapons Systems

Test and Evaluation: An Assessment of Navy's Long-Term Underwater Test Resources Plan

NSIAD-88-80, 03/28/88

Background

In response to a congressional request, GAO reviewed the Navy's Long-Term Underwater Support Resources Plan, to determine its comprehensiveness and usefulness as a management tool.

Findings

GAO found that, although the plan covers tracking ranges, ship noise measurement facilities, targets, and real-time simulators, it does not: (1) consolidate and prioritize test resource development and acquisition programs; (2) include acoustic requirements data from fleet units; (3) include all options for meeting weapons system noise measurement requirements, including those costing \$5 million or less; and (4) present a cost-effective rationale for the future use of the Navy's Atlantic Undersea Test and Evaluation Center.

GAO also found that: (1) the Navy planned to use the Atlantic Undersea Test and Evaluation Center for training and, to a lesser extent, for research and development; (2) in order to coordinate and emphasize test resource acquisition, the Department of Defense and the military services implemented initiatives to improve test resource planning; and (3) the Navy failed to implement a recommendation to modify its plan for new facilities, which could save an estimated \$71.4 million, or to consolidate existing facilities, at an estimated savings of \$4.9 million in annual operating costs.

Open Recommendations to Agencies

Recommendation: The Secretary of Defense should require the Secretary of the Navy to revise the Long-Term

Underwater Support Resources Plan to: (1) integrate and rank all test resource development programs; (2) obtain and incorporate underwater acoustic measurement requirements from fleet units; (3) present other options to meet weapon system acoustic measurement requirements and eliminate dollar thresholds so that additional options can be considered; and (4) determine whether the Atlantic Undersea Test and Evaluation Center is the most cost-effective alternative to meet unit training requirements beyond the next 5-year period (1988 to 1993).

Status: Action in process. Estimated completion date: 04/89. The Navy is currently evaluating existing facilities on both coasts. The Navy will report to Congress in December 1988.

Weapons Systems

Close Air Support: Upgraded A-7 Aircraft's Mission Effectiveness and Total Cost Unknown

NSIAD-88-210, 09/02/88

Background

In response to a congressional request, GAO discussed the Air Force's efforts to upgrade its A-7 aircraft.

Findings

GAO found that the Air Force: (1) awarded a contract to develop two upgraded A-7 prototypes, known as the A-7 PLUS, to evaluate the feasibility of engineering changes; (2) did not identify specific operational performance requirements for the upgraded aircraft, but expects that they will perform better than the A-7 aircraft; (3) did not

evaluate the A-7 PLUS aircraft's projected capabilities against the latest close air support and battlefield air interdiction scenarios and mission requirements because it did not have the requirements or the resources when it decided on the aircraft; (4) estimated that it would cost \$4.9 billion to upgrade the A-7 aircraft, including \$178 million for the two prototype aircraft; (5) has not decided on avionics engine options and modifications which could increase the overall cost; and (6) because of limited production funds and budgetary delays, revised the delivery date from 1991 to 1993.

Open Recommendations to Agencies

Recommendation: The Secretary of the Air Force should evaluate A-7 PLUS mission effectiveness against the mission requirements package developed for the A-10 replacement study. The results of the evaluation could be used in assessing the aircraft's cost effectiveness in performing the close air support and battlefield air interdiction missions, as required by Public Law 100-180.

Status: Action not yet initiated.

Natural Resources and Environment

Conservation and Land Management

The Bureau of Reclamation Could Identify More Unneeded Land

RCED-85-25, 04/12/85

Background

GAO reported on the Bureau of Reclamation's process for identifying unused/underused and unneeded land.

Findings

GAO identified about 1.8 million acres of unneeded land for project purposes. This occurred primarily because the Bureau's annual property reviews did not include detailed reviews of specific parcels of land, and it had not completed reviewing the need for all public domain land under its jurisdiction. Recognizing the need to improve its land management program, the Bureau has been implementing a land-use inventory and automated real property asset management system. This could help the Bureau develop a comprehensive and accurate inventory of land no longer needed for project purposes. GAO noted that, since proceeds from the sale of unneeded land are used to reduce the financial obligations of irrigation districts, three such districts could receive reductions in their repayment obligations of about \$39 million if 73,000 acres of unneeded land are sold.

Open Recommendations to Agencies

Recommendation: The Secretary of the Interior should direct the Commissioner, Bureau of Reclamation, to transfer any unneeded public domain land used or needed by other federal agencies to the Bureau of Land Management (BLM) for disposition.

Status: Action in process. Estimated completion date: 01/91. The transfer of unneeded land to BLM for disposition is an ongoing process; however, certain transfers must be completed by 1991.

Recommendation: The Secretary of the Interior should direct the Commissioner, Bureau of Reclamation, to consider whether interests of the federal government that would be advanced by amending the 1943 Columbia Basin Project Act to recover future surplus settlement land sale revenues for the government rather than crediting them to the repayment obligations of the project's three irrigation districts outweigh the interests of the districts. Should it be determined that the government's interests are paramount, legislation should be submitted to

Congress specifying that future surplus revenues from settlement land sales shall be credited to the federal government.

Status: Action in process. The Bureau of Reclamation is seeking a solicitor's opinion concerning whether it is the responsibility of the Bureau to submit legislation to revoke that section of the Columbia Basin Project Act to recover future surplus settlement land sale revenues for the federal government. The opinion will determine if legislation will be submitted to Congress.

Recommendation: The Secretary of the Interior should direct the Commissioner, Bureau of Reclamation, to refrain from selling settlement land at the Columbia Basin Project until consideration of the proper disposition of future surplus settlement land sale revenues has been completed.

Status: Action in process. The Bureau of Reclamation has placed proceeds of land sales in escrow. A solicitor's opinion will determine whether the Bureau will proceed with submitting draft legislation to Congress recommending that these land sales proceeds be credited to the federal government.

Conservation and Land Management

Surface Mining: Interior Department and States Could Improve Inspection Programs

RCED-87-40, 12/29/86

Background

In response to a congressional request, GAO provided information on federally approved mine inspection and enforcement programs in four states to determine whether: (1) the states were citing all violations observed during mine inspections; and (2) if the Department of the Interior's Office of Surface Mining Reclamation and Enforcement's (OSMRE) sampling process to select mines for review is appropriate for assessing states' performance in citing mining violations.

Findings

GAO found that: (1) the states made most of the required inspections and ensured that mine operators timely corrected cited violations; (2) state inspectors failed to cite 78 of the 129 total violations GAO and federal inspectors observed during visits to 82 sites; (3) 56 percent of the uncited violations included problems with sediment controls, mining outside permit boundaries, improper topsoil handling, and other violations that could cause off-site environmental damage; (4) states did not cite the 78 violations because they missed the violations or disagreed that a violation existed; (5) states did not issue violation notices if problems were not occurring when they followed up; and (6) states' failures to record all violations could affect penalty determinations and permit suspensions or revocations, since OSMRE bases its decisions on an operator's history of violations. GAO also found that federal inspectors: (1) did

not determine if the violations they found were also present during the last state inspection; (2) did not attempt to schedule oversight inspections as close to the latest complete state inspection as possible; and (3) were not required to determine the potential environmental impact of observed violations or their likely causes.

Open Recommendations to Agencies

Recommendation: To ensure that all violations of the Surface Mining Control and Reclamation Act of 1977 (SMCRA) performance standards are cited, the Secretary of the Interior should require the Director, OSMRE, to determine the reasons why state inspectors are not citing all violations and, based on this information, work with the states to ensure that each violation of the act's performance standards is cited.

Status: Action in process. Estimated completion date: 03/89. OSMRE is in the process of refining and standardizing its present information collection procedures to enable a more specific analysis of the causes of uncited violations and work with the states to gain improvement in this area.

Recommendation: To ensure that all violations of the Surface Mining Control and Reclamation Act of 1977 performance standards are cited, the Secretary of the Interior should require the Director, OSMRE, to work with the states to develop criteria for state use of OSMRE evidence of violations observed

during oversight inspections in issuing notices of violation, which will become part of an operator's violation history. **Status:** Recommendation valid/action not intended. Interior disagreed with this recommendation. It believes that SMCRA would have to be amended to mandate states to cite violations on the basis of information contained in a 10-day notice. GAO believes that the OSMRE position is incorrect and will follow up in 1989.

Recommendation: To provide more creditable information on state regulatory authorities' performance in administering their mine inspection programs, the Secretary of the Interior should direct the Director, OSMRE, to modify the OSMRE sampling approach to give primary emphasis to measuring state performance in ensuring compliance with the act. OSMRE should include procedures for timing oversight inspections as close to the time of the last complete state inspection as possible, and then require its inspectors to record whether each observed violation was present at the time of the last complete state inspection, but was not cited by the state.

Status: Action in process. Estimated completion date: 03/89. OSMRE modified its sampling approach for the 1987 through 1988 state evaluation year in a manner similar to that used by GAO. However, OSMRE has decided that further study is needed regarding the timing of random mine inspections. An oversight task force will determine the

feasibility of implementing this part of the GAO recommendation.

Conservation and Land Management

Federal Land Acquisition: Land Exchange Process Working But Can Be Improved

RCED-87-9, 02/05/87

Background

In response to a congressional request, GAO reviewed the programs that the Department of Agriculture's (USDA) Forest Service and the Department of the Interior's Bureau of Land Management (BLM) use to plan, negotiate, and implement land exchanges.

Findings

GAO found that the land exchange process is working well, since both BLM and the Forest Service: (1) have established and followed procedures governing land exchanges; and (2) notify and negotiate with state and local governments about exchange proposals early in the exchange process to avoid disagreements. GAO also found that: (1) both agencies need to consistently record

the costs of processing exchange proposals to ensure the best budgeting and planning decisions; (2) both agencies follow practices, such as adjusting appraised values to reach equal value, which the Federal Land Policy and Management Act (FLPMA) does not allow, since the government receives lands that are not equal to those it conveys; and (3) although pooling increased the agencies' effectiveness in disposing of scattered tracts of federal land for a desirable parcel, neither agency has evaluated pooling to determine whether its use is in the interest of the government and the public.

Open Recommendations to Agencies

Recommendation: The Secretaries of Agriculture and the Interior should direct the Chief, Forest Service, and the Director, BLM, respectively, to evaluate the use of pooling to determine whether it is in their interests to continue using it. If pooling is continued, then the agencies should develop policies to promote and control its use.

Status: Action in process. Estimated completion date: 09/89. Both USDA and Interior have determined that pooling is a viable approach. USDA will include a direction statement encouraging the use of pooling in the next revision of the Forest Service Manual 5430. Interior is only in the stage of drafting its policy plan for pooling. Both agencies anticipate completion of respective policies within the next 12 months.

Conservation and Land Management

Surface Mining: State Management of Abandoned Mine Land Funds

RCED-87-57, 02/06/87

Background

In response to a congressional request, GAO evaluated how effectively states

manage their abandoned mine reclamation funds, specifically whether they: (1) have adequate financial controls

to ensure the proper use of reclamation funds; (2) are reclaiming eligible sites in proper priority sequence; (3) are

managing projects in accordance with federal procurement, monitoring, and reporting standards; and (4) are correcting problems through completed projects.

Findings

GAO reviewed five states' reclamation programs and found that: (1) the states implemented financial control procedures and practices to ensure the proper expenditure of reclamation funds; (2) only one state complied with all related grant payment, audit, and inventory requirements; (3) the states generally reclaimed eligible, high-priority projects; (4) the states managed their reclamation projects in compliance with applicable procurement and project monitoring standards, except for Kentucky's selection of design contractors, which lacked documentation; (5) the states conducted inspections both immediately after completing construction and later to ensure that projects successfully resolved their reclamation problems; and (6) although none of the states compiled summary data, most completed projects successfully reduced the number of problems. GAO noted that it could not readily assess the overall success of the

projects in reducing identified problems because summary data were not available.

Open Recommendations to Agencies

Recommendation: The Secretary of the Interior should require the Director, Office of Surface Mining Reclamation and Enforcement (OSMRE), to emphasize to the states the importance of complying with Office of Management and Budget (OMB) Circular A-102 requirements related to disbursing federal grant funds in a timely manner, inventorying physical equipment, and conducting audits. To ensure that states have taken any necessary steps to bring their programs into compliance, the Director, OSMRE, should follow up on their compliance as part of Interior's annual oversight evaluations.

Status: Action in process. Estimated completion date: 12/88. OSMRE is strengthening its compliance by: (1) preparing and including an evaluation of states' compliance with OMB Circular A-102; (2) airing its evaluation of OSMRE field components' monitoring of states' adherence to the circular; and (3) requesting OIG to conduct internal

control reviews on grantee management systems. Oversight reports available by end of calendar year.

Recommendation: To correct remaining weaknesses in state management of abandoned mine lands projects and OSMRE oversight of that management, the Secretary of the Interior should require the Director, OSMRE, to: (1) direct those states, like Kentucky, that do not comply with federal procurement standards, to bring their programs into compliance; (2) direct the states to provide all information required by federal performance reporting standards in the states' semiannual reports on specific projects to OSMRE; and (3) strongly encourage those states not documenting the results of post-construction inspections to begin doing so.

Status: Action in process. Estimated completion date: 12/88. State compliance with federal procurement requirements will be emphasized through the state annual evaluation process. OSMRE will direct states to provide all information required by federal performance reporting standards in the states' semiannual reports. Reports will be available December 1988.

Conservation and Land Management

Surface Mining: State and Federal Use of Alternative Enforcement Techniques

RCED-87-160, 08/20/87

Background

Pursuant to a congressional request, GAO reviewed state and federal use of alternative enforcement techniques under the Surface Mining Control and Reclamation Act, focusing on: (1)

whether states with primacy for mining regulation have statutory authority to use, and are using, the alternative techniques; (2) whether the Office of Surface Mining Reclamation and Enforcement (OSMRE) uses such

techniques in states where it has primacy; and (3) the extent to which OSMRE monitors state use of alternative techniques.

Findings

GAO found that: (1) all of the primacy states it reviewed had statutory authority to use alternative techniques, including injunctions, civil penalties, criminal charges, or mining permit actions, but none of the states developed systems to ensure that they were appropriately using all of the alternative techniques; (2) of the available techniques, states most often chose to revoke or suspend mining permits; (3) 13 states established specific deadlines for initiating alternative enforcement action in the absence of abatement; (4) OSMRE

most often attempts to obtain injunctive relief against uncooperative mine operators; and (5) initial OSMRE reviews generally focused on states' authority to use alternative techniques but, in 1987, OSMRE directed its field offices to assess how states were implementing alternative techniques.

Open Recommendations to Agencies

Recommendation: In order to improve the act's enforcement, the Secretary of the Interior should require the Director, OSMRE, to require states to develop

systems necessary to ensure that alternative enforcement techniques are appropriately used. Such systems should allow for the use of regulatory judgment, but should include written policies and procedures to guide regulators' actions on such matters as when, and under what conditions, alternative techniques would be used.

Status: Action in process. Estimated completion date: 03/89. As OSMRE establishes additional rules related to individual civil penalties, states will be required to amend their programs to meet federal standards. States are now revising programs.

Conservation and Land Management

Mineral Revenues: Coal Lease Readjustment Problems Remedied but Not All Revenue Is Collected

RCED-87-164, 08/25/87

Background

In response to a congressional request, GAO provided information on: (1) the Department of the Interior's Bureau of Land Management's (BLM) progress in readjusting federal coal leases scheduled for readjustment through September 30, 1986; (2) the adequacy of BLM collection of royalties and rent resulting from the required readjustments; and (3) the adequacy of the bonds it required from lessees to protect the federal government against the loss of revenue that accrued while lessees appealed readjustments.

Findings

GAO found that: (1) between 1976 and 1984, BLM failed to readjust 149 federal

coal leases by their lease anniversary dates and, as a result, lost an estimated \$187 million in royalty and rent payments; (2) BLM appears to have corrected the problem, since from 1985 through the end of fiscal year 1986, BLM readjusted all but one federal coal lease on time; (3) as of September 30, 1986, the Minerals Management Service (MMS) had not collected over \$12.6 million in royalties and rent in five states because of inadequate financial management controls; and (4) BLM frequently failed to protect the government's financial interest by not requiring bond amounts that were adequate to cover the revenues that accrued while lessees appealed the readjustments.

Open Recommendations to Agencies

Recommendation: The Secretary of the Interior should instruct the Director, MMS, to ensure that the MMS financial management system identifies the nonpayment or underpayment of rent.

Status: Action in process. Estimated completion date: 02/89. The same software developed for the exception processing of oil and gas lease readjustments works with solids. All readjustments will be reconciled when the data base is completed by the end of December 1988 and billing should be completed by February 1989.

Conservation and Land Management

Tongass National Forest: Timber Provision of the Alaska Lands Act Needs Clarification

RCED-88-54, 04/11/88

Background

Pursuant to a congressional request, GAO reviewed the Forest Service's management of its timber sales program on the Tongass National Forest, focusing on: (1) Tongass Timber Supply Fund expenditures; (2) the Department of Agriculture (USDA) and the timber industry's opinions regarding the Service's use of funds; (3) the effectiveness of timber supply and funding provisions in the Alaska National Interest Lands Conservation Act in maintaining timber industry employment; (4) the economic basis of the Service's policies in the Tongass Land Management Plan; and (5) a comparison of the government's costs for growing and selling timber with timber sales revenues.

Findings

GAO found that: (1) Tongass timber industry employment declined from about 2,700 jobs in 1980 to 1,420 jobs in 1986; (2) neither the act nor the land management plan provided the Service with the flexibility it needed to deal with reduced demand; (3) contrary to timber industry perceptions and interpretations, Congress passed the act to protect the timber industry from the effects of designated wilderness areas, not to guarantee protection against timber market fluctuations; (4) during 1986, the Service incurred costs of about \$25.4 million and received revenues of \$3.3 million; (5) the Service properly spent about \$30 million from the Tongass Timber Supply Fund for construction of administrative roads and facilities which had a substantial connection with the fund's purposes; and (6) the Service lacks

authority to use the fund to pay for firms' road-building costs.

Open Recommendations to Congress

Recommendation: To provide the Forest Service with more flexibility for supplying timber under varying market conditions, Congress should revise the 4.5 billion board-feet-per-decade timber supply provision of Section 705(a) of the Alaska National Interest Lands Conservation Act. In making this revision, the timber supply provision should be revised so that the amount supplied would be based on the anticipated demand for timber and on the data currently being formulated by the Forest Service as part of its land management planning process rather than on a rigid per-decade requirement.
Status: Action in process.

Conservation and Land Management

Rangeland Management: More Emphasis Needed on Declining and Overstocked Grazing Allotments

RCED-88-80, 06/10/88

Background

Pursuant to a congressional request, GAO examined the Bureau of Land Management's (BLM) and the Forest Service's range management programs to determine: (1) their progress in improving range conditions; (2) whether

they based grazing levels on recent and accurate rangeland assessments; (3) whether they used range improvement funds on the most beneficial projects; (4) the adequacy of their range condition inventory and monitoring systems; and

(5) the success of the Experimental Stewardship Program (ESP).

Findings

GAO found that: (1) BLM and the Service lacked reliable, current

information on conditions and trends for much rangeland; (2) the most recent reports showed that over 50 percent of the rangelands were in either poor or fair condition and about 8 percent were in declining condition; (3) about 19 percent of the grazing allotments were overstocked and subject to further deterioration, but the agencies did not adjust authorized livestock grazing levels in 75 percent of these cases; (4) many range managers cited insufficient data as a reason for not scheduling grazing reductions; (5) livestock carrying capacity assessments were often old and outdated; (6) neither agency focused management attention or resources on declining or overstocked allotments; and (7) 66 percent of BLM and 27 percent of Service grazing allotments did not have management plans and many of the existing plans were over 10 years old.

Open Recommendations to Agencies

Recommendation: The Secretaries of Agriculture and the Interior should direct the Chief of the Forest Service and the Director of the Bureau of Land Management to focus management priority on completing new livestock carrying capacity assessments for grazing allotments that their range managers believe are overstocked and that therefore have the greatest potential for range deterioration. The assessments, when completed, should be used to adjust permit levels accordingly. As a start, responsible range managers should be asked to identify all allotments that they believe are currently overstocked or in declining condition.

Addressee: Department of Agriculture
Status: Action not yet initiated. The Department of Agriculture (USDA) stated that an action plan to implement

this recommendation will be prepared by March 1989.

Addressee: Department of the Interior
Status: Action in process. Estimated completion date: 02/89. Interior expects its field offices to respond on the actions they have taken by February 1989.

Recommendation: The Secretaries of Agriculture and the Interior should direct the Chief of the Forest Service and the Director of the Bureau of Land Management to better focus range improvement funding on allotments with declining range conditions and on overstocked allotments where range improvements can negate or limit the need to reduce the number of permitted livestock. A first step in this process would be to establish uniform, formal criteria that give priority to funding range improvements on allotments that are either declining or overstocked.

Addressee: Department of Agriculture
Status: Action not yet initiated. USDA plans to prepare an action plan to implement this recommendation by March 1989.

Addressee: Department of the Interior
Status: Action in process. Estimated completion date: 02/89. Interior expects its field offices to respond to the actions they have taken by February 1989.

Recommendation: The Secretaries of Agriculture and the Interior should direct the Chief of the Forest Service and the Director of the Bureau of Land Management to: (1) identify those grazing allotments that their range managers believe are declining and overstocked; and (2) concentrate management priority on monitoring and developing current allotment management plans for these allotments.

Addressee: Department of Agriculture
Status: Action not yet initiated. USDA plans to prepare an action plan to

implement this recommendation by March 1989.

Addressee: Department of the Interior
Status: Action in process. Estimated completion date: 02/89. Interior expects its field offices to respond on the actions they have taken by February 1989.

Recommendation: The Secretaries of Agriculture and the Interior should direct the Chief of the Forest Service and the Director of the Bureau of Land Management to not initiate any new ESP projects until it can be demonstrated that range conditions and permittee stewardship have improved under the present ESP projects.

Addressee: Department of Agriculture
Status: Action not yet initiated. USDA plans to prepare an action plan to implement this recommendation by March 1989.

Addressee: Department of the Interior
Status: Action in process. Estimated completion date: 02/89. Interior expects its field offices to respond on the actions they have taken by February 1989.

Recommendation: The Secretaries of Agriculture and the Interior should direct the Chief of the Forest Service and the Director of the Bureau of Land Management to ensure that range monitoring information is gathered and assessed for ESP allotments in the program.

Addressee: Department of Agriculture
Status: Action not yet initiated. USDA plans to prepare an action plan to implement this recommendation by March 1989.

Addressee: Department of the Interior
Status: Action in process. Estimated completion date: 02/89. Interior expects its field offices to respond on the actions they have taken by February 1989.

Conservation and Land Management

Public Rangelands: Some Riparian Areas Restored but Widespread Improvement Will Be Slow

RCED-88-105, 06/30/88

Background

In response to a congressional request, GAO discussed federal efforts to restore degraded riparian areas on public rangelands and the extent of areas still needing improvement.

Findings

GAO reviewed 22 public rangelands in 10 western states, and found that: (1) the Bureau of Land Management (BLM) and the Forest Service successfully restored a number of degraded riparian areas through improved livestock management, which allowed vegetation to grow; (2) BLM and the Forest Service either temporarily restricted grazing in degraded areas or built fences to keep livestock away from the areas until vegetation improved; (3) although many ranchers opposed the restoration efforts, others realized the benefits to their operations; and (4) restoration of the riparian areas required specific knowledge and skills of wildlife and fisheries biologists, hydrologists, range conservationists, and soil scientists. GAO also found that, although there are still large areas that need restoration, future efforts could be hampered by: (1) shortages of skilled staff due to the agencies' budgetary restraints; (2) opposition from ranchers; and (3) a lack of cohesive management support from BLM and the Forest Service.

Open Recommendations to Agencies

Recommendation: The Secretaries of the Interior and Agriculture should direct the Director, BLM, and the Chief, U.S. Forest Service, to review the staffing support provided to riparian improvement efforts in the context of all program activities, and determine whether appropriate staffing levels are being provided.

Addressee: Department of the Interior
Status: Action in process. Estimated completion date: 04/89. The agencies' field units are in the process of reassessing staff needs to implement established plans.

Addressee: Department of Agriculture
Status: Action in process. Estimated completion date: 04/89. The agencies' field units are in process of reassessing staff needs to implement established plans.

Recommendation: The Secretaries of the Interior and Agriculture should, as part of their annual budget submissions, report on the extent of riparian improvement that can be expected with the level of staffing they recommend.

Addressee: Department of the Interior
Status: Action in process. Estimated completion date: 04/89. The Forest Service will include the recommended report as part of an annual budget process. BLM will put together and report through the annual work plan process.

Addressee: Department of Agriculture
Status: Action in process. Estimated completion date: 04/89. The Forest

Service will include the recommended report as part of an annual budget process. BLM will put together and report through the annual work plan process.

Recommendation: With respect to the commitment to achieve broader riparian improvement, the Secretaries of the Interior and Agriculture should direct the Director, BLM, and the Chief, U.S. Forest Service to reemphasize and reiterate the agencies' commitment. As part of this effort, the Director and the Chief should: (1) establish finite, measurable goals in terms of miles of riparian areas to be targeted for restoration; (2) annually measure and document the specific progress being made to achieve those goals; and (3) document and justify instances where restoration steps needed to achieve established goals are seriously thwarted or rejected.

Addressee: Department of the Interior
Status: Action in process. Estimated completion date: 04/89. BLM has required state directors to annually measure and document riparian goal achievements as part of its planning process. The Forest Service will incorporate the recommended action into its planning process.

Addressee: Department of Agriculture
Status: Action in process. Estimated completion date: 04/89. BLM has required state directors to annually measure and document riparian goal achievements as part of its planning process. The Forest Service, likewise,

will incorporate the recommended action into its planning process.

Conservation and Land Management

Wetlands: The Corps of Engineers' Administration of the Section 404 Program

RCED-88-110, 07/28/88

Background

In response to a congressional request, GAO reviewed the Army Corps of Engineers' administration of section 404 of the Clean Water Act to determine the extent to which the Corps: (1) coordinated with federal resource agencies during the permit process; (2) identified violations of permit conditions; and (3) imposed sanctions against those who failed to obtain required permits or violated permit conditions.

Findings

GAO found that: (1) although the Section 404 Program protected some wetlands, it did not regulate many activities, such as normal farming and wetlands draining, which caused most of the wetlands losses; (2) resource agencies believed that the Corps could protect more wetlands if it delineated wetland boundaries more broadly and gave greater consideration to practicable alternatives to placing dredged and fill materials in wetlands; (3) neither the Corps nor the resource agencies maintained comprehensive information on the program's impact on wetlands; (4) although the Corps considered resource agency recommendations in issuing permits, in many cases its district offices did not require applicants to address recommendations and did not provide feedback to the agencies; (5) resource agencies rarely appealed cases when

they disagreed with district offices because they believed that the appeal process was cumbersome and ineffective; (6) neither the Corps nor the Environmental Protection Agency (EPA) had systematic surveillance programs to detect unauthorized activities on wetlands; (7) the districts did not investigate many suspected unauthorized activities for months and did not monitor issued permits for compliance with permit conditions; (8) the Corps rarely pursued civil or criminal remedies against violators and did not often suspend or revoke permits; and (9) EPA rarely used its authority, even though most violations involved failure to obtain permits.

Open Recommendations to Congress

Recommendation: Congress may wish to establish clearer criteria regarding the: (1) scope of wetlands delineation under the program; (2) extent to which alternatives to filling wetlands must be considered; and (3) extent and circumstances under which cumulative impacts of permit decisions must be considered.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: In order to provide Congress and others with information on the effects of the Section 404 Program for restoring and maintaining integrity of the nation's waters and to provide for more consistent management of the program, the Secretary of the Army should direct the Chief, Corps of Engineers, to develop a data reporting mechanism that will enable the Corps to provide baseline information on the extent to which the granting of Section 404 permits is protecting or resulting in the filling of wetlands and otherwise restoring and maintaining the integrity of the nation's waters.

Status: Action not yet initiated. Although the Corps of Engineers did not concur with this recommendation, they are still evaluating potential means to achieve its intent within program constraints.

Recommendation: In order to provide Congress and others with information on the effects of the Section 404 Program for restoring and maintaining the integrity of the nation's waters and to provide for more consistent management of the program, the Secretary of the Army should direct the Chief, Corps of Engineers, to work with the resource agencies to develop consistent definitions and procedures for implementing basic

program requirements, such as considering practicable alternatives, assessing cumulative impacts, and making wetland delineations.

Status: Action in process. Estimated completion date: 04/89. The Corps of Engineers and the three resource agencies reviewed are working together on developing consistent definitions in several of the areas in which GAO made recommendations.

Recommendation: In order to provide for a more effective public interest review in which environmental and development concerns receive full consideration, as required by law, the Secretary of the Army should direct the Chief, Corps of Engineers, to work with the resource agencies to develop a feedback mechanism to provide the resource agencies with documentation that shows how their recommendations were addressed during the application review process, and, where applicable, reasons why recommendations were not accepted.

Status: Action not yet initiated. The Corps of Engineers is concerned that this recommendation will add to the already significant staff and the burden involved

in providing resource agencies with feedback on their permit suggestions. Consequently, they have this recommendation under advisement.

Recommendation: In order to provide for a more effective public interest review in which environmental and developmental concerns receive full consideration, as required by law, the Secretary of the Army should direct the Chief, Corps of Engineers to develop, with the participation of the resource agencies, a mutually acceptable and simplified process under which district engineer permitting decisions can be appealed.

Status: Action in process. Estimated completion date: 04/89. The Corps of Engineers has started a dialogue with EPA concerning ways to streamline the current appeal process. The Corps will approach the other resource agencies concerning this matter in the near future.

Recommendation: In order to strengthen enforcement of the Section 404 Program, the Secretary of the Army should direct the Chief, Corps of Engineers, to develop, with the

participation of EPA, a coordinated enforcement program utilizing the combined resources of both agencies and others to deal with violations of Section 404 permit requirements. Such a program should involve routine surveillance, compliance inspections, timely investigation and reporting of unauthorized activities, and appropriate penalties where authorized.

Status: Action in process. Estimated completion date: 04/89. The Corps and EPA are working on a new Memorandum of Agreement to define the proper enforcement roles of each agency.

Recommendation: In order to strengthen enforcement of the Section 404 Program, the Secretary of the Army should direct the Chief, Corps of Engineers, to establish a national oversight program to evaluate Corps district performance in enforcing the Section 404 program.

Status: Action in process. Estimated completion date: 04/89. The Corps of Engineers has increased its monitoring of enforcement actions from an annual to a quarterly basis and is working with EPA on other enforcement initiatives.

Conservation and Land Management

Federal Land Management: Consideration of Proposed Alaska Land Exchanges Should Be Discontinued

RCED-88-179, 09/29/88

Background

In response to a congressional request, GAO evaluated proposed land exchanges between the Department of the Interior and six groups of Alaskan Native corporations to: (1) assess Interior's legal authority to conduct the proposed land exchanges; and (2) examine the

processes, assumptions, and methods underlying the exchanges.

Findings

GAO found that: (1) Interior had the legal authority to negotiate and administratively approve the proposed

exchanges at the time it developed the proposals; (2) legislation passed in 1988 prohibited Interior from conveying interests in lands within the coastal plain of the Arctic National Wildlife Refuge (ANWR) without prior legislative approval; (3) 76 percent of the lands that the government would acquire would

provide limited wildlife and habitat protection benefits; (4) about 279,000 acres were low priority or unsuitable for acquisition, about 349,000 acres were already protected from uses inconsistent with wildlife refuge purposes, and Interior would not acquire about 53,000 acres most threatened by subsurface mineral development. GAO also found that Interior: (1) appraised the fair market value of the proposed exchanges at \$90 million, but negotiated a price of \$539 million due to their environmental or public-interest value; (2) assigned

values to the tracts based on limited geologic information and uncertain economic data; and (3) did not have oil and gas well data within ANWR or access to data from the one well in ANWR that one of the Native corporation's oil company affiliates drilled.

Open Recommendations to Congress

Recommendation: If the Secretary of the Interior decides to proceed with the

proposed exchanges and presents them to Congress for approval, Congress should disapprove them.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Secretary of the Interior should discontinue consideration of the proposed land exchanges.

Status: Action not yet initiated.

Other Natural Resources

The Foreign Fishing Observer Program: Management Improvements Needed

RCED-85-110, 08/12/85

Background

Pursuant to a congressional request, GAO reviewed the National Oceanic and Atmospheric Administration's (NOAA) management of the Foreign Fishing Observer Program, including: (1) the process the National Marine Fisheries Service (NMFS) follows to develop program costs for budgeting and billing purposes; (2) the issue of health and safety conditions on foreign fishing vessels; (3) the use of observer-generated information; and (4) the use of contract observers in the Northwest and Alaska program.

Findings

GAO noted that NMFS has followed an advance estimated billing process, based on the anticipated level of foreign fishing, planned level of observer coverage, and established cost factors, which has restricted NMFS from pursuing its planned level of observer

coverage until sufficient funds have been collected and become available for obligation. GAO found that: (1) with a sufficient amount of working capital, NMFS could pursue its planned program level and implement a billing system based on actual costs; (2) sanctions should be established for foreign fishing vessels considered inadequate for the placement of an observer; (3) there was a need for health and safety standards to judge the adequacy of foreign fishing vessels; and (4) NMFS considered information obtained by observers on foreigners' compliance with fishing laws and regulations valuable to ensure that all information needs were being met. GAO also found that: (1) adjustments to the training program curriculum could be made by adopting a standard training curriculum and instructional procedures for those elements of biological data that NMFS believes should be presented to all observers; and (2) NMFS used contract observers in the Northwest and

Alaska regional programs, rather than federal employees, because agency personnel ceilings would not permit hiring enough federal employees.

Open Recommendations to Agencies

Recommendation: The Secretary of Commerce should request legislative authority to: (1) provide sufficient working capital to capitalize the Foreign Fishing Observer Fund; (2) to permit NMFS to pursue a full-coverage program from the beginning of each fiscal year; and (3) use a billing system based on actual costs.

Status: Action in process. Commerce drafted and sent legislation to the 99th Congress for capitalizing the fund, however, no action was taken on the bill. Commerce and the Office of Management and Budget are presently reviewing the submittal of similar legislation to the 101st Congress.

Recommendation: If the Observer Fund is provided working capital, the Administrator, NOAA, should: (1) implement a billing system based on actual costs; and (2) develop an information package on the billing process and procedures that would be

responsive to most of the questions raised by the foreign fishing interests about their observer fee bills and program costs.

Status: Action taken not fully responsive. Commerce has stated that if the Observer Fund is capitalized, it

would implement a billing system based on actual costs and develop a billing system information package for foreign fishers. As noted in the capitalization recommendation, Commerce is considering resubmitting legislation for authorizing the capitalization.

Other Natural Resources

Deactivating Research Vessels: National Oceanic and Atmospheric Administration's Use of Private Ships

RCED-86-133, 06/11/86

Background

Pursuant to a congressional request, GAO reviewed the National Oceanographic and Atmospheric Administration's (NOAA) proposal to deactivate a number of its marine research vessels and increase the use of private sector vessels.

Findings

GAO found that: (1) in fiscal year (FY) 1985, NOAA operated 22 ocean-going research vessels to support its fisheries, oceanographic, and hydrographic programs; (2) NOAA programs and projects have averaged 4,872 days at sea annually over the last 3 years; (3) private sector vessels accounted for about 16 percent of NOAA days at sea during that period; and (4) NOAA wants to deactivate half of its fleet, which could save up to \$11 million of its annual \$61 million fleet support costs. GAO also found that: (1) NOAA officials

at different research centers had differing views on the desirability, safety, and cost-effectiveness of increasing private sector fleet support; (2) while some NOAA officials believe that chartering private sector vessels would be advantageous because they are more modern, more readily available, and manned by more experienced crews, other officials believe that NOAA vessels are safer and more readily available; (3) NOAA vessels' daily costs range from \$1,000 to \$22,000, compared to \$465 to \$4,955 for private sector ships, but it noted that the comparison may be geographically skewed because one NOAA research center charters most of the NOAA private sector fleet support; and (4) costs for NOAA vessels also tend to be higher because it owns larger, more expensive multi-purpose vessels, whereas most of its charter vessels are smaller, single-purpose vessels, such as fishing boats.

Open Recommendations to Agencies

Recommendation: Before deactivating a significant portion of the NOAA fleet, the Administrator, NOAA, should develop more definitive information on the merits of such an action. Although a number of options may be available, one option is for NOAA to gradually increase the use of private vessels so it can obtain the additional experience and data needed to justify the deactivation proposal.

Status: Action in process. Based upon this recommendation, NOAA received a 1988 report from the National Research Council entitled, "Strategies for Obtaining Ship Services: Alternatives for NOAA." As a result of this report, the Marine Board recommended that NOAA proceed slowly in employing private vessels by pursuing a multi-year charter as an experimental program.

Other Natural Resources

Cultural Resources: Implementation of Federal Historic Preservation Program Can Be Improved

RCED-88-81, 06/09/88

Background

In response to a congressional request, GAO reviewed six agencies' compliance with the Historic Preservation Act of 1966 to determine the: (1) extent and consequences of noncompliance; and (2) actions needed to bring the agencies into compliance.

Findings

GAO found that: (1) the agencies did not fully comply with their historic preservation responsibilities; (2) federal historic properties were damaged or had significantly deteriorated as a result of the noncompliance; (3) the Secretary of the Interior did not establish an adequate training program for preservation staff; (4) the agencies failed to maximize the use of their historic buildings because they were unable to locate, account for, and nominate many historic properties; (5) the agencies did not adequately protect, preserve, or maintain their historic properties, causing deterioration and damage; and (6) the agencies stated that they needed better guidance and support from Interior, as well as specific program funding to fulfill their responsibilities.

Open Recommendations to Agencies

Recommendation: The Secretary of the Interior should direct the Director, National Park Service (NPS), to develop and provide, as part of its fiscal year (FY) 1990 budget request, a proposal to Congress detailing how the Secretary intends to adequately provide training opportunities as contemplated by section 101(h) of the Historic Preservation Act of 1966, as amended. The proposal should include implementation time frames and other pertinent information.

Status: Action in process. NPS is developing an FY 1990 budget proposal for enhancing the historic preservation training program; this will include time frames and resource needs.

Recommendation: The Secretaries of Agriculture and the Interior, the Administrators of General Services and Veterans Affairs, and the Postmaster General should: (1) ensure that the use of agency owned or managed historic properties is given preference to nonhistoric properties; (2) establish agencywide time frames regarding efforts to locate, inventory, and

nominate their historic properties; and (3) emphasize through agency directives that historic properties must be adequately protected, preserved, and maintained.

Addressee: Department of Agriculture
Status: Action in process. By September 1989, the Forest Service planned to issue: (1) a policy on the use of historic buildings; and (2) guidelines to evaluate administrative/mission support structures and survey lands containing historic properties. Programs are in place to emphasize protection of historic properties.

Addressee: General Services Administration

Status: Action not yet initiated.

Addressee: Veterans Administration
Status: Action in process. The Veterans Administration (VA) has established time frames for surveying historic properties. VA will issue a policy document by the end of FY 1989 on the use of historic properties. VA agreed with the need to emphasize protection, preservation, and maintenance of historic properties, but believes that resource constraints may affect its efforts.

Other Natural Resources

Offshore Oil and Gas: Environmental Studies Program Meets Most User Needs but Changes Needed

RCED-88-104, 06/29/88

Background

In response to a congressional request, GAO reviewed the Department of the Interior's outer continental shelf (OCS) environmental studies program to determine: (1) whether contractors timely delivered environmental studies in relation to originally scheduled due dates and planned lease uses; (2) the level of user satisfaction with the studies and how Interior's Minerals Management Service (MMS) used them for OCS decisionmaking; and (3) whether MMS and the National Oceanic and Atmospheric Administration (NOAA) could use Alaska program resources more efficiently.

Findings

GAO found that: (1) although MMS and NOAA received most draft and final studies after their originally scheduled

due dates, most of the studies were in time for planned lease sale uses; (2) most of the program studies users were satisfied with the studies' usefulness, timeliness, and quality, but some groups reported that they received half of the studies too late to provide input to MMS on lease sale decisions; and (3) recent declines in program funding for Alaska and in the number of studies contracts, as well as duplication of administrative functions by MMS and NOAA, reduced program efficiency.

Open Recommendations to Agencies

Recommendation: The Secretary of the Interior should direct the Director, MMS, to develop alternatives for making more efficient the Alaska environmental studies program contract award and administration functions currently

carried out by both NOAA and MMS. In deciding which alternative to pursue, MMS should consider not only potential dollar savings but also other issues, such as staffing, public perception of objectivity, and continuity of scientific expertise.

Status: Action in process. Estimated completion date: 10/91. MMS plans to notify NOAA during the negotiations, which began in July 1988, for the FY 1989 interagency agreement that MMS expects NOAA to stop issuing contracts by October 1990, and to propose only in-house studies starting in FY 1991. Interior believes this will establish a framework for NOAA continued program participation and will eliminate management duplication.

Pollution Control and Abatement

The Environmental Protection Agency Should Better Manage Its Use of Contractors

RCED-85-12, 01/04/85

Background

Pursuant to a congressional request, GAO discussed the Environmental Protection Agency's (EPA) use of contractors to support its programs.

Findings

GAO found that EPA has not: (1) monitored contractor activities to ensure that performance remains cost-effective; or (2) performed reviews to ensure that contractor employees are not

establishing policy or performing other types of work traditionally reserved for federal employees. About 88 percent of EPA contracts are cost-reimbursable, which provides EPA maximum flexibility in accomplishing program

objectives, but offers limited incentive for the contractor to control costs. GAO believes that EPA is missing opportunities to control costs through the increased use of fixed-price contracts. GAO also noted that EPA, contrary to its regulations, has directed contractors to perform work outside of the scope of their contracts and to award sole-source subcontracts to firms selected by EPA.

Open Recommendations to Agencies

Recommendation: The Administrator, EPA, should, to increase the agency's efficiency in using contractors and federal employees to comply with Office of Management and Budget (OMB) Circular A-76, establish procedures for monitoring contracts for cost-effectiveness. If contracts are determined not to be cost-effective, EPA should follow OMB Circular A-76 guidelines and look for more efficient contracting opportunities and/or prepare a cost analysis to determine if it would be more

appropriate to do the work in-house with government employees.

Status: Action in process. EPA has initiated a contracts management improvement program.

Recommendation: The Administrator, EPA, should take the necessary actions to increase the priority given to procurement operations. Among other things, this would include issuing directives which reinforce: (1) EPA and federal procurement regulations which require adequate procurement planning; (2) the need and rationale for soliciting competition and using opportunities for fixed-price contracts wherever possible; (3) the inappropriateness of directing contractors to perform work outside of their contracts' scope of work; and (4) the need to immediately stop any further directed sole-source subcontracts.

Status: Action in process. EPA has initiated a contracts management improvement program.

Recommendation: The Administrator, EPA, should, to improve controls over

the agency's contract management, require the Procurement and Contract Management Division to carry out its contract management responsibilities by having the contract officers become more involved with monitoring work assignments, as required by EPA and federal regulations. The Administrator should require contract officers not to approve individual work assignments unless the assignments are accompanied by: (1) a detailed statement of work showing specifics to be included in the final work product; and (2) a detailed cost estimate. If necessary, a compliance program should be established to ensure that contract officers meet this requirement. If resources are not available to carry out these responsibilities, the Administrator should determine the additional staff needs and provide this information to the appropriate congressional committees for their consideration.

Status: Action in process. EPA has initiated a contracts management improvement program.

Pollution Control and Abatement

Hazardous Waste: Environmental Safeguards Jeopardized When Facilities Cease Operating

RCED-86-77, 02/11/86

Background

Pursuant to a congressional request, GAO determined the extent to which: (1) owners and operators of hazardous waste facilities have declared bankruptcy and thereby avoided paying closure and post-closure costs for their facilities; (2) financial assistance requirements ensure that sufficient funds will be available to close and provide post-closure care at such facilities; (3) facilities that cease

operations are inspected for compliance with closure requirements; and (4) the Environmental Protection Agency (EPA) and states are taking enforcement action for violations of those requirements.

Findings

GAO found that: (1) according to state and territorial officials, 74 hazardous waste facilities have filed for

bankruptcy; (2) while bankruptcy law provides for the enforcement of environmental regulations over creditor claims, various courts have given EPA and state environmental interests equal status with other unsecured creditors, thereby hindering efforts to force responsible parties to properly close their facilities; (3) in cases it reviewed, courts restricted EPA or state efforts to obtain proper closures in three cases; (4)

it could not assess the adequacy of new EPA and state financial assurance requirements that are designed to ensure that hazardous waste firms are strong enough to pay closure and post-closure costs; and (5) it is difficult for states to assess the financial condition of interstate hazardous waste facility operators. GAO also found that: (1) about 37 percent of the facilities that EPA inspected either during or after closure violated EPA regulations; (2) only 46 percent of the operators in states it reviewed had submitted financial assurance documents; (3) 34 percent of the financial assurance statements submitted were deficient; and (4) in many cases, EPA did not take adequate enforcement actions against operators

committing financial assurance or closure violations.

Open Recommendations to Agencies

Recommendation: The Administrator, EPA, should monitor and periodically reevaluate hazardous waste facility closures and the implementation of corrective action activities to ensure that the trust fund and the financial test are providing adequate assurance that funds will be available.

Status: Action not yet initiated. EPA agreed that a periodic reevaluation should be performed to determine the validity of the financial test and trust fund. This reevaluation will be based on

a representative sample of facilities. However, EPA does not agree that continuous monitoring is necessary once validation has occurred.

Recommendation: The Administrator, EPA, should develop and implement a system for providing a centralized review of all multi-state financial tests. **Status:** Action not yet initiated. EPA supports the general thrust of this recommendation, which is to ensure that the review of financial tests recognizes that companies may have facilities in more than one state. EPA plans to review the adequacy of its policy/guidance on financial tests regarding multistate companies.

Pollution Control and Abatement

Nonagricultural Pesticides: Risks and Regulation

RCED-86-97, 04/18/86

Background

In response to congressional requests, GAO reported on the Environmental Protection Agency's (EPA) efforts to determine the: (1) risks associated with the use of nonagricultural pesticides; (2) extent of public information concerning such risks; and (3) requirements for professional pesticide applicators to protect the public from misuse.

Findings

The chronic health risks associated with nonagricultural pesticides are uncertain because EPA has not reassessed them in accordance with current standards. GAO found that EPA: (1) as of September 30, 1985, had done preliminary assessments on 18 of the 50 chemicals and found that, for 17, it did not have enough chronic toxicity data to complete the

assessments; and (2) does not plan to require chronic toxicity testing of all nonagricultural chemicals because it believes that exposure to some pesticides is not significant enough to cause chronic effects in humans, regardless of their toxicity. Environmental groups believe that pesticide labels should state that chronic health risks have not been fully assessed, so that the public can make better choices about pesticide use. However, industry representatives oppose public disclosure because they fear adverse effects on the industry. The Insecticide, Fungicide, and Rodenticide Act authorizes EPA to take enforcement action against pesticide manufacturers' claims that pesticides are safe, but EPA has taken few such actions. The Federal Trade Commission (FTC), under its authorizing legislation, can act against distributor and applicator claims, but

FTC believes that EPA is better able to handle such claims, because of its expertise and specific legislative authority.

Open Recommendations to Congress

Recommendation: Because it may be several decades before EPA assesses the chronic health risks of nonagricultural pesticides, Congress may wish to consider whether pesticide labels should state that EPA has not assessed the pesticides' chronic health risks in accordance with current standards. **Status:** Action not yet initiated.

Recommendation: Congress may wish to consider whether: (1) the public should be notified when public places are treated with pesticides; and (2) the

federal government should have a role in ensuring that the public is notified.
Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: If the Administrator, EPA, does not have the resources to act against unacceptable safety claims by pesticide distributors, he should inform Congress, so it can decide whether to authorize additional resources, or grant EPA relief from this enforcement responsibility.

Status: Recommendation valid/action not intended. EPA stated that it will not devote resources to search for violations, but it will act against violators when it learns of violations. EPA will take

enforcement action, as warranted, in response to tips and complaints brought to its attention by local authorities, the general public, and others. EPA has issued civil complaints and warning letters against companies making improper claims.

Recommendation: The Administrator, EPA, should seek an arrangement between EPA and FTC for controlling unacceptable safety claims by professional pesticide applicators. If additional resources are needed, Congress should be so informed.

Status: Action taken not fully responsive. EPA met with FTC, and the agencies agreed to work together in this area. No formal agreement is planned.

Recommendation: The Administrator, EPA, should: (1) encourage states that do not have unrestricted pesticide applicator control programs to institute such programs; and (2) develop a model pesticide applicator control program for voluntary use by the states.

Status: Action taken not fully responsive. EPA stated it will continue to encourage states to implement training and other programs to upgrade the competency of all pesticide users. EPA does not plan to develop a model pesticide applicator control program for use by states. EPA has funded several initiatives to educate service technicians and the general public.

Pollution Control and Abatement

Pesticides: EPA's Formidable Task To Assess and Regulate Their Risks

RCED-86-125, 04/18/86

Background

In response to a congressional request, GAO reviewed the Environmental Protection Agency's (EPA) assessment and regulation process for the health and environmental effects of pesticides.

Findings

GAO noted that EPA: (1) has not received test and evaluation data on the adverse health and environmental effects of most of the currently registered pesticide products; (2) may conduct a special review to determine the risks and benefits of potentially hazardous pesticides to decide if regulatory action to cancel or restrict the pesticides is needed; and (3) is

responsible for determining the maximum amount of pesticide residue that can be safely left in foods, the risks of the inert ingredients that propel, dilute, or stabilize the active ingredients, and the cancer-causing potential of pesticides. GAO found that EPA: (1) will continue its reassessment and reregistration efforts into the next century because of the magnitude and complexity of the tasks involved; (2) is implementing changes to speed up its special review process; (3) is experiencing difficulty in obtaining test data on the effects of some inert ingredients; and (4) has encountered legal inconsistencies with respect to the allowable uses of cancer-causing pesticides in variable situations.

Open Recommendations to Congress

Recommendation: Congress may wish to consider the advantages and disadvantages of the following alternatives for regulating carcinogenic food-use pesticides: (1) amending the Food, Drug and Cosmetic Act (FDC) and the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) to prohibit the setting of tolerances and all food uses of carcinogenic pesticides, in raw agricultural commodities and as food and feed additives, to require EPA to revoke the existing tolerances for carcinogenic pesticide residues, and to cancel the pesticide registration of these uses; and (2) amending FDC to lift the

Delaney Clause's ban on carcinogens as it relates to pesticides, and instead specify that either a risk-benefit or minimal-risk approach be used for setting tolerances for all food uses of carcinogenic pesticides.

Status: Action in process.

Recommendation: Congress may wish to consider the following alternatives to ensure that EPA continues efforts to carry out its proposals to tighten up conditioned registrations of new pesticides: (1) requiring EPA, in its FIFRA-mandated annual report to Congress, to include information on the status of registrants' compliance with the conditions imposed for each of the conditional registrations of new pesticides granted during preceding years; and (2) amending FIFRA to limit conditional registrations of new pesticide active ingredients without complete testing by defining "in the public interest" in a restrictive or limited manner.

Status: Action in process.

Recommendation: Congress may wish to consider the advantages and disadvantages of the following alternatives for accelerating the special review process: (1) providing EPA with additional resources to allow it to more quickly review studies and data related to on going special reviews, and to meet future increases in the special review work load anticipated by EPA; and (2) setting deadlines for completion of special reviews, or for some or all of the special review phases, which recognize the complexities of special reviews, and the resource requirements necessary to meet such deadlines. The first alternative should be considered in conjunction with the other GAO suggestion on resources for accelerating pesticide reregistration.

Status: Action in process.

Open Recommendations to Agencies

Recommendation: The Administrator, EPA, should cancel registrations of those products whose labels are not in compliance with registration standard requirements. Should the Administrator determine that statutory authority is needed to more efficiently implement label requirements, the Administrator should develop and submit to Congress the appropriate legislative language to achieve this objective.

Status: Action in process. EPA cancelled one product registration because the registrant did not comply with label requirements. EPA would like additional explicit authority to impose label changes expeditiously. House and Senate Agriculture Committees considered bills that provide this authority, but legislation was not enacted. The 100th Congress was unable to resolve this and other pesticide issues.

Recommendation: The Administrator, EPA, should discontinue reregistering individual pesticide products, by amending current policies and procedures, until EPA has received and reviewed all data and completely reassessed the pesticides. Should the Administrator determine that congressional direction on the requirements for reregistering pesticide products would be desirable, the Administrator should seek such clarification and direction from Congress.

Status: Action in process. FIFRA 1988 requires EPA to reregister each pesticide product containing any active ingredient contained in any pesticide first registered before November 1, 1984 if there are no data gaps and no unreasonable risks. Although a task force planning the implementation of FIFRA 1988 has not yet precisely

defined reregistration, EPA agreed with the GAO recommendation.

Recommendation: The Administrator, EPA, should develop and publish a policy concerning tolerance setting for carcinogenic pesticides, including criteria on how it decides whether to grant or deny such tolerances, and allow for public comment.

Status: Action in process. On October 19, 1988, EPA proposed rules for establishing, modifying, or revoking food additive regulations and issued a policy notice in response to a National Academy of Sciences study, that it will allow pesticides in food if they pose a 'negligible risk' of cancer, increasing chances of the disease by no more than 1 in 1 million. EPA desires legislative changes to establish clear authority.

Recommendation: The Administrator, EPA, should examine means to more readily obtain health and environmental effects test data on inerts. This should include examining an easing of the FIFRA confidentiality provision and requesting from Congress any such additional authority needed to achieve this objective. This action may facilitate sharing the cost of generating data among pesticide registrants of inerts, while also providing some degree of continued protection of trade secrets of pesticide formulations.

Status: Action in process. On April 22, 1987, EPA issued a policy statement for regulating inert ingredients. EPA has developed a special procedure to facilitate confidential data sharing among registrants, but few registrants have used the procedure. The 100th Congress considered amendments to the pesticide law to clarify EPA authority on testing and labelling inerts. The 100th Congress was unable to resolve these issues.

Pollution Control and Abatement

Hazardous Waste: Responsible Party Clean Up Efforts Require Improved Oversight

RCED-86-123, 05/06/86

Background

In response to a congressional request, GAO reviewed cleanup activities at priority hazardous waste sites, specifically: (1) the number, estimated value, and purpose of settlement agreements between the Environmental Protection Agency (EPA) and responsible parties; and (2) how well EPA is overseeing responsible-party compliance with the settlement terms.

Findings

GAO found that: (1) approximately half of the settlements were for long-term site cleanup activities, and cleanup work was valued at \$417 million; (2) the purpose of the settlement agreements was to ensure that responsible parties

either performed cleanup activities at hazardous waste sites or reimbursed the government for cleanup at the sites; and (3) no formal guidelines or procedures exist for project managers to oversee settlement activities and enforce decisions, causing delays in identifying and resolving problems.

Open Recommendations to Agencies

Recommendation: To adequately ensure that responsible parties comply with settlement conditions and cleanup goals, the Administrator, EPA, should strengthen the EPA settlement oversight function by providing project managers with: (1) guidance and procedures on work-load management, how to organize,

prioritize, and perform duties and responsibilities, and how to use quality assurance reviews; and (2) procedures and standards for oversight recordkeeping and reporting, determining settlement noncompliance, and taking appropriate enforcement actions.

Status: Action in process. Estimated completion date: 05/89. EPA is taking steps to improve responsible party oversight. Site-by-site contractor support has been provided and a comprehensive system has been developed to track Superfund enforcement information. A longer term effort is underway to develop an oversight guidance manual by March 1989, and an oversight training program by May 1989.

Pollution Control and Abatement

Pesticides: Better Sampling and Enforcement Needed on Imported Food

RCED-86-219, 09/26/86

Background

Pursuant to a congressional request, GAO reviewed the Food and Drug Administration's (FDA) efforts to protect the public from exposure to illegal pesticide residues in imported food.

Findings

GAO found that: (1) the FDA pesticide monitoring program provides limited protection against public exposure to illegal residues in food; (2) FDA samples less than 1 percent of 1 million imported food shipments annually; (3) FDA inspectors at various ports of entry decide the extent to which they apply

sample criteria; and (4) FDA uses five multi-residue tests that individually detect many pesticides on a single sample; however, FDA laboratories normally use only one method for each sample. GAO also found that: (1) although FDA policy requires importers to maintain all sampled shipments intact until FDA determines that the product is residue-free, FDA permits

importers to release the majority of sampled shipments to U.S. markets before they spoil; (2) of 164 adulterated samples, 73 were not recovered before public consumption; and (3) there were only eight documented cases where FDA assessed importers damages when adulterated food reached the marketplace.

Open Recommendations to Agencies

Recommendation: As better information becomes available on foreign pesticide uses, the Secretary of Health and Human Services should direct the Commissioner, FDA, to test imported food for the pesticides used or suspected of being used on imported foods.

Status: Action taken not fully responsive. FDA will base its testing decisions on an unproven and limited commercial data base of information on pesticide use in about 30 countries on selected crops in each of those countries. The United States imports food from about 150 countries.

Recommendation: The Secretary of Health and Human Services should direct the Commissioner, FDA, to recommend to Customs that liquidated damages be assessed for all shipments found to contain illegal pesticide residues if the shipment is not recovered. This assessment should apply whether the shipment was sampled under surveillance or compliance.

Status: Action in process. FDA plans to re-examine its current policy concerning the assessment of damages in connection

with the import of perishable foods that FDA samples on a surveillance basis (sampled without suspicion of violation). FDA also plans to automate its tracking system of violative products.

Recommendation: The Secretary of the Treasury should direct the Commissioner of Customs to assess and collect liquidated damages from importers in all cases when FDA determines that imported food has been adulterated with illegal pesticide residues and the food is not recovered.

Status: Action in process. Customs is automating its fines, penalties, and forfeiture activities to ensure that, when directed by FDA, damages will be assessed and collected. Customs is in the process of following up on uncollected damages.

Pollution Control and Abatement

Air Quality Standards: EPA's Standard Setting Process Should Be More Timely and Better Planned

RCED-87-23, 12/03/86

Background

In response to a congressional request, GAO reported on: (1) the current status and cost of the Environmental Protection Agency's (EPA) efforts to review and update its national air quality standards; and (2) EPA plans for addressing additional research needs.

Findings

GAO found that EPA: (1) had not met its congressional mandate for reviewing and updating its national air quality standards by 1980; (2) reviewed and updated only one of the standards by the end of 1980; (3) did not complete reviews

for two other standards until 4 years after the 1980 deadline; and (4) expects to complete its review of the remaining three pollutant standards in 1989. GAO also found that factors contributing to EPA delays include: (1) the length of time it takes to perform internal and external reviews; (2) EPA managers waiting for the re-examination of existing science or publication of new studies; and (3) turnover of top EPA administrators. EPA believes it can overcome these obstacles by developing milestones to review and update standards. GAO noted that EPA: (1) was aware that questions existed about the scientific information supporting each of

the six air pollutant standards; (2) has not systematically identified and matched those questions with planned and ongoing research projects for each pollutant; (3) has not kept records on the actual cost of reviewing and updating the national air quality standards; and (4) estimates that it has spent about \$348 million on the standards since fiscal year 1978.

Open Recommendations to Agencies

Recommendation: In order to meet the timetable Congress established, the Administrator, EPA, should adhere to

the milestones in the EPA 5-year schedule for reviewing and updating the standards. To meet the milestones, the Administrator will need to limit technical analyses and reviews in the standard-setting process to those provided for in the EPA 5-year planning schedule. EPA should do additional analyses and reviews during the next 5-year review cycle.

Status: Action taken not fully responsive. EPA expects possible solutions to the statutory 5-year time frame to be discussed at upcoming hearings on reauthorization of the Clean Air Act. As part of an upcoming job, GAO will evaluate EPA responses and status of actions taken.

Recommendation: The Administrator, EPA, should implement procedures to record costs to review and update each air quality standard.

Status: Action in process. EPA stated that it started implementing this recommendation with its recent national air quality standard reviews and would continue to search for ways to improve cost accounting.

Recommendation: To assist EPA managers in setting national air quality standards, the Administrator, EPA, should implement a formal process for identifying and documenting research questions and matching these questions with planned and ongoing research for

each of the six pollutants. Specifically, formal research plans should be prepared highlighting questions about health effects for each pollutant and the extent to which planned and ongoing research will address them. The identification of research questions should be done by those EPA officials most knowledgeable of the science supporting each standard and should be done after identification and assessment of available scientific evidence is documented in the criteria documents and staff papers.

Status: Action in process. EPA stated that it started a formal planning process for one pollutant and would build upon the process for the other pollutants.

Pollution Control and Abatement

Water Quality: An Evaluation Method for the Construction Grants Program—Methodology

PEMD-87-4A, 12/17/86

Background

GAO evaluated existing Environmental Protection Agency (EPA) data concerning the Construction Grants Program's effectiveness in upgrading sewage-treatment plants in order to develop guidelines to evaluate the upgrades.

Findings

GAO found that: (1) adequate stream data to assess the effect of treatment plant upgrades do not yet exist; and (2) using existing data would provide a more realistic estimate of the program's effectiveness than is now available. GAO developed a method which successfully answered essential evaluation questions with available data and software. GAO found that: (1) there were statistically

significant post-upgrade decreases in the pollutants discharged from each plant that it examined and improvements in downstream water quality in three of the four cases; (2) for the most part, changes in plant discharge were moderately reflected in stream water quality; and (3) a correlation between changes in a plant's discharge levels and stream indicators does not mean that the plant's upgrade is the sole determinant of a change in water quality downstream.

Open Recommendations to Agencies

Recommendation: The Administrator, EPA, should perform additional evaluations of treatment plant upgrades that use available data and methods

similar to those GAO developed. These evaluations should be intended to determine the feasibility of performing a broadly based and methodologically sound evaluation of the Construction Grants Program that makes optimal use of the data already in EPA possession and that identifies and remedies the gaps in its information systems. EPA should improve the reliability and accessibility of its water quality data base by ensuring the internal consistency of its data collection practices, updating its data on the geographical locations of plants and stations to reflect changes in them, and expanding its use of river mile indicators for monitoring stations and point sources.

Status: Action in process. EPA is examining the available data base and intends to use the methodology proposed.

Pollution Control and Abatement

Hazardous Waste: EPA Has Made Limited Progress in Determining the Wastes To Be Regulated

RCED-87-27, 12/23/86

Background

In response to a congressional request, GAO reviewed the Environmental Protection Agency's (EPA) efforts to: (1) determine which wastes are hazardous; and (2) produce a biennial report on the types and amounts of hazardous wastes the United States generates, treats, stores, and disposes of nationwide.

Findings

GAO found that: (1) EPA has met some of the deadlines Congress set for considering additional characteristics and reviewing specific wastes; (2) changing approaches or strategies have hampered EPA identification efforts; (3) since large numbers of hazardous wastes remain unidentified, EPA is considering refocusing its approach to develop characteristics through testing and refining the already-listed hazardous wastes; (4) EPA has made limited progress in completing five congressionally mandated studies of large-volume wastes; (5) although Congress required EPA to use more stringent criteria when reviewing petitions to delist wastes, EPA does not have the required information to state

authorized delistings; and (6) without proper controls, delisting can negate the efforts of the hazardous waste identification program by allowing facilities handling these wastes to escape regulation.

Open Recommendations to Agencies

Recommendation: To improve EPA progress in identifying hazardous wastes, the Administrator, EPA, should develop a plan laying out what actions will be necessary to identify the universe of wastes needing control. Such a plan should contain, as a minimum, the additional waste characteristics that need to be developed and the industry waste streams that need to be evaluated, milestones to accomplish these tasks, needed resources, and organizational responsibilities for completing these actions.

Status: Action in process. EPA is developing the recommended plan.

Recommendation: The Administrator, EPA, should determine which wastes have been granted final delistings by states and what criteria were applied to those delistings; assess the potential

environmental or health impact of those delistings; and, where appropriate, initiate action to apply the new delisting criteria.

Status: Action taken not fully responsive. EPA has not addressed this recommendation to review past final delistings. With respect to future delistings, EPA stated that it is in the very early stages of evaluating options for monitoring state-delegated delisting activities.

Recommendation: The Administrator, EPA, should ensure that: (1) future state-delegated delisting activities are monitored and that information is collected that will allow EPA to identify facilities and wastes delisted; and (2) the review criteria applied are at least as stringent as those set by EPA and are applied consistently.

Status: Action not yet initiated.

Recommendation: The Administrator, EPA, should increase the number of site visits or implement other controls to ensure that EPA has complete and accurate information when evaluating delisting petitions.

Status: Action not yet initiated.

Pollution Control and Abatement

Surface Mining: States Not Assessing and Collecting Monetary Penalties

RCED-87-129, 06/05/87

Background

In response to a congressional request, GAO reviewed the performance of Kentucky, Indiana, and Colorado in assessing and collecting civil penalties against coal mining operators who violate environmental standards.

Findings

GAO found that: (1) of 201 violations it randomly selected for the period January through June 1985, the states determined that 18 violations never actually occurred; (2) of the remaining 183 violations, the states assessed a monetary penalty on 40 percent, used their discretionary authority to waive the penalty on 50 percent, and made no penalty determination on 10 percent; (3) of the violations with assessed values of less than \$1,100, Indiana and Kentucky waived 88 and 63 percent, respectively, while Colorado did not waive penalties of any amount; (4) the states were lenient in considering violators' demonstrated good faith in abating the cited violation and prior violation histories; and (5) Kentucky did not always impose the

mandatory penalty for each violation and improperly reduced or eliminated penalties during negotiations and hearings prior to issuing final orders. GAO also found that: (1) as of June 30, 1986, the states had not collected about \$84.8 million of the \$89.8 million in penalties they assessed; (2) Colorado collected 55 percent of assessed penalties, Indiana collected 7 percent, and Kentucky collected 5 percent; (3) none of the states have penalty collection systems that are consistent with established Internal Revenue Service (IRS) debt collection procedures; (4) Colorado lacks a system to track unpaid penalties; (5) Indiana initiates its collection effort promptly, but fails to take additional action if the violator fails to pay the penalty; and (6) Kentucky does not always initiate prompt action.

Open Recommendations to Agencies

Recommendation: The Secretary of the Interior should require the Director, Office of Surface Mining Reclamation

and Enforcement (OSMRE), to review state penalty collection systems as part of its annual oversight evaluations. In performing this review, OSMRE should require states to make available all records, files, and documents relating to all aspects of the penalty collection system or activity. The states should be required to develop and implement written procedures that provide detailed instructions to facilitate debt collection using generally accepted debt collection practices, such as those followed by IRS. **Status:** Action in process. Estimated completion date: 12/88. OSMRE offered assistance to states in a number of areas. OSMRE monitors the actions of states to collect penalties, to maintain the enforcement value of penalties, and encourage operator compliance. However, debt collection is left to the states. Oversight reports will be available by the end of calendar year 1988.

Pollution Control and Abatement

Hazardous Waste: Controls Over Injection Well Disposal Operations Protect Drinking Water

RCED-87-170, 08/28/87

Background

In response to a congressional request, GAO reviewed the Environmental Protection Agency's (EPA) Underground Injection Control (UIC) Program, to assess: (1) the extent to which hazardous waste has contaminated underground sources of drinking water; and (2) EPA and state oversight of underground injection of hazardous waste.

Findings

GAO found that: (1) although there are few confirmed cases of drinking-water contamination, because the contamination is hard to detect, there could be more; (2) monitoring wells have a limited usefulness for large underground areas; (3) neither EPA nor the states require sampling or testing of groundwater immediately above injected waste; (4) EPA did not perform periodic well inspections to ensure compliance with regulations in two states for which it had direct responsibility; (5) 1984 legislation mandated the banning of injection well disposal of hazardous wastes as of August 1988, unless operators could demonstrate that the

hazardous waste would not migrate; and (6) EPA believes that most wells currently in operation should pass a demonstration of no migration, meet the more stringent controls, and continue to operate.

Open Recommendations to Agencies

Recommendation: To ensure that the regulatory oversight functions built into the UIC program for hazardous waste injection wells are in fact being performed in states for which EPA bears direct responsibility, the Administrator, EPA, should strengthen the program's oversight functions by requiring that EPA headquarters annually evaluate each regional office operating a UIC program, to ensure, at a minimum, that the program's regulatory oversight functions are being performed.

Status: Action in process. In 1987, the EPA Office of Water developed a more extensive mid-year evaluation of each region's UIC program. According to EPA, the evaluation enables headquarters to review the UIC program's implementation to identify strengths and weaknesses and issues

that require follow-up, and to focus on accomplishments, reporting procedures, quality control, and reporting problems.

Recommendation: To ensure that the regulatory oversight functions built into the UIC program for hazardous waste injection wells are in fact being performed in states for which EPA bears direct responsibility, the Administrator, EPA, should strengthen the program's oversight functions by reemphasizing to EPA regions with direct UIC program responsibility that they are to perform and document periodic inspections and report noncompliance incidents to EPA headquarters, as required by UIC regulations.

Status: Action in process. The UIC branch initiated a training program for states and regions to discuss the types of inspections that must be performed and how inspections and violations must be documented and reported. The UIC branch hoped to standardize the UIC program by refining the definition of significant noncompliance and emphasizing issuance of administrative orders. A new quarterly report system was implemented.

Pollution Control and Abatement

Hazardous Waste: Issues Surrounding Insurance Availability

RCED-88-2, 10/16/87

Background

Pursuant to a legislative requirement, GAO provided information on the availability of insurance for individuals liable for the release of hazardous substances into the environment, particularly the: (1) judicial interpretation of pollution insurance policies; (2) frequency and severity of insurance claims; and (3) economic impact of pollution liability on the insurance market.

Findings

GAO found that: (1) although more than 100,000 companies generate, handle, and dispose of hazardous substances, few carry pollution liability coverage; (2) only one insurance company actively markets pollution insurance and it provides maximum annual coverage of about \$12.5 million; and (3) although 1985 insurance claims payments were generally low, these claims were not necessarily indicative of the eventual

magnitude of the insurance industry's payments. GAO also found that: (1) the Environmental Protection Agency (EPA) has not met the requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) to establish the financial responsibility of all companies subject to pollution liability; (2) although the courts consistently hold companies liable for cleanup costs, pollution victims generally find it difficult to receive compensation; and (3) although judicial interpretation of pollution insurance contract coverage varies, it does provide a basis on which to draft provisions that could help reduce variability in the future.

Open Recommendations to Congress

Recommendation: Determining the amounts that insurers are paying is difficult because the industry does not have centralized, comprehensive data on

these indemnity payments. Congress should consider requiring insurers or responsible parties, as appropriate, to report to EPA the amounts of indemnity payments made to cover pollution cleanups and related third-party bodily and property damage.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Administrator, EPA, should establish specific milestones leading to the timely implementation of financial responsibility regulations for the risks associated with classes of facilities covered by CERCLA section 108(b).

Status: Action not yet initiated. EPA is in the initial stages of identifying options and determining funding needs for developing these regulations. Based on this information, EPA will decide whether to address this issue now or delay it.

Pollution Control and Abatement

Superfund: Improvements Needed in Work Force Management

RCED-88-1, 10/26/87

Background

Pursuant to a legislative requirement, GAO reviewed employee-related aspects

of the Environmental Protection Agency's (EPA) Superfund program, focusing on the: (1) type and extent of skilled staff shortages; (2) extent to

which skilled federal and state employees are leaving for private-sector positions; (3) pay differentials between the public and private sectors for skilled

positions; (4) success of Department of Defense (DOD) and Office of Personnel Management (OPM) programs in retaining skilled personnel; and (5) training required to improve employee skills.

Findings

GAO found that: (1) 80 percent of Superfund employees believed that they worked in understaffed units; (2) units experienced problems obtaining the services of chemists, hydrologists, and toxicologists; (3) staffing and skill shortages resulted in delays in performing Superfund activities; and (4) EPA filled 533 of 773 additional authorized full-time positions for fiscal year (FY) 1987. GAO also found that: (1) the turnover rate of EPA Superfund employees was below the average federal employee rate for FY 1984 and 1985, but increased from 2.9 to 7.2 percent between FY 1985 and 1986; (2) over one-third of Superfund employees planned to look for other jobs in 1987; (3) 67 percent of former employees cited a lack of or limited advancement opportunities as a major reason for leaving employment; (4) pay for federal attorneys, chemists, and engineers trailed private-sector pay by 25 to 68 percent; (5) EPA is considering compensation improvement through bonuses and additional fringe benefits;

(6) about 60 percent of current employees believed that they needed more training; and (7) EPA has developed a 2-year plan that should provide needed training.

Open Recommendations to Agencies

Recommendation: To develop a more informed basis for determining Superfund's staffing requirements and work-force skill mix, the Administrator, EPA, should examine the costs and benefits of using more objective techniques to determine staffing requirements (levels), including the collection of more specific historical time data from employees to help validate the reasonableness of its staffing estimates.

Status: Action in process. Estimated completion date: 09/89. In commenting on the draft report, EPA disagreed with the recommendation. Although EPA continues to disagree, it plans to integrate work-force planning with the budget work-load modeling process, with full implementation scheduled for FY 1989.

Recommendation: To develop a more informed basis for determining Superfund's staffing requirements and work-force skill mix, the Administrator,

EPA, should use productivity measures to gauge the appropriateness of the work-force size and skill mix, including regional variations.

Status: Recommendation valid/action not intended. EPA stated that the use of productivity measures was impractical because each hazardous waste site is unique. GAO believes this uniqueness presents a challenge but not a barrier to using productivity measures. Although EPA has no plans to implement this recommendation, it is integrating work-force planning and the budget process to determine proper work-force size and skill mixes.

Recommendation: To meet present as well as future training needs, the Administrator, EPA, should direct the Office of Solid Waste and Emergency Response to implement its plans and proposed policies for improving the Superfund training program.

Status: Action in process. Estimated completion date: 09/89. EPA has approved and issued training policies and procedures. It has been reviewing training needs and recommendations from its Superfund work-force planning project to ensure that existing and future training addresses critical needs. Full implementation is planned for FY 1989.

Pollution Control and Abatement

Hazardous Waste: Facility Inspections Are Not Thorough and Complete

RCED-88-20, 11/17/87

Background

Pursuant to a congressional request, GAO examined the thoroughness and completeness of hazardous waste handler

inspections conducted by the Environmental Protection Agency (EPA) and authorized states under the

Resource Conservation and Recovery Act (RCRA).

Findings

GAO found that: (1) EPA inspection experts identified 200 RCRA violations at 22 of 26 facilities inspected between December 1986 and May 1987; (2) initial inspections failed to detect an additional 181 violations at those facilities; (3) two-thirds of missed violations represented immediate and serious environmental threats; and (4) 15 inspection reports were incomplete. GAO also found that: (1) EPA inspection guidance was incomplete; (2) EPA has not established specific qualification standards for RCRA inspectors or continuing and mandatory inspector training programs; (3) lack of training significantly contributed to poor inspector performance; (4) RCRA inspections received limited oversight; and (5) EPA is reconsidering its elimination of an oversight target for regional offices and is also reevaluating how best to ensure the thoroughness and completeness of RCRA inspections.

Open Recommendations to Agencies

Recommendation: The Administrator, EPA, should ensure that inspection guidance and regulations on how to conduct inspections are issued as scheduled.

Status: Action in process. New RCRA inspection guidance documents are

nearing completion. However, there is no time estimate available for when inspection regulations will be completed.

Recommendation: The Administrator, EPA, should develop and implement a continuing and mandatory RCRA inspector training program.

Status: Action in process. EPA is developing an inspector training program. Current plans call for training to be mandatory for EPA, RCRA inspectors, and recommended for state inspectors.

Recommendation: To ensure that thorough and complete inspections are conducted and that information on inspection quality is available for use in determining the frequency of future oversight inspections, and in developing and assessing inspector training needs, the Administrator, EPA, should reinstate the target requirement that regions annually oversee 10 percent of state RCRA inspections and ensure that state performance in conducting these inspections is addressed in state grant reviews performed by the regional offices.

Status: Action in process. The 10-percent target requirement will be proposed for reinstatement in fiscal year 1989 regional implementation plans.

Recommendation: To ensure that thorough and complete inspections are

conducted and that information on inspection quality is available for use in determining the frequency of future oversight inspections, and in developing and assessing inspector training needs, the Administrator, EPA, should reinstate the requirement that regional oversight of state RCRA inspections be evaluated and reported in headquarters' regional program reviews.

Status: Action not yet initiated. Current program guidance is not clear regarding specifically tasking reviewers with evaluating regional oversight of state RCRA inspections and reporting such in headquarters regional program reviews.

Recommendation: To ensure that thorough and complete inspections are conducted and that information on inspection quality is available for use in determining the frequency of future oversight inspections, and in developing and assessing inspector training needs, the Administrator, EPA, should develop and implement a system to provide routine oversight over EPA regional and EPA contractor inspections, as well as documenting and reporting the results to EPA headquarters.

Status: Action taken not fully responsive. EPA believes that its draft inspection guidance will improve inspections and additional headquarters oversight will further improve the quality of RCRA inspections.

Pollution Control and Abatement

Superfund: Extent of Nation's Potential Hazardous Waste Problem Still Unknown

RCED-88-44, 12/17/87

Background

Pursuant to a congressional request, GAO studied the extent to which the Environmental Protection Agency (EPA) increased its hazardous waste site discovery efforts to determine the: (1) total possible number and types of sites that required investigation; (2) status of 837 sites EPA did not include in its 1985 Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) inventory; (3) reasons why EPA did not place the sites on its National Priorities List (NPL); and (4) states' efforts to develop comprehensive inventories of their hazardous waste sites.

Findings

GAO found that, although 130,000 to 425,000 hazardous waste sites qualified for inclusion in CERCLIS, it contained only about 27,000 sites. GAO also found that EPA: (1) offered states little direction, guidance, or money to conduct site identification and had not reviewed any state programs to determine their adequacy; (2) assigned a higher priority to evaluating and cleaning up sites

already on CERCLIS than to identifying additional potential sites; (3) limited its grants to states to evaluating reported sites; and (4) had not instructed its regions or the states as to when they should add sites to CERCLIS. In addition, GAO found that 494 of the 837 sites not included in 1985 CERCLIS were still missing from the inventory because the regions: (1) lacked sufficient funds; (2) wanted to first verify the presence of hazardous wastes; (3) believed that they could clean up the sites more efficiently without EPA involvement; or (4) felt obliged to report only those sites eligible for federal cleanup.

Open Recommendations to Agencies

Recommendation: The Administrator, EPA, should develop guidelines and criteria for assessing state hazardous waste site programs under section 3012 of the Resource Conservation and Recovery Act and evaluate the state programs according to these criteria. As part of these evaluations, EPA should examine the states' need for federal funding or other forms of assistance.

Status: Recommendation valid/action not intended. EPA believes it has taken sufficient action to encourage states to identify hazardous waste sites.

Recommendation: To ensure that the public, Congress, and EPA have a more accurate view of the nation's hazardous waste problem, the Administrator, EPA, should issue a formal CERCLIS reporting policy to be followed by the regions and the states. The Administrator should: (1) develop a statement of the EPA position on the need for full reporting of sites identified by states as potential hazardous waste sites; (2) issue instructions to EPA regions on the types of sites that should be added to CERCLIS and when they should be added, and periodically assess how well each EPA region is following these instructions; and (3) advise each state of these reporting criteria and the importance of complying with them, and direct each region to work with the states to implement these criteria.

Status: Action not yet initiated. EPA will instruct its regions and the states to report hazardous waste sites promptly, and direct its regions to see that states improve their reporting of sites.

Pollution Control and Abatement

Superfund: Insuring Underground Petroleum Tanks

RCED-88-39, 01/15/88

Background

Pursuant to a legislative requirement, GAO determined the availability of pollution liability insurance for owners and operators of petroleum storage and distribution facilities, focusing on: (1) the current and projected availability of tank insurance; (2) tank owners' and operators' ability to maintain financial responsibility through methods other than insurance; (3) the experience of marine vessel owners and operators in getting insurance for similar liabilities; and (4) available options to assist tank owners and operators in demonstrating financial responsibility.

Findings

GAO found that: (1) there was only one substantial provider of tank insurance as of July 1987; (2) at least six other firms have dropped out of this insurance market over the last several years; and (3) some other firms have expressed interest in expanding into the market, but are generally months away from offering insurance policies. GAO also found that: (1) the Environmental Protection Agency (EPA) allows tank

owners and operators methods other than insurance for demonstrating financial responsibility, including self-insurance, letters of credit, and surety bonds; (2) major oil companies and other large corporations were most likely to use these other methods; (3) marine pollution liability insurance was generally more available and affordable because of reduced risks resulting from heavy regulation and monitoring; (4) many tank owners and operators will experience difficulty in demonstrating financial responsibility; and (5) one approach to help tank owners and operators demonstrate financial responsibility would involve gradual EPA implementation of incentives for technical improvements, development of state regulatory and enforcement programs, and tank upgrading and replacement regulations.

Open Recommendations to Agencies

Recommendation: The Administrator, EPA, should implement financial responsibility requirements over a timetable that: (1) is realistic in terms of

availability of insurance and other financial assurance methods; (2) provides incentives for prompt and appropriate technical improvements by tank owners and operators; and (3) allows for the development of appropriate state regulatory and enforcement programs.
Status: Action in process. EPA plans to issue a final rule in the near future that should address this recommendation.

Recommendation: The Administrator, EPA, should modify the timetable for tank upgrading or replacement by establishing a staggered schedule under which older tanks will be upgraded or replaced first.

Status: Action in process. EPA plans to issue a final rule in the near future that should address this recommendation.

Recommendation: The Administrator, EPA, should continue to investigate the appropriate levels of liability for tank owners and proper requirements for self-insurance.

Status: Action in process. EPA plans to issue a final rule in the near future that should address this recommendation.

Pollution Control and Abatement

Air Pollution: Ozone Attainment Requires Long-Term Solutions To Solve Complex Problems

RCED-88-40, 01/26/88

Background

In response to a congressional request, GAO examined: (1) the progress in reducing ozone levels to comply with national air quality standards; (2) the Environmental Protection Agency's (EPA) review of the latest data on the health effects of ozone; and (3) EPA and state and local governments' efforts to address ozone problems in three areas not attaining the standard.

Findings

GAO found that: (1) EPA identified 317 counties or parts of the country and 31 metropolitan areas that did not meet ozone standards; (2) although 123 of the counties met the standards as of January 1, 1987, none of the 31 metropolitan areas met the standards as of August 1987; (3) although a 1986 EPA study concluded that it should set a lower standard, it revised the study, because of opposition, to more clearly define adverse ozone health effects; (4)

many areas failed to meet the standards because they did not implement or enforce planned control measures or have effective control measures; (5) EPA did not use the provisions of the Clean Air Act (CAA) to carry out oversight responsibilities; (6) scientific uncertainties in ozone information, weather patterns, modeling, and determining the proper controls also contributed to unmet deadlines; and (7) although EPA has recently proposed a program that would extend the attainment deadline for some areas of nonattainment without imposing construction ban sanctions, it can not administratively extend CAA deadlines in lieu of enforcing the statutory penalties.

Open Recommendations to Congress

Recommendation: In order to build flexibility into CAA that recognizes the variety of problems areas face in attempting to reach ozone standards,

and to clear up the confusion over the use of sanctions, Congress should amend CAA to establish a strategy that places nonattainment areas into different categories on the basis of their design values, emission reductions, or both, with new attainment dates for each category. Congress may wish to either establish the new attainment dates and provide criteria, or provide EPA with the authority to do so.

Status: Action in process.

Recommendation: In order to build flexibility into CAA that recognizes the variety of problems areas face in attempting to reach ozone standards, and to clear up the confusion over the use of sanctions, Congress should amend CAA to specify the conditions under which sanctions will apply, such as when an area fails to implement its plan or does not meet its attainment deadline, and the extent to which EPA has discretion in applying such sanctions.

Status: Action in process.

Pollution Control and Abatement

Hazardous Waste: Groundwater Conditions at Many Land Disposal Facilities Remain Uncertain

RCED-88-29, 02/18/88

Background

In response to a congressional request, GAO reviewed the: (1) problems the

Environmental Protection Agency (EPA) and states experienced in obtaining and using hazardous waste facility

groundwater monitoring data; and (2) actions EPA took to address the problems.

Findings

GAO found that: (1) 39 of the 50 land disposal facilities it reviewed had not achieved the groundwater monitoring goals EPA established for facility operations; (2) EPA program managers did not develop data quality objectives for groundwater monitoring until 1986; (3) after internal review, EPA set funding for the development of data quality objectives, training, and quality assurance at \$270,000; (4) although a task force report recommended actions to improve the groundwater monitoring program, including the development of technical guidance, EPA has not issued any new technical requirements; and (5) EPA has established few quality control mechanisms to ensure the accuracy of the operator-provided data.

Open Recommendations to Agencies

Recommendation: The Administrator, EPA, should develop data quality objectives for the Resource Conservation and Recovery Act of 1976 (RCRA) groundwater monitoring program specifying the type, amount, and quality of data needed for regulatory decisionmaking. Once established, these objectives should be used to develop specific regulatory requirements and quality assurance/quality control mechanisms for the groundwater monitoring program.

Status: Recommendation valid/action not intended. EPA believes it has developed data quality objectives and these objectives are being used to develop specific regulatory requirements

and quality assurance/quality control mechanisms.

Recommendation: Until this system is established, the Administrator, EPA, should report the absence of an internal control system in the RCRA groundwater monitoring program as a material weakness in the agency's annual Federal Managers' Financial Integrity Act report to the President and Congress.

Status: Recommendation valid/action not intended. Since EPA believes that its data quality objectives are adequate, it believes it is not a material weakness and does not need to be reported.

Pollution Control and Abatement

Indoor Radon: Limited Federal Response To Reduce Contamination in Housing

RCED-88-103, 04/06/88

Background

In response to a congressional request, GAO identified: (1) the status of Environmental Protection Agency (EPA) efforts to detect radon and develop methods to reduce radon contamination; (2) actions that the Department of Housing and Urban Development (HUD), the Farmers Home Administration (FmHA), the Veterans Administration (VA), and the National Park Service (NPS), have taken to respond to potential radon hazards; and (3) the potential for federal government liability resulting from indoor radon hazards in federally insured or assisted housing.

Findings

GAO found that EPA: (1) is responsible for identifying and developing techniques to mitigate indoor radon problems; (2) plans a national assessment of existing housing for completion in 1991; (3) also plans to ask major firms to submit their radon test results to it for analysis; and (4) mitigation work on 80 of the 600 houses it had scheduled to test resulted in 70 of the houses showing significant radon reductions. GAO also found that: (1) although EPA estimates that 12 percent of the almost 85 million houses in the United States may have radon levels requiring corrective action, HUD has yet to delineate a specific policy or course of

action; (2) HUD requires notification of applicants for HUD-insured mortgages of the potential for high radon levels in only three areas; (3) HUD had no requirement or policy for incorporating radon reduction techniques in its new construction projects; (4) FmHA and VA officials are unaware of any radon problems in the housing they finance or insure; (5) FmHA is developing an indoor air pollution policy to include radon, but VA has no policy for its housing, since it considers radon a state and local government issue; (6) NPS has tested nearly 3,000 of its permanent housing units and administrative buildings and plans to perform mitigation work on 352 of its buildings

with elevated radon levels; and (7) the courts will not require the government to ensure that the houses it sells or insures are free of hazardous levels of radon.

Open Recommendations to Congress

Recommendation: If Congress wants HUD to assume a more active role in responding to elevated radon levels in housing, it may wish to consider outlining expected HUD indoor radon responsibilities. In addition, Congress may wish to specify what activities should be conducted by HUD. Such activities could include, for example, providing prospective mortgage insurance applicants with general radon information through a disclosure notice; sending a notice to all or selected public and Indian housing authorities of the possibility of indoor radon hazards and testing procedures; selling properties only after it has reduced elevated radon levels or attached an addendum to the sales contract advising the purchasers that a radon hazard is present; incorporating and evaluating the effectiveness of radon mitigation techniques in new construction; and reporting to EPA on the effectiveness of any radon mitigation techniques used in HUD-assisted housing.
Status: Action in process.

Recommendation: FmHA and VA have no specific statutory mandate to address indoor radon hazards. If Congress decides to outline indoor radon responsibilities for HUD, it may wish to consider the same action for FmHA and VA.
Status: Recommendation valid/action not intended.

Open Recommendations to Agencies

Recommendation: The Administrator, EPA, should provide for timely consolidation and analysis of private firms' test results on indoor radon measurements.
Status: Action in process. EPA commented that it is making progress on implementing this recommendation. The data collected is being compiled into a comprehensive data base.

Recommendation: The Secretary of Housing and Urban Development and the Administrator, EPA, should define their respective responsibilities and planned actions in response to their shared legislative mandate.
Addressee: Environmental Protection Agency
Status: Action not yet initiated. EPA agreed with this recommendation, but must have HUD cooperation in carrying it out. HUD does not agree with this

recommendation and plans to take no action.

Addressee: Department of Housing and Urban Development

Status: Recommendation valid/action not intended. HUD disagreed with this recommendation and does not plan to act on it. According to HUD, the Superfund legislation gave EPA lead responsibility for radon gas matters, and therefore believes that no action is required on its part.

Recommendation: The Secretary of the Interior and the Administrator, EPA, should amend their interagency agreement to require that NPS information on the effectiveness of indoor radon mitigation techniques be provided to EPA for its use and consolidation with other mitigation data.
Addressee: Environmental Protection Agency

Status: Action in process. EPA and NPS agreed with this recommendation and are in the process of amending their interagency agreement.

Addressee: Department of the Interior
Status: Action in process. Interior agreed with this recommendation and is working with EPA to amend their interagency agreement.

Pollution Control and Abatement

Surface Mining: Cost and Availability of Reclamation Bonds

PEMD-88-17, 04/08/88

Background

In response to a congressional request, GAO assessed the availability and cost of

surety reclamation bonds for surface coal mine operators in four states to

determine the reasonableness of rate-setting procedures.

Findings

GAO found that: (1) since 1984, mine operators have had difficulty in obtaining reclamation bonds because of a decrease in the number of companies underwriting the bonds; (2) some underwriting companies required as much as 100 percent of the bond's face value as collateral; (3) the use of non-surety bonds in three of the states it reviewed increased from 6 percent in 1984 to 15 percent in 1986; (4) no new company entered the reclamation bond market between 1984 and 1986 in three of the states; and (5) the coal market's economic condition and the extended-liability-period requirements created uncertainties in the surety industry. GAO also found that: (1) since July 1985, seven surety underwriters have become insolvent, affecting about 400 operators and more than \$50 million in bonds; (2) 70 percent of the outstanding bonds were replaced either by other surety bonds or by some collateral mechanism; (3) while

the large mine operators were able to obtain replacement bonds for 75 percent of their bonds' value, smaller operators obtained replacements for only 10 percent of their affected bonds' values; and (4) surety bonds have historically proven to be the most frequently used financial assurance mechanism in all the states it reviewed. GAO believes that a market may exist for other companies offering similar services.

Open Recommendations to Agencies

Recommendation: The Secretary of the Interior should direct the Office of Surface Mining Reclamation and Enforcement (OSMRE) to explore ways to develop a bond market in which more bond sources are available to responsible coal mine operators and regulators are more confident that reclamation will be timely and successful. This should be done by bringing together all relevant parties, including surety representatives,

coal mine operators (particularly smaller operators), environmental groups, and state officials. Among the matters that should be discussed are whether: (1) the liability period for reclamation bonds could be shortened without negatively affecting the environment; (2) state bond pools could be developed in additional states as an alternative bonding mechanism; and (3) innovations in underwriting reclamation bonds could be introduced without increasing the risk of bond forfeitures.

Status: Action in process. Estimated completion date: 11/88. Further exploration of alternatives to traditional bonding mechanisms within environmental safeguards of legislation. OSMRE has identified bonding as a research priority area for FY 1989; has encouraged field officials to become more involved in assisting states with bonding issues, and is exploring possibilities of federal/state guarantees on bonding pools.

Pollution Control and Abatement

Air Pollution: Better Internal Controls Needed To Ensure Complete Air Regulation Dockets

RCED-88-128, 04/26/88

Background

Pursuant to a congressional request, GAO examined the policy and legal issues concerning the Environmental Protection Agency's (EPA) practice of reviewing proposed regulations concurrently with the Office of Management and Budget (OMB), focusing on the Office of Air and Radiation's (OAR) proposed regulations under the Clean Air Act.

Findings

GAO found that OAR: (1) has routinely and legally used concurrent review since early 1985 to help expedite the rulemaking process; (2) frequently sent proposed regulations to OMB before it internally resolved all issues associated with the regulations; (3) use of concurrent review did not affect public knowledge regarding the source of regulatory changes, but the extent and thoroughness of its documentation in the docket could; (4) discontinued use of

concurrent review in January 1988 except for regulations under legislative or judicial deadlines; (5) did not comply with requirements regarding the inclusion of draft regulations in dockets; (6) did not issue written procedures to define these responsibilities or routinely inspect dockets to ensure compliance with the requirement; and (7) improved internal control procedures regarding docket contents by issuing written guidance and documentation requirements, providing project officer

training, and conducting annual docket inspections.

Open Recommendations to Agencies

Recommendation: To improve OAR overall internal controls for managing its dockets and complying with the requirements of section 307 of the Clean Air Act, the Administrator, EPA, should

direct that the OAR headquarters office, at the time it forwards an air regulation for publication, verify that copies of all draft regulations sent to OMB, as well as the other required materials, are in the docket. As part of this effort, EPA could also review the dockets maintained to support rulemaking in other EPA programs to ensure that they comply with their respective documentation requirements.

Status: Action in process. Estimated completion date: 02/89. EPA has adopted a portion of the recommendation to review air regulation dockets for completeness at the time proposed and final regulations are submitted for publication. EPA is awaiting input on statutory requirements of other programs before considering implementing the recommendation agencywide.

Pollution Control and Abatement

Hazardous Waste: Many Enforcement Actions Do Not Meet EPA Standards

RCED-88-140, 06/08/88

Background

In response to a congressional request, GAO reviewed the Environmental Protection Agency's (EPA) and states' progress in implementing the EPA enforcement response policy under the Resource Conservation and Recovery Act (RCRA) focusing on: (1) the extent to which EPA and authorized states took timely and appropriate enforcement actions against high-priority violators; (2) EPA oversight of the appropriateness of state enforcement actions; (3) whether EPA criteria for enforcement action produce sufficient and uniform enforcement across EPA regions and the states; and (4) whether EPA and states followed up on enforcement actions to ensure that handlers corrected violations.

Findings

GAO found that: (1) states met both the timeliness and appropriateness criteria in 19 of 208 high-priority cases and in 254 of 471 other cases; (2) EPA regions met the criteria in 17 of 97 high-priority

cases and 23 of 60 other cases; (3) limited resources, lack of state environmental agency penalty authority, and legal problems that affected EPA enforcement authority resulted in poor performance; (4) EPA did not take enforcement action in any cases where states did not meet enforcement criteria; and (5) the criteria that the regions used for reporting their enforcement performances were inconsistent with the enforcement policy's timeliness and appropriateness measures. GAO also found that EPA actions to improve its and states' performance in meeting enforcement criteria included: (1) codifying state regulations so that EPA could enforce them; (2) proposing a rule that required states to have administrative-order and penalty authority; and (3) issuing guidance documents that outlined enforcement options against federal violators and adopted time frames for escalating unresolved disputes between EPA regions and other federal agencies.

Open Recommendations to Agencies

Recommendation: To improve EPA and state performance in implementing the EPA Enforcement Response Policy, and also to ensure an equitable and consistent application of RCRA enforcement actions nationwide, the Administrator, EPA, should reinforce to the regions their responsibility to monitor state enforcement actions and to take direct enforcement action against hazardous waste handlers when states fail to do so in a timely and appropriate manner. Reinforcement of this requirement should, as a minimum, be reflected in annual headquarters RCRA program implementation guidance to the regions.

Status: Action not yet initiated.

Recommendation: The Administrator, EPA, should direct the regions to take steps to ensure that they meet the timeliness and appropriateness criteria for enforcement actions that they take in order to set an example for the states

to follow in implementing the Enforcement Response Policy and hold the regions accountable for meeting these criteria.

Status: Action not yet initiated.

Recommendation: In order for EPA headquarters to closely monitor regional and state performance in meeting timely and appropriate criteria, the Administrator, EPA, should direct that the EPA Strategic Planning and Management System be revised to incorporate enforcement performance reporting requirements that are consistent with the timeliness and appropriateness criteria in the Enforcement Response Policy and hold

regions accountable for meeting these criteria.

Status: Action not yet initiated.

Recommendation: The Administrator, EPA, should require authorized states to adopt penalty policies that consider the full economic benefit of noncompliance consistent with the RCRA Civil Penalty Policy.

Status: Action not yet initiated.

Recommendation: The Administrator, EPA, should clarify the Enforcement Response Policy to include time frames for states to take enforcement actions on cases referred to them from EPA regions.

Status: Action not yet initiated.

Recommendation: The Administrator, EPA, should require that the regions and states fully and clearly document their enforcement activities with specific emphasis on penalty calculations and compliance follow-up activities.

Status: Action not yet initiated.

Recommendation: The Administrator, EPA, should determine the resource needs of the enforcement program, and, if resources are insufficient, provide such information to the appropriate congressional committee for their consideration.

Status: Action not yet initiated.

Pollution Control and Abatement

Hazardous Waste: New Approach Needed to Manage the Resource Conservation and Recovery Act

RCED-88-115, 07/19/88

Background

GAO discussed the Environmental Protection Agency's (EPA) progress in implementing Resource Conservation and Recovery Act (RCRA) provisions to determine whether EPA was: (1) identifying and regulating hazardous wastes; (2) ensuring RCRA facilities' compliance with regulatory controls; and (3) encouraging waste minimization.

Findings

GAO found that: (1) EPA made limited progress in identifying and regulating hazardous wastes due to its changing approaches, inadequate resources, and absence of systematic implementation procedures; (2) Congress enacted prescriptive amendments to RCRA with numerous deadlines that imposed

specific controls if EPA failed to meet them; (3) EPA completed action on less than half of the 76 specific deadlines Congress imposed, although it made some progress on the others; and (4) although EPA was developing a plan to specify waste identification tasks and identify needed resources, it had no timetable for completion or implementation. GAO also found that: (1) both private and government-owned facilities failed to comply with EPA regulations in the areas of groundwater monitoring, closure and postclosure, and financial assurance requirements; (2) although EPA developed a strategy requiring 90-percent compliance by 1989, it did not hold its regions or states accountable for meeting the goal; (3) although EPA was working to determine, by the end of 1990, the need

for a mandatory waste minimization program, it had no set overall quantifiable goals for waste reduction due to its lack of data; and (4) EPA has been unable to develop comprehensive and reliable data to assess hazardous waste legislation, evaluate trends in regulatory compliance and waste minimization, and develop waste management priorities.

Open Recommendations to Congress

Recommendation: Congress may wish to amend RCRA to require EPA to undertake, in consultation with Congress, such a planning and management effort. The objective would be to establish measurable goals for priority areas and a long-term strategy

to achieve the goals. Congress may also wish to expand RCRA annual reporting requirements to include a report on EPA progress in attaining the established goals.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: To give a greater sense of direction to the RCRA program,

the Administrator, EPA, should, in consultation with Congress, engage in strategic planning for priority efforts. This planning effort should include a strategy that identifies specific measurable goals, the tasks necessary to accomplish the goals, milestones, required resources, organizational responsibilities, and periodic reporting on progress in achieving the stated goals. An integral part of this strategy should include development of the data

necessary to formulate and measure progress in attaining such goals. The priority efforts that make up this strategy should, at a minimum, include identifying and regulating hazardous wastes, ensuring regulatory compliance, and encouraging waste minimization.

Status: Action not yet initiated.

Pollution Control and Abatement

Superfund Contracts: EPA Needs to Control Contractor Costs

RCED-88-182, 07/29/88

Background

Pursuant to a congressional request, GAO reviewed contractor performance at 43 hazardous waste sites to determine if the Environmental Protection Agency (EPA) had established adequate controls to ensure high-quality, cost-effective, and timely work under its Superfund remedial study contracts.

Findings

GAO found that EPA: (1) lacked adequate information to evaluate contractors' work plans and proposed costs; (2) did not adequately monitor contractors' dollar and hour budget expenditures; (3) did not always perform required contract administration duties, such as reviewing contractor invoices and maintaining complete work assignment files; (4) believed that inadequate contractor performance resulted in cost increases at 22 sites, but challenged cost increases at only 4 sites; (5) believed that cost challenges were difficult and time-consuming and that

the contracts required it to pay for costs the contractor incurred; (6) focused on timeliness and quality of remedial studies rather than their costs; and (7) had options for dealing with increased costs, including negotiating with the contractor to absorb costs, authorizing the increase but not a corresponding increase in the base or award fee, not authorizing the increase, terminating the contract, or disallowing the questionable cost. GAO also found that the award fee process EPA used with remedial study contractors: (1) allowed a contractor to earn the majority of an award during the first phase of the award fee process, before it completed the study and before EPA could assess its quality; and (2) contributed to overall contracting difficulties, since EPA performance evaluation criteria did not require assessment of subcontracting management.

Open Recommendations to Agencies

Recommendation: The Administrator, EPA, should affirm his overall commitment to cost control in two ways: (1) communicate the importance of balancing timeliness, quality, and costs on remedial studies by incorporating explicit language in EPA contracting and project officer guidance; and (2) require that remedial contracting and project officers and remedial project managers diligently monitor and control contractor expenditures throughout the duration of remedial study work assignments.

Status: Action not yet initiated.

Recommendation: The Administrator, EPA, should direct that the Office of Administration and Resources Management and the Office of Solid Waste and Emergency Response take the following steps to improve EPA specific oversight of remedial contractor performance and expenditures: (1)

complete development of cost-range information for remedial study tasks and require remedial project managers to use this information to assess the reasonableness of the contractor cost proposals and subsequent cost increases; (2) reemphasize the need for contracting and program officers to challenge questionable contractor expenditures; and (3) reinforce existing policy in writing to employees and remedial contractors that contractors are not to incur costs above the amounts EPA has authorized in the work assignments, and require remedial project managers to monitor contractor expenditures, both dollars and hours.

Status: Action not yet initiated.

Recommendation: The Administrator, EPA, should direct that the Office of Administration and Resources

Management and the Office of Solid Waste and Emergency Response take the following steps to improve EPA specific oversight of remedial contractor performance and expenditures: (1) resolve the issue of why EPA consistently exhausts contract hours, but not dollars, on the remedial contracts; and (2) require that EPA personnel comply with internal control standards, specifically that remedial project managers review contractor costs and that they establish and maintain complete and accurate work assignment records.

Status: Action not yet initiated.

Recommendation: To improve the award fee plans for the remedial contracts, the Administrator, EPA, should: (1) amend the remedial contracts award fee evaluation criteria to require

a separate rating on subcontractor management; (2) amend the award fee structure to shift a greater proportion of the total award fee available from the phase I fee to phase II; and (3) determine, for each new alternative remedial contract awarded, the appropriate split between the phase I and II award fees on the basis of the contractor's performance and record.

Status: Action not yet initiated.

Recommendation: To expedite subcontracting reviews, the Administrator, EPA, should negotiate with prime contractors to establish firm time tables for implementing acceptable subcontracting systems and hold these contractors accountable for these time frames under the award fee process.

Status: Action not yet initiated.

Pollution Control and Abatement

Water Pollution: Efforts to Clean Up Michigan's Rouge River

RCED-88-164, 08/10/88

Background

Pursuant to a congressional request, GAO reviewed federal, state, and local efforts to clean up Michigan's Rouge River, focusing on: (1) the overall quality of the river's waters; (2) pollutant sources; (3) the status of cleanup planning efforts; and (4) costs of remedial cleanup efforts.

Findings

GAO found that: (1) Michigan's Department of Natural Resources (MDNR) was responsible for managing the river's cleanup; and (2) the Environmental Protection Agency (EPA)

was responsible for ensuring that cleanup activities met legislative requirements. GAO also found that: (1) the river's water quality, which ranged from fair to very poor, severely impaired its uses for fishing and swimming and constituted a threat to public health; (2) discharges of pollutants from overflowing combined sewers, estimated at 473 million pounds annually, were the major pollution sources; (3) planning for the river's cleanup intensified in 1986 when MDNR made it a priority and jointly developed with EPA and local communities a plan to eliminate untreated discharges and overflows and to finance remedial measures; (4) costs to

fully implement the plan were unknown, although estimates for partial implementation totalled \$1.8 billion; (5) MDNR plans to more effectively use the National Pollutant Discharge Elimination System to reduce the amount of discharged pollutants and ensure permittees' compliance with permit requirements; and (6) EPA worked with MDNR to resolve problems it identified in the computerized system MDNR used to assess permit compliance.

Open Recommendations to Agencies

Recommendation: Because of the Rouge River's long history of pollution problems, its potential for public contact and use, which is the greatest of all the rivers in Michigan, the recent priority assigned to cleanup by Michigan, and the effect of the river's water quality on

international waters, the Administrator, EPA, should require its Chicago Regional Office to establish controls designed specifically to oversee MDNR implementation of corrective actions on Rouge River discharge permits. As part of these controls, EPA should perform periodic reviews of MDNR progress to correct combined sewer, stormwater, municipal, industrial, and pretreatment

permit program problems and provide feedback to MDNR on its assessment of the progress made to resolve these problems. If MDNR does not make satisfactory progress, the Administrator should develop options in consultation with MDNR to address the obstacles encountered.

Status: Action not yet initiated.

Pollution Control and Abatement

Environmental Protection Agency: Protecting Human Health and the Environment Through Improved Management

RCED-88-101, 08/16/88

Background

GAO performed a management review of the Environmental Protection Agency (EPA) to determine how EPA can: (1) make and sustain management improvements to strengthen policy development; (2) better achieve program initiatives; (3) improve the integrity of management support systems; and (4) enhance planning for future environmental issues.

Findings

GAO found that EPA actions to increase managerial and operational effectiveness included: (1) managing programs and activities with emphasis on achieving measurable environmental results; (2) establishing more effective working arrangements with states; and (3) obtaining improved financial, management, and programmatic information to better set priorities, administer programs, and assess programs. GAO also found that EPA: (1) lacked clearly defined goals for

managing for measurable environmental results; (2) has not ranked program priorities or made essential links between actions and desired results; (3) has made only limited progress in developing measures of environmental quality and linking them to program activities; (4) has numerous design and implementation problems and information gaps which limit its research effectiveness; (5) has achieved some success in balancing its oversight needs with states' needs for flexibility and autonomy; and (6) lacked fully developed data standards and data requirements and definitions across programs.

Open Recommendations to Congress

Recommendation: Congress should clarify how EPA and the states are to share accountability for: (1) meeting national goals and objectives; (2) achievement of environmental results, efficient use of federal funds, and

compliance with federal regulations within the individual delegated state programs; and (3) the consistency of programs and activities nationwide. Congress may need to make adjustments in the environmental statutes and/or the resources provided EPA and the states to carry out their respective roles and meet congressional expectations as to program accountability.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: To enhance and facilitate EPA efforts to manage for measurable environmental results, the Administrator, EPA, should: (1) develop a clear and cohesive statement of the policy goal to guide all parts of the agency in moving toward managing for measurable environmental results; (2) make clear the relationships between this policy goal and other agency goals and management themes and link them clearly to the annual priority list to

establish a basis for tracking their progress in the agency's planning and budgeting systems; and (3) set and communicate clear concepts on how the policy goal relates to current legislation and proposed changes and to agency efforts in addressing environmental problems that cut across several environmental media, using risk assessment and management tools, and developing and using environmental measures and indicators of progress.
Status: Action not yet initiated.

Recommendation: To better identify the most significant issues to be addressed in order to achieve an integrated, cross-media program for accomplishing measurable environmental results, the Administrator, EPA, should better utilize and build on the results of the Comparative Risk Project, Strategic Planning Initiatives, and initiatives for greater participation by regional offices and the states. This should include beginning the planning to undertake a second Comparative Risk Study in 2 or 3 years, when some of the data and analytical gaps have been filled.
Status: Action not yet initiated.

Recommendation: To better identify the most significant issues to be addressed in order to achieve an integrated, cross-media program for accomplishing measurable environmental results, the Administrator, EPA, should better utilize and build on the results of the Comparative Risk Project, Strategic Planning Initiatives, and initiatives for greater participation by regional offices and the states. This should include articulating decision rules for balancing efforts directed at human health and those aimed at preserving and maintaining the environment.
Status: Action not yet initiated.

Recommendation: To better identify the most significant issues to be addressed in order to achieve an integrated, cross-

media program for accomplishing measurable environmental results, the Administrator, EPA, should better utilize and build on the results of the Comparative Risk Project, Strategic Planning Initiatives, and initiatives for greater participation by regional offices and the states. This should include undertaking risk studies in all 10 regions to build the analytical base for regional office participation in the development of the priority list and the Agency Operating Guidance.
Status: Action not yet initiated.

Recommendation: To better identify the most significant issues to be addressed in order to achieve an integrated, cross-media program for accomplishing measurable environmental results, the Administrator, EPA, should better utilize and build on the results of the Comparative Risk Project, Strategic Planning Initiatives, and initiatives for greater participation by regional offices and the states. This should include ensuring that, as priorities are refined through additional analysis, they are linked to proposals for legislative changes and reflected in budget formulation, the Agency Operating Guidance, allocation of resources to the regions, and accountability measures.
Status: Action not yet initiated.

Recommendation: To better identify the most significant issues to be addressed in order to achieve an integrated, cross-media program for accomplishing measurable environmental results, the Administrator, EPA, should better utilize and build on the results of the Comparative Risk Project, Strategic Planning Initiatives, and initiatives for greater participation by regional offices and the states. This should include using the waste system flow chart developed by the Office of Solid Waste and Emergency Response in its Strategic Planning Initiative as a technique to include more pollution sources and their

pathways and receptors to permit wider consideration of cross-media transfers and possible solutions.
Status: Action not yet initiated.

Recommendation: To better identify the most significant issues to be addressed in order to achieve an integrated, cross-media program for accomplishing measurable environmental results, the Administrator, EPA, should better utilize and build on the results of the Comparative Risk Project, Strategic Planning Initiatives, and initiatives for greater participation by regional offices and the states. This should include utilizing the experience of the Near Coastal Waters Strategic Planning Initiative in developing strategies in other program areas. Specifically, the problem definition, consideration of options, and ranking system used to classify estuaries and near coastal waters by severity of problems can be adapted to better focus attention on sites with the most environmentally significant problems.
Status: Action not yet initiated.

Recommendation: To better identify the most significant issues to be addressed in order to achieve an integrated, cross-media program for accomplishing measurable environmental results, the Administrator, EPA, should better utilize and build on the results of the Comparative Risk Project, Strategic Planning Initiatives, and initiatives for greater participation by regional offices and the states. This should include involving the regions more effectively in the development of agency priorities by having them develop and rank their own priorities and give a regional presentation at the annual planning meeting.
Status: Action not yet initiated.

Recommendation: To provide better guidance for developing resource

requirements and making trade-offs during budget formulation, developing operational plans and budgets, and selecting appropriate accountability measures, the Administrator, EPA, should revise the priority list to: (1) state priorities in measurable short- and long-term statements to provide the missing link between policy guidance in the priority list, the Agency Operating Guidance, and managerial accountability; and (2) provide a way to determine relative importance by ranking the priority list.

Status: Action not yet initiated.

Recommendation: To provide an operational link between work done and results to be achieved, as indicated by measurable priority statements, the Administrator, EPA, should refine planning system accountability measures by stating measures and objectives in terms that are both operational and measurable.

Status: Action not yet initiated.

Recommendation: To provide an operational link between work done and results to be achieved, as indicated by measurable priority statements, the Administrator, EPA, should refine planning system accountability measures by including productivity goals in the measures as a way of assessing quality, timeliness, and efficiency of service delivery.

Status: Action not yet initiated.

Recommendation: To better link decisions on what areas are of greatest importance to the agency, as indicated in the priority list, with the formulation of the future-year budget, the Administrator, EPA, should make greater use of existing flexibility to shift resources to higher priority issues by consulting regularly with Congress to identify areas of flexibility under current law and gain congressional support where changes are needed.

Status: Action not yet initiated.

Recommendation: To better link decisions on what areas are of greatest importance to the agency, as indicated in the priority list, with the formulation of the future-year budget, the Administrator, EPA, should make greater use of existing flexibility to shift resources to higher priority issues by utilizing the Statutory Review Project to document existing areas of legislative flexibility, inform executives and managers, identify legislative barriers to be addressed, and prepare proposals for legislative changes required.

Status: Action not yet initiated.

Recommendation: To better link decisions on what areas are of greatest importance to the agency, as indicated in the priority list, with the formulation of the future-year budget, the Administrator, EPA, should make greater use of existing flexibility to shift resources to higher priority issues by using flexibility consistent with current and proposed legislation to shift a percentage of the total agency budget annually from issues of lower priority to those of higher priority.

Status: Action not yet initiated.

Recommendation: To better link decisions on what areas are of greatest importance to the agency, as indicated in the priority list, with the formulation of the future-year budget, the Administrator, EPA, should make greater use of existing flexibility to shift resources to higher priority issues by increasing the Administrator's options for shifting resources across media and program offices by modifying the budget guidance to ask assistant administrators to submit, with their proposed budgets, information on how they would accomplish their work within a percent range of fewer resources in lower-priority activities and how additional resources could achieve greater

measurable results in higher-priority activities.

Status: Action not yet initiated.

Recommendation: To better link decisions on what areas are of greatest importance to the agency, as indicated in the priority list, with the formulation of the future-year budget, the Administrator, EPA, should make greater use of existing flexibility to shift resources to higher priority issues by refocusing the lead region approach to reflect cross-media planning and budgeting and to enhance regional participation in budgeting.

Status: Action not yet initiated.

Recommendation: To ensure that operational planning drives the development of operating budgets and to improve linkages between agency planning and budget systems so that resource allocation supports accomplishment of the Administrator's priorities, the Administrator, EPA, should correct the timing of the development of operating budgets, including the use of work-load models for allocating regional resources, so that the development of operational plans to carry out the Agency Operating Guidance precedes allocation of resources.

Status: Action not yet initiated.

Recommendation: To ensure that operational planning drives the development of operating budgets and to improve linkages between agency planning and budget systems so that resource allocation supports accomplishment of the Administrator's priorities, the Administrator, EPA, should build institutional mechanisms between the Office of Policy, Planning, and Evaluation and the Office of Administration and Resources Management by: (1) combining annual guidance for operational planning and

developing operating budgets into a single document that clearly links the two; and (2) instituting joint reviews of proposed plans and budgets by the Office of Policy, Planning, and Evaluation and the Comptroller's Office to ensure that the two processes are serving their appropriate roles in supporting the priority list.

Status: Action not yet initiated.

Recommendation: To ensure that operational planning drives the development of operating budgets and to improve linkages between agency planning and budget systems so that resource allocation supports accomplishment of the Administrator's priorities, the Administrator, EPA, should correct the current lack of integration of planning and budgeting in the Resource Planning and Budgeting Manual and the Strategic Planning and Management System Reference Paper by issuing a joint, comprehensive, consistent document or correcting and more adequately reflecting both systems in separate documents on each.

Status: Action not yet initiated.

Recommendation: To more fully utilize its reprogramming authority to shift resources to priority issues during the execution phase of the management cycle and better link oversight activities regarding the achievement of planned goals, including planning system targets, and the use of resources, the Administrator, EPA, should provide guidance on available reprogramming flexibility and, through meetings and training sessions, inform program and regional office officials about the conditions for using this flexibility.

Status: Action not yet initiated.

Recommendation: To more fully utilize its reprogramming authority to shift resources to priority issues during the execution phase of the management cycle and better link oversight activities

regarding the achievement of planned goals, including planning system targets, and the use of resources, the Administrator, EPA, should revise the Resource Planning and Budgeting Manual to stress the use of reprogramming as a method of responding to agency priorities. For example, the section on reprogramming, as it applies to budget execution, needs to emphasize its use as a way to shift funds to priority list areas.

Status: Action not yet initiated.

Recommendation: To more fully utilize its reprogramming authority to shift resources to priority issues during the execution phase of the management cycle and better link oversight activities regarding the achievement of planned goals, including planning system targets, and the use of resources, the Administrator, EPA, should use the quarterly planning system reviews as a combined progress review on performance targets and review of resource utilization to identify opportunities to reprogram funds from lower to higher priorities. This could include: (1) considering issues in the priority list for the operating year, as well as for the future fiscal year, as candidates for resource shifts in quarterly reviews with national program managers and review sessions with regional offices; and (2) reviewing the extent to which various levels of management are using reprogramming to move resources from lower priority areas to higher priority issues.

Status: Action not yet initiated.

Recommendation: To revitalize and better direct EPA efforts to identify environmental measures, as a way of achieving its goal of managing for measurable environmental results, the Administrator, EPA, should adopt the framework for organizing and collecting management and environmental data and concentrate agency efforts on

identifying and testing the best available measures. The process should include assigning specific responsibility for the effort and establishing time frames for completion, allocation of resources, and peer review and/or oversight.

Status: Action not yet initiated.

Recommendation: To revitalize and better direct EPA efforts to identify environmental measures, as a way of achieving its goal of managing for measurable environmental results, the Administrator, EPA, should adopt the framework for organizing and collecting management and environmental data and concentrate agency efforts on identifying and testing the best available measures. The process should include assessing the progress being made in Region 10, on the Conservation Foundation project, and the work at Corvallis Laboratory to determine how they can contribute to measurement identification and implementation.

Status: Action not yet initiated.

Recommendation: To revitalize and better direct EPA efforts to identify environmental measures, as a way of achieving its goal of managing for measurable environmental results, the Administrator, EPA, should adopt the framework for organizing and collecting management and environmental data and concentrate agency efforts on identifying and testing the best available measures. The process should include revisiting its past surveys and data collected as part of its operating and monitoring activities, as well as similar data collected by states and other federal agencies, to determine if these data might be appropriate for use in assessing program results.

Status: Action not yet initiated.

Recommendation: To revitalize and better direct EPA efforts to identify environmental measures, as a way of

achieving its goal of managing for measurable environmental results, the Administrator, EPA, should adopt the framework for organizing and collecting management and environmental data and concentrate agency efforts on identifying and testing the best available measures. The process should include recognizing the vulnerability of monitoring and survey activities to budget reductions when making decisions relating to the expansion, termination, and/or reduction of these activities.

Status: Action not yet initiated.

Recommendation: A necessary step in evaluating program effectiveness is to link program activities to measures of environmental quality and to decisions on allocation and targeting of resources. The Administrator, EPA, should begin taking the steps necessary to link program and monitoring activities to environmental indicators. Efforts underway in Region 4 appear to provide a good starting point.

Status: Action not yet initiated.

Recommendation: To ensure the continued strengthening of a sound analytic base needed for assessing and managing environmental risks, the Administrator, EPA, should identify the critical research needs for implementing the initiative of managing for measurable environmental results and establish a process and/or structure to ensure that these needs are met.

Status: Action not yet initiated.

Recommendation: To ensure the continued strengthening of a sound analytic base needed for assessing and managing environmental risks, the Administrator, EPA, should assess the status of methods and activities for determining exposure, particularly human exposure, to pollutants to provide a basis for deciding the additional

research needed to develop and use effective methods.

Status: Action not yet initiated.

Recommendation: To ensure the continued strengthening of a sound analytic base needed for assessing and managing environmental risks, the Administrator, EPA, should establish a long-range research planning process for addressing research needs. As part of this effort, the Administrator should evaluate the present Research Committee process of developing the agency's research agenda with a view toward determining how it can be revised to ensure a proper balance between the agency's short- and long-term research needs.

Status: Action not yet initiated.

Recommendation: To more effectively accomplish the objectives of the demonstration projects, the Administrator, EPA, should review the results of the Integrated Environmental Management Program geographic studies to identify achievements, limitations, problems, and lessons learned that are common to the projects so that the results are effectively disseminated and used to improve future geographic studies.

Status: Action not yet initiated.

Recommendation: To more effectively accomplish the objectives of the demonstration projects, the Administrator, EPA, should review the results of the Integrated Environmental Management Program geographic studies to identify changes that need to be made in the management of demonstration projects in general.

Status: Action not yet initiated.

Recommendation: To ensure that the goal and initiatives of managing for measurable environmental results are being implemented, monitored, and accomplished and to implement the

previous recommendations, the Administrator, EPA, should establish an organizational focus as a way for providing the leadership to ensure the successful implementation and achievement of the initiative. A focal point could be an individual, a group, or an office designated as responsible for seeing that the necessary policies, procedures, processes, and systems are developed, implemented, monitored, and revised to ensure that progress is being made in effectively achieving the initiative.

Status: Action not yet initiated.

Recommendation: To help sustain and advance current EPA efforts to establish a more effective federal/state relationship in carrying out national environmental programs, the Administrator, EPA, should identify cases of individual state transaction review by EPA and reassess whether such procedures are essential. If the procedures are not essential or can be substituted for with other monitoring techniques, they should be eliminated.

Status: Action not yet initiated.

Recommendation: To help sustain and advance current EPA efforts to establish a more effective federal/state relationship in carrying out national environmental programs, the Administrator, EPA, should, to the extent feasible, provide multiyear, instead of the current annual, guidance to the states and work with Congress to consider providing multiyear financial assistance.

Status: Action not yet initiated.

Recommendation: To help sustain and advance current EPA efforts to establish a more effective federal/state relationship in carrying out national environmental programs, the Administrator, EPA, should improve evaluations of state program

performance, especially with regard to incorporating the measurement of environmental results. In communicating and addressing performance problems, the Administrator should stress the type and amount of improvement needed and options available to the states to take corrective action.

Status: Action not yet initiated.

Recommendation: To help sustain and advance current EPA efforts to establish a more effective federal/state relationship in carrying out national environmental programs, the Administrator, EPA, should establish specific guidelines as to when and under what circumstances EPA will begin action to take back delegated program authority. These guidelines should be communicated to both agency staff and the states for use in cases where evaluations find that state performance is poor.

Status: Action not yet initiated.

Recommendation: The Administrator, EPA, should take the lead in working with Congress and the states to reassess the current federal/state relationship and to determine whether a more comprehensive approach is needed to accomplish EPA, state, and congressional objectives/expectations for the partnership.

Status: Action not yet initiated.

Recommendation: The Administrator, EPA, should take appropriate steps to develop a long-range, mission-based plan that focuses on the actual use and value of information in achieving EPA goals. Specifically, the plan should define the framework for developing a modern information resources management infrastructure, which will: (1) establish high-level management authority for planning, directing, and implementing information resources management

activities; (2) establish a data architecture that identifies the agency's data flows and relates its data assets to operational needs; and (3) further improve data and voice networks needed for the conduct of business at operational locations across the nation.

Status: Action not yet initiated.

Recommendation: In modernizing and improving EPA financial activities, the Administrator, EPA, should continue to provide the support and priority needed for financial systems developmental efforts.

Status: Action not yet initiated.

Recommendation: In modernizing and improving EPA financial activities, the Administrator, EPA, should institute an annual audit of EPA financial statements.

Status: Action not yet initiated.

Recreational Resources

Are Agencies Doing Enough or Too Much for Archeological Preservation? Guidance Needed

CED-81-61, 04/22/81

Background

Congress has passed the National Historic Preservation Act Amendments to provide additional guidance and clarification to the National Preservation Program. The amendments give the Secretary of the Interior the authority to waive the 1-percent limitation on the use of project funds to defray the costs of data recovery, increase the role of state historic preservation programs, and clarify federal agency responsibilities. GAO reviewed the programs of eight agencies

whose activities had potential major impacts on archeological sites, the operations of five state historic preservation offices, and the program management of the Heritage Conservation and Recreation Service and the Advisory Council on Historic Preservation (ACHP).

Findings

The National Archeology Program, which costs about \$100 million a year, is not working well. The Department of the

Interior must provide better leadership and direction to federal agencies and states. Without better guidance, some federal agencies could spend billions of dollars over the next 10 to 30 years for archeological surveys, many of which may not be necessary, while other agencies may not do enough to identify and protect archeological sites. Interior has not established good criteria for agencies to use in determining whether identified sites are important to the national heritage, nor has it provided guidance on the extent to which

archeological resources must be recovered, recorded, or preserved to comply with federal laws and regulations. This has resulted in project delays, increased costs, and general confusion over what is required to identify sites, determine their significance, and protect their resources. Federal departments and agencies interpret their responsibility for identifying archeological resources differently. Federal agencies rarely coordinate archeological overview studies, which could avoid duplication and save money. State historic preservation offices could help federal agencies determine which properties have state and local significance and are eligible for listing on the National Register. While some agencies limit archeological excavation to project areas, others require federal permittees and grantees to excavate sites well outside those areas. Lack of information on program costs and accomplishments hampers the program.

Open Recommendations to Agencies

Recommendation: The Secretary of the Interior should promulgate regulations

on federal data recovery efforts and reporting systems, including improved dissemination of archeological reports to the National Technical Information Service (NTIS) so that information can be made available to the archeological profession and federal, state, and local officials in a decisionmaking capacity. **Status:** Action in process. Estimated completion date: 09/89. Interior provided federal agencies guidelines on how to establish accounts for submitting reports to NTIS. Interior undertook a three-phase effort to develop and implement a National Archeological and Cultural Resource Data Base. Interior expects this to be completed and accessible to federal agencies by the end of FY 1990, providing funds continue to be provided at the same or increased levels.

Recommendation: The Secretary of the Interior should promulgate regulations on federal data recovery efforts and reporting systems, including the development of agency reporting systems for providing information to Interior and agency management on program costs and accomplishments, so that program effectiveness can be monitored and reported to Congress.

Status: Action in process. Interior sent a questionnaire to all applicable federal agencies requesting them to submit data on their FY 1985 archeological activities. Interior drafted revisions to 36 C.F.R. 66, which it will use to fulfill its responsibilities to Congress. However, work on this regulation has been suspended pending completion of guidelines on submerged historic shipwrecks that legislation mandated by 1989.

Recommendation: The Secretary of the Interior should promulgate regulations on federal data recovery efforts and reporting systems, including the specific circumstances and extent to which agencies are required to excavate sites outside a project's direct impact area.

Status: Action in process. Draft regulations revising 36 C.F.R. 66 are being prepared by Interior. Interior had expected to publish the proposed rules in the Federal Register by September 1988. However, work on this regulation has been suspended pending completion of guidelines on submerged historic shipwrecks that legislation mandated by completed by January 1989.

Recreational Resources

National Park Service Needs a Maintenance Management System

RCED-84-107, 06/01/84

Background

Pursuant to a congressional request, GAO examined the potential for increased efficiency and effectiveness in maintaining the national park system.

Findings

The National Park Service (NPS) spends millions of dollars annually to maintain the buildings, roads, bridges, monuments, hiking trails, and utility systems on the more than 79 million

acres of developed and undeveloped land which comprise the national park system. GAO visited nine NPS units in 1983 and found that attention had not always been given to systematically maintaining facilities, and that NPS had not provided adequate maintenance

policy, guidance, or training. At seven of the parks visited, GAO found that park superintendents were not determining or requesting the funding needed to properly maintain park assets, properly accounting for maintenance resources, or assessing the efficiency and effectiveness of their maintenance activities. Superintendents at these seven parks agreed that they did not have the necessary information about their maintenance operations and did not know whether their maintenance activities were effective or efficient. NPS has estimated that the cost of developing and implementing an effective maintenance management system would be less than \$10 million. GAO believes that the cost of such a system could be justified by the large annual NPS maintenance budget, the current maintenance problems, and the potential to recapture development and implementation costs through reduced maintenance costs, increased productivity, and other benefits.

Open Recommendations to Agencies

Recommendation: The Secretary of the Interior should direct the Director, NPS, to design, test, and implement in the national park system a maintenance management system which includes the key management elements discussed in this report. To help in designing a system, NPS officials may want to obtain information from organizations such as Parks Canada, which have maintenance management systems in operation.

Status: Action in process. Estimated completion date: 12/89. The task force consulted extensively with Parks Canada, and NPS contracted with consultants for the development of pilot systems at two parks. NPS issued a request for proposals for a contract to design, test, and assist in implementation of a servicewide system. NPS awarded a 3-year contract on June 18, 1986. However, the system will not

generate useful information until December 1990.

Recommendation: The Secretary of the Interior should direct the Director, NPS, to develop a training program which focuses on planning, organizing, directing, and reviewing activities associated with a maintenance system and ensure that maintenance managers and other appropriate park and regional personnel receive the training.

Status: Action in process. The contract that NPS awarded in June 1986 requires the contractor to develop a training program and provide training to key NPS personnel. The training program was developed by the contractor and all park superintendents and chiefs-of-maintenance received initial training. Hands-on implementation training will be completed by December 1989.

Recreational Resources

National Parks: Law Enforcement Capability and Cost Comparisons at Two Recreation Areas

RCED-86-40, 03/07/86

Background

In response to congressional requests, GAO reported on the: (1) ability of park rangers to adequately provide visitor and resource protection; and (2) comparative personnel compensation, benefits, and pension costs of park police and rangers.

Findings

GAO found that, based on their law enforcement training and performance: (1) commissioned park rangers are

capable of providing visitor and resource protection at Gateway and Golden Gate National Recreation Areas; (2) park police and commissioned park rangers receive training in similar areas, but park police training is more extensive; and (3) park police and commissioned park rangers also must handle similar criminal offenses, such as homicide, rape, robbery, and assault. GAO also found that, in 1984: (1) law enforcement costs were about \$2.3 million at Gateway and \$1.7 million at Golden Gate for 84

park police and 34 commissioned park rangers; and (2) if the 84 park police had been replaced by 91 commissioned park rangers, personnel compensation and benefits costs at the two parks may have been reduced by \$740,338. According to National Park Service (NPS) officials, if the 30 park police positions were eliminated, NPS: (1) would have saved \$802,314 in annually recurring personnel compensation and benefits costs, and \$3.2 million in pension costs with an additional \$40,000 to \$1.2 million in

annually recurring pension costs; and (2) might have incurred \$199,381 in training expenses, but relocation expenses would have decreased from \$2.94 million to \$2.44 million.

Open Recommendations to Agencies

Recommendation: The Secretary of the Interior should assess the difficulties in

recruiting, retaining, and obtaining off-federal-parkland law enforcement authority for commissioned park rangers at Golden Gate and Gateway. In addition to the enforcement capabilities and cost information, the results of the assessment should provide Congress with adequate information on the consequences of shifting the work force from park police to park rangers.

Status: Action in process. NPS previously requested its regional offices to gather information from the states of New York and California on what actions are needed to secure law enforcement authority for its commissioned park rangers. The original information gathered was insufficient. NPS has requested further data and will have responses by December 19, 1988.

Recreational Resources

Parks and Recreation: Limited Progress Made in Documenting and Mitigating Threats to the Parks

RCED-87-36, 02/09/87

Background

In response to a congressional request, GAO provided information on: (1) National Park Service (NPS) actions to address threats to the National Park System's natural and cultural resources; and (2) the extent to which current legislation obligates NPS to intercede in outside actions that would affect park resources.

Findings

GAO found that: (1) although NPS required each park to complete a resource management plan by the end of 1981 and update it annually, only half met the original deadline, and NPS did not use the completed plans in formulating its annual budget; (2) NPS failed to follow through on the initiatives for improving resource information and increasing scientific research, but has undertaken the training initiatives; (3) neither NPS nor the individual parks kept track of their progress in addressing the threats to

their resources that a 1980 report identified; (4) the NPS budget for resource management increased from \$44 million in 1980 to \$93 million in 1984; (5) the parks used additional funds to remove harmful plants and animals and repair deteriorating historic structures; (6) as of December 1985, NPS had not resolved 80 percent of the threats reported in 1980; and (7) NPS did not receive funding for many of its proposed projects to address known and potential resource problems.

Open Recommendations to Agencies

Recommendation: To provide the information needed for NPS to develop a comprehensive, systemwide approach to protect and manage park resources and to provide the basis to make more informed funding decisions, the Secretary of the Interior should direct the Director, NPS, to enforce the agency's requirement that resource management plans (RMP) be prepared

and updated in accordance with established NPS guidance and criteria at each park unit.

Status: Action in process. The Director, NPS, sent a memo to the regional directors regarding the use of RMP on June 30, 1987. The target date for issuing the revised guidelines for preparing the plans is January 1989. Draft guidelines, completed in April 1988, are being used to prepare 10 model RMP. After these RMP are reviewed, NPS will make any adjustments to the guidelines that are needed.

Recommendation: To provide the information needed for NPS to develop a comprehensive, systemwide approach to protect and manage park resources and to provide the basis to make more informed funding decisions, the Secretary of the Interior should direct the Director, NPS, to improve procedures on the use of the information provided in RMP to: (1) identify and prioritize cultural and natural resource management needs on a regional and

servicewide basis; and (2) prepare annual budget requests.

Status: Action in process. The Director, NPS, sent a memo to the regional directors regarding the use of RMP on June 30, 1987. The target date for issuing the revised guidelines for preparing the plans is January 1989. NPS budget calls guidance will be adjusted to ensure that the same data base computer system is used for both the budget call input and RMP.

Recommendation: The quality of RMP depends on the adequacy of the resource information upon which it is based.

Therefore, to ensure that the plans are based on adequate information and to establish basic accountability for park resources, the Secretary of the Interior should direct the Director, NPS, to develop standards for determining the minimum baseline information needed to properly plan for the management and protection of park resources.

Status: Action in process. NPS adopted a final baseline inventory and long-term monitoring policy and implementation strategy on April 29, 1987. In fiscal year (FY) 1988, NPS began to develop NPS-wide standards and guidelines. Standards for natural resources are targeted for completion by January 1989.

Recommendation: The quality of RMP depends on the adequacy of the resource information upon which it is based.

Therefore, to ensure that the plans are based on adequate information and to establish basic accountability for park resources, the Secretary of the Interior should direct the Director, NPS, to assess the adequacy of each park's information base in relation to the standards so developed.

Status: Action in process. NPS plans to start assessing the status of existing resource baseline inventories and long-term monitoring programs using the standards, beginning in FY 1988. NPS headquarters received the park unit responses to a questionnaire regarding the status of baseline data on natural resources. This data should be compiled by mid-December 1988.

Recommendation: The quality of RMP depends on the adequacy of the resource information upon which it is based.

Therefore, to ensure that the plans are based on adequate information and to establish basic accountability for park resources, the Secretary of the Interior should direct the Director, NPS, to take action to improve park information bases that are found not up to the standards.

Status: Action in process. On the cultural resource program side, NPS undertook a 3-year project in FY 1988 to computerize/update its archeological resource data base. On the natural resource program side, NPS was still assessing the information provided by the park units as of November 1988. This should be completed in December 1988.

Recommendation: The quality of RMP depends on the adequacy of the resource information upon which it is based.

Therefore, to ensure that the plans are based on adequate information and to establish basic accountability for park resources, the Secretary of the Interior should direct the Director, NPS, to develop and implement long-term programs to monitor resource condition changes over time.

Status: Action in process. NPS adopted a final baseline inventory and long-term monitoring policy and implementation strategy on April 29, 1987. In FY 1988, NPS began to develop Service-wide standards and guidelines. Standards for natural resources are targeted for completion by January 1989. A handbook to guide the parks in implementing the standards is also being developed and a draft is to be completed by April 1989.

Recreational Resources

Cultural Resources: Problems Protecting and Preserving Federal Archeological Resources

RCED-88-3, 12/15/87

Background

In response to a congressional request, GAO reviewed three federal agencies' management of archeological resources on federal lands to determine: (1) the

extent of looting that has occurred; (2) what the agencies are doing to protect and prevent looting of the resources; and (3) what actions the agencies are taking

to remove and properly preserve the artifacts.

Findings

GAO found that: (1) looters are destroying valuable scientific information at archeological sites; (2) agency officials believe that enforcement efforts have prevented casual looting, but problems still exist with commercial looting for profit; and (3) although looting of artifacts from National Park Service (NPS) land has been minimal, the Bureau of Land Management (BLM) and the Forest Service are experiencing a high level of commercial looting. GAO also found that: (1) funding constraints and staffing shortages have hampered agencies' ability to protect archeological sites; (2) the agencies were not taking necessary precautions to ensure the preservation of artifacts they sent to curators; (3) the agencies did not institute any procedures for determining the adequacy and ability of facilities responsible for curating artifacts, and seldom inspected the facilities; and (4) NPS has an estimated 15.5 million uncataloged artifacts collected from both federal and nonfederal lands.

Open Recommendations to Agencies

Recommendation: The Secretaries of the Interior and Agriculture should direct the heads of the respective agencies to develop agency-wide guidelines that: (1) provide field offices criteria on when to prepare looting incident reports, for example, amount of disturbance and how recently the incident happened; and (2) require field offices to periodically revisit recorded sites to update site records.

Addressee: Department of the Interior
Status: Action in process. BLM state offices have been asked to begin work to establish an automated incident reporting system, including standards for recording incidents of looting. A Bureau-wide Handbook is to be developed by the end of 1989. Both NPS

and BLM plan to limit site revisits, however.

Addressee: Department of Agriculture
Status: Action in process. As of August 1988, the Forest Service had drafted guidance on the revisitation of sites. The target date for issuance of this guidance is January 1, 1989.

Recommendation: The Secretaries of the Interior and Agriculture should direct the heads of the respective agencies to develop plans for surveying those areas not scheduled for project development, including prioritizing these areas based on their archeological resource potential and then preparing a schedule for surveying those areas having the highest priority.

Addressee: Department of the Interior
Status: Action in process. NPS stated that it will fund, schedule, and carry out a number of surveys of high-priority areas not scheduled for development each year. BLM stated that plans for cultural resource surveys will be integrated into the BLM comprehensive land use planning cycle. GAO is currently reviewing BLM resource management planning efforts.

Recommendation: The Secretaries of the Interior and Agriculture should direct the heads of respective agencies to be consistent with other priorities for available funds and staff, and ensure that a reasonable number of these surveys are carried out each year.

Addressee: Department of the Interior
Status: Action in process. NPS stated that it will fund, schedule, and carry out a number of surveys of high-priority areas not scheduled for development each year. BLM stated that plans for cultural resource surveys will be integrated into the BLM comprehensive land use planning cycle. GAO is currently reviewing BLM resource management planning efforts.

Recommendation: The Secretary of the Interior should direct the Director, NPS, to finalize and issue the proposed regulation on curation and exchange of archeological collections promptly and ensure that it contains sections addressing agency internal controls over artifacts and combined or single-agency inspections of curatorial facilities having artifact collections from more than one federal agency.

Status: Action in process. Work on the curation regulation has been suspended pending completion of guidelines on submerged historic shipwrecks that legislation mandated be completed by January 1989.

Recommendation: The Secretary of Agriculture should direct the Chief, Forest Service, to adopt Interior's curation regulation when it is issued.

Status: Action not yet initiated. The Forest Service's Chief Archeologist said that the Forest Service intends to do this when the Interior regulation is issued.

Recommendation: The Secretaries of the Interior and Agriculture should direct the heads of their respective agencies to coordinate to ensure that the curation regulation is implemented consistently with regard to requirements placed on nonfederal curatorial facilities.

Addressee: Department of the Interior
Status: Action not yet initiated. This cannot be done until the curation regulation is issued.

Addressee: Department of Agriculture
Status: Action not yet initiated. The Forest Service's Chief Archeologist agreed with this recommendation and is waiting for NPS to take the lead.

Recommendation: The Secretaries of the Interior and Agriculture should direct the heads of their respective agencies to enter into an agreement whereby one or more qualified individuals are designated to conduct

inspections of nonfederal curatorial facilities on behalf of the other agencies. **Addressee:** Department of the Interior **Status:** Action not yet initiated. This recommendation cannot be implemented until the curation regulation is issued. **Addressee:** Department of Agriculture **Status:** Action not yet initiated. The Forest Service's Chief Archeologist agreed with this recommendation and said that he believes that the Forest Service should be the agency designated in some instances. He is waiting on the Interior curation regulation and for NPS to contact him.

Recommendation: The Secretaries of the Interior and Agriculture should direct the heads of their respective agencies to ascertain and request the funds and staff needed to establish complete and accurate records of

artifacts removed from their lands and to inspect curatorial facilities in accordance with the regulation and implementing instructions. **Addressee:** Department of the Interior **Status:** Action not yet initiated. This recommendation cannot be implemented until the regulation and implementing instructions have been issued. **Addressee:** Department of Agriculture **Status:** Action in process. The Forest Service, during March/April 1988, issued a manual directive which strengthened the requirement for records on artifact collections. It will not know what the staff funds needs are, however, until the recommendation to conduct inspections on curatorial facilities is implemented.

Recommendation: The Secretaries of the Interior and Agriculture should direct the heads of their respective

agencies to use information contained in the facilities' plans for correcting deficiencies noted during the agencies' initial inspection of these facilities, and summarize and report to Congress the: (1) magnitude of the deficiencies at nonfederal curatorial facilities; and (2) total cost and federal share of the cost of correcting these deficiencies. **Addressee:** Department of the Interior **Status:** Action not yet initiated. This recommendation cannot be implemented until other recommendations are implemented. **Addressee:** Department of Agriculture **Status:** Action not yet initiated. This recommendation cannot be implemented until the recommendation to establish complete and accurate records of artifacts' removal from lands and inspection of curatorial facilities is implemented.

Recreational Resources

Parks and Recreation: Interior Did Not Comply With Legal Requirements for the Outdoors Commission

RCED-88-65, 03/25/88

Background

In response to a congressional request, GAO provided information on the President's Commission on Americans Outdoors, specifically its: (1) compliance with the provisions of the Federal Advisory Committee Act (FACA); and (2) processes and procedures to accomplish its mission.

Findings

GAO found that the Department of the Interior did not comply with FACA administrative requirements for advisory committees, since it did not ensure that the Commission: (1) published advance

notice in the Federal Register of its meetings; (2) followed proper procedures for closing meetings to the public and press; (3) maintained detailed minutes of its meetings; and (4) had a designated federal official participate in each of its meetings. GAO also found that the Commission: (1) maintained records of its activities and funds disposition; (2) undertook extensive outreach programs to include the public in its activities; and (3) expended about \$1.5 of its \$1.9 million budget authorization during its tenure.

Open Recommendations to Agencies

Recommendation: The Secretary of the Interior should develop written internal controls that provide for adequate monitoring and ensure that FACA administrative requirements are met when these responsibilities are handled by an advisory committee. Such controls should include written confirmation that details FACA responsibilities and to whom these responsibilities are delegated.

Status: Action in process. Interior's Office of the Solicitor is currently revising the agency's departmental

manual on advisory committees which will include written internal controls for FACA administrative requirements.

Recreational Resources

Parks and Recreation: Problems With Fee System for Resorts Operating on Forest Service Lands

RCED-88-94, 05/16/88

Background

In response to a congressional request, GAO reviewed the Forest Service's Graduated Rate Fee System (GRFS) to determine whether the: (1) system reflected fair market values; and (2) Service corrected previously identified fee system problems.

Findings

GAO found that: (1) the Service's use of standardized, industry-wide ratios and factors to establish current fee systems did not necessarily result in fair-market-value fees; (2) the Service received less than fair market value for its winter resort permits; (3) although the Service changed its procedures for valuing fixed assets, it did not update its 20-year-old GRFS fee rates formula; (4) the Service did not implement changes to the fee formula for gross fixed assets; and (5) the Service did not determine the percentage of profit that constituted a fair market value. GAO also found that: (1) resort buyers generally paid lower permit fees than previous owners because the Service did not implement necessary changes; (2) the Service's calculation of permit fees was complicated and its GRFS formula rates were not sufficiently progressive; (3) the Service improperly scheduled permittees' fee payments and failed to verify their gross fixed assets; and (4) as of January 5,

1988, the Service was in the process of developing a new gratuity policy.

Open Recommendations to Agencies

Recommendation: The Secretary of Agriculture should direct the Chief, Forest Service, to develop a fee system that calculates fees that more closely approximate the fair market value of resort permits. Such a system should consider the economic profile and profitability of individual resorts, as well as the percentage of their profit that would constitute a fair-market-value fee. In developing the system, the Service should consider the feasibility of including a procedure for reviewing sufficiently the financial records of individual permittees to verify their reported income, costs, and profits. **Status:** Action not yet initiated. The Forest Service is continuing to study possible changes to the graduated rate fee system.

Recommendation: The Secretary of Agriculture should direct the Chief, Forest Service, to determine a threshold above which it would be cost-effective to use the new fee system, and implement the fee system for those permits. **Status:** Action not yet initiated. The Forest Service is continuing to study

possible changes to the graduated rate fee system.

Recommendation: The Secretary of Agriculture should direct the Chief, Forest Service, to develop and implement a new fee system. In selecting the system or systems, the Service should consider legislative and Office of Management and Budget suggestions, the cost-effectiveness of the alternative fee systems, and the defensibility of the method used to establish the fee rates.

Status: Action not yet initiated. The Forest Service is continuing to study possible changes to the graduated rate fee system.

Recommendation: The Secretary of Agriculture should direct the Chief, Forest Service, to: (1) update fee rates and break-even points; (2) discontinue the reevaluation of a resort's fixed assets only at the time the resort is sold and either use the Department of Commerce's Construction Cost Index to annually update the valuation of resorts' gross fixed assets or retain the fixed assets' valuation at acquisition cost when a resort is sold; (3) discontinue breaking out a resort's income by business category or allocate the resort's gross fixed assets by business category; and (4) adjust the fee rates for sales

above twice the break-even point so that they are all incrementally progressive.

Status: Action not yet initiated. The Forest Service agrees with part 4 of this

recommendation and is studying ways to change the fee system.

Water Resources

Wildlife Management: National Refuge Contamination Is Difficult To Confirm and Clean Up

RCED-87-128, 07/17/87

Background

In response to a congressional request, GAO reviewed the status of cleanup activities at the Kesterson National Wildlife Refuge to determine whether the federal government: (1) assessed the extent of contamination at refuges nationwide; (2) developed water quality criteria to protect wildlife and refuge habitats from contamination; and (3) dealt with actual or potential contamination from agricultural drainage water or other sources.

Findings

GAO found that the: (1) Bureau of Reclamation stopped the flow of contaminated water to the Kesterson refuge and prepared a phased cleanup plan to initially treat contamination in place, rather than dispose of it; (2) board responsible for protecting California's water resources rejected the phased plan and approved the concept of on-site disposal; and (3) cleanup will cost an estimated \$27 billion. GAO also found that the Department of the Interior: (1) intensified efforts to identify contaminated refuges, since an Interior survey indicated that 85 of 430 refuges were or could be contaminated by agricultural drainwater or by municipal, industrial, or military activities; and (2) did not use survey techniques that would

identify all contaminated refuges. GAO concluded that obstacles to identifying and cleaning up sites include the: (1) lack of water quality criteria to determine when contamination threatens wildlife and refuge habitats; (2) lack of federal regulatory authority over agricultural drainage water; and (3) lengthy process of identifying the party responsible for cleanup, deciding on a cleanup plan, and obtaining cleanup funds.

Open Recommendations to Agencies

Recommendation: The Administrator, Environmental Protection Agency (EPA), in close coordination with the Secretary of the Interior, should develop water quality criteria for protecting wildlife and refuge habitats. If current resources and funding levels are insufficient for this program, the Secretary and the Administrator should submit estimates of the additional needs to Congress for consideration.

Status: Action in process. EPA intends to request \$1 million in fiscal year 1989 to increase the scientific data base for 10 high priority compounds and to formulate guidelines for criteria for wildlife. EPA estimates that the process for issuing the first wildlife criterion will take 2 1/2 years.

Recommendation: The Secretary of the Interior should evaluate the results of the ongoing studies to determine if agricultural drainage traceable to a single source is occurring elsewhere.

Status: Action in process. Interior has started detailed investigations of irrigation drainage at four wildlife refuges, plans to conduct long-term monitoring at four refuges and further work at one other refuge, and began 10 reconnaissance studies in early 1988 to be completed by the end of 1989.

Recommendation: If agricultural drainage traceable to a single source is occurring elsewhere, the Secretary of the Interior should work with the Administrator, EPA, in preparing a legislative proposal to amend the Clean Water Act to require that agricultural drainage traceable to a single source be subject to discharge permit requirements.

Status: Action in process. Estimated completion date: 12/89. Interior has started detailed investigations of irrigation drainage at four wildlife refuges, plans to conduct long-term monitoring at four refuges and further work at one other refuge, and began 10 reconnaissance studies in early 1988 to be completed by the end of 1989.

Water Resources

Water Resources: Issues Concerning the Arkansas River Basin Operation Plan

RCED-88-166, 06/23/88

Background

Pursuant to a congressional request, GAO examined: (1) whether the Corps of Engineers' Arkansas River Basin Operation Plan accurately reflected the authorized purposes and actual uses of the Basin's 11 reservoirs; (2) the Corps' methodology for estimating benefits and damages resulting from a July 1986 plan modification that called for slowing the rate of water release after flood events; and (3) the Corps' compliance with the Administrative Procedure Act in adopting the modification, especially whether the Corps provided sufficient opportunity for public comment.

Findings

GAO found that the Corps: (1) planned to operate all 11 reservoirs for navigation, but legislation authorized such use for only 3 reservoirs; (2) lacked sufficient authority to operate 8 of the 11 reservoirs for navigation unless it could show that such operation was not detrimental to an authorized purpose; (3) was conducting a study to determine the compatibility of authorized and unauthorized uses; (4) used incomplete data in its analysis of the benefits and damages resulting from the July 1986 plan modification, causing understated hydrologic and economic estimates; and (5) did not have to comply with the Administrative Procedure Act requirements for public notice and comment, but solicited comments from

interested organizations and individuals, and formed a committee to recommend necessary changes to the plan.

Open Recommendations to Agencies

Recommendation: If the Corps' information indicates that the operation of the Arkansas River Basin operation plan for navigation is detrimental to the reservoirs' flood control functions, the Secretary of the Army should direct the Corps' Chief of Engineers to discontinue the reservoirs' use to benefit navigation unless the Corps can obtain legislative approval to add navigation as an authorized purpose for the eight reservoirs.

Status: Action not yet initiated.

Water Resources

Water Resources: Costs of the Fountain Valley Authority Pipeline

RCED-88-125, 07/13/88

Background

In response to a congressional request, GAO examined the Bureau of Reclamation's construction of the Fountain Valley pipeline in Colorado to determine: (1) why there was an increase in the pipeline project's total cost; (2) whether the Bureau had the legal authority to charge overhead costs to the

pipeline operator; and (3) the equity of the Bureau's overhead charges.

Findings

GAO found that: (1) about \$12.3 million of the project's \$13.9-million total cost increase was due to increases in construction costs; (2) the overhead rate

in the preliminary contract estimate was too low; (3) the construction contract legally authorized the Bureau to charge overhead costs to the pipeline operator; (4) although the direct overhead and noncontract costs were appropriate for the project, the Missouri Basin Region overcharged the operator more than \$500,000 in indirect overhead charges

between 1981 and 1986; (5) the Region improperly applied an allocation rate in 1981 when distributing overhead costs among individual projects; (6) the Region used three different methods to allocate indirect costs to the operator; and (7) the Region did not comply with generally accepted accounting principles. GAO also found that regional officials agreed to: (1) recompute the pipeline's cost allocations using each of the three methods it applied during the project's life; (2) correct the erroneous rate applied in 1981; (3) exclude inequitable indirect overhead cost shifts; and (4) provide the recomputation to the operator and determine the amount of indirect overhead costs the operator should reasonably pay.

Open Recommendations to Agencies

Recommendation: To ensure that all Bureau regions are using an appropriate and uniform cost allocation method, recording and reporting reliable project cost data, and complying with accounting principles for federal agencies, the Secretary of the Interior should direct the Commissioner, Bureau of Reclamation, to select and approve an indirect overhead cost allocation method that is equitable to all projects and direct all regional office administrators to use the approved method consistently.

Status: Action in process. Interior's task force is studying the allocation of indirect overhead costs. The task force is to make appropriate recommendations to the Commissioner of Reclamation.

Recommendation: To ensure that all Bureau regions are using an appropriate and uniform cost allocation method, recording and reporting reliable project cost data, and complying with accounting principles for federal agencies, the Secretary of the Interior should direct the Commissioner, Bureau of Reclamation, to require Missouri Basin regional administrators to stop the practice of shifting indirect overhead costs among projects to avoid exceeding project budgetary limits, and thereby bring the Region's accounting practices into conformance with prescribed accounting principles.

Status: Action in process. Interior's task force is studying the allocation of indirect overhead costs. The task force is to make appropriate recommendations to the Commissioner of Reclamation.

Nondiscrimination - Equal Opportunity Programs

Minority Representation: Efforts of the Alcohol, Drug Abuse, and Mental Health Administration

HRD-88-49, 05/13/88

Background

In response to a congressional request, GAO reviewed the Alcohol, Drug Abuse, and Mental Health Administration's (ADAMHA) compliance with the Equal Employment Opportunity Commission's employment requirements.

Findings

GAO found that: (1) 270 of the 1,414 ADAMHA employees were minorities; (2) 5 of the 39 Senior Executive Service members were minorities; (3) the professional civilian labor force consisted of 12.5-percent minorities, the management level was 11.5-percent minorities, and the administrative civilian labor force was 13-percent minorities; (4) during fiscal years 1982 through 1987, the ADAMHA Office of Equal Employment Opportunity did not establish numerical goals and timetables for hiring, competitive promotions, or reassignments of minorities due to reductions in force unique to ADAMHA; (5) because of fewer external hiring opportunities, ADAMHA had no

recruitment strategy to increase minority representation; (6) ADAMHA did not compile and maintain required race and sex information on applicants or collect the information on the composition of qualifications review boards (QRB); (7) ADAMHA did not always review vacancy announcements, observe QRB meetings, or grant waivers when the minimum area of consideration for a vacancy was less than ADAMHA-wide; and (8) of the 385 advisory committee members, 43 were minorities and 87 were women.

Open Recommendations to Agencies

Recommendation: The Secretary of Health and Human Services should direct the Administrator, ADAMHA, to compile race and sex data to the extent possible on all who apply for competitive vacancy announcements.

Status: Action in process. HHS concurred with this recommendation, but stated that complete race and sex data were only available for ADAMHA

employees who apply. HHS stated there is no system in place to routinely track the status of ADAMHA applicants for merit promotion announcements, but added that the ADAMHA Office of Equal Employment Opportunity will monitor these data to assess responsiveness to vacancy announcements.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, ADAMHA, to compile and maintain race and sex data on the composition of QRB.

Status: Action not yet initiated.

Recommendation: The Secretary of Health and Human Services should direct the Administrator, ADAMHA, to prepare documentation to show that Office of Equal Employment Opportunity representatives reviewed vacancy announcements, observed QRB meetings, and granted waivers when the minimum area of consideration for a vacancy was less than ADAMHA-wide.

Status: Action not yet initiated.

Procurement - Other Than Defense

Postal Procurement: An Assessment of Postal Purchasing Practices

GGD-88-65, 05/12/88

Background

In response to a congressional request, GAO reviewed the procurement policies, processes, and practices of the U.S. Postal Service (USPS) and its Board of Governors to determine the: (1) controls USPS applied to large contracts to help deter fraud and ensure that the government was getting what it paid for; and (2) extent to which members of the Board of Governors were involved in selecting contractors.

Findings

GAO found that: (1) USPS normally applied generally accepted controls to the 109 large contracts it reviewed; (2) all of the 48 negotiated contracts reviewed had written approvals at a level above the contracting officer; (3) USPS used the Commerce Business Daily (CBD) to publicize 82 of the 92 contracts it was required to; (4) contracting officials determined contractors' responsibility in terms of productivity and financial strength before awarding contracts in all cases; (5) USPS performed audits of contractors' prices, when warranted, to determine price reasonableness; (6) contract files included the documents used to justify accepting the contract price for all 48 negotiated contracts; and (7) 59 of the 61 formally advertised solicitations received multiple bids. GAO also found recurring weaknesses in USPS procurement practices in 44 of the 109 contracts, including: (1) lack of data justifying its sole-source contracts; (2) unwarranted costs incurred for minority

business enterprise (MBE) contracts; (3) the use of basic ordering agreements (BOA) for large orders without competition; (4) lack of documentation of fair and reasonable prices in its negotiated contract files; and (5) use of restrictive, incomplete, or outdated specifications. In addition, GAO found that: (1) Board members were generally not involved in contractor selection; and (2) USPS implemented a 3-year plan to improve procurement and supply, including a new procurement manual.

Open Recommendations to Agencies

Recommendation: The Postmaster General should direct the Assistant Postmaster General, Procurement and Supply, to take action to improve USPS purchasing practices for large-dollar contracts by requiring written justification approving sole-source procurements to include information on: (1) the efforts to find competition and the circumstances that prevented a competitive award; (2) reasons why only one contractor was determined to have the capability and experience required; and (3) plans to ensure future purchases are made competitively.

Status: Action in process. Estimated completion date: 03/89. USPS is finalizing an instruction that requires a thorough justification review and specific approval for all noncompetitive contract awards. The Office of Procurement has initiated a process that requires a structural review of the requisitioning activity's sole-source

justification, endorsement by the contracting officer, and clearance through the Director before submitted for approval.

Recommendation: The Postmaster General should direct the Assistant Postmaster General, Procurement and Supply, to take action to improve USPS purchasing practices for large-dollar contracts by strengthening review procedures and criteria to ensure that MBE contracts will not result in unwarranted costs.

Status: Action in process. Estimated completion date: 03/89. USPS is developing a new MBE program to obtain a better balance between MBE contracting and good business decisions. A management instruction is being drafted that will discourage the practice of subcontracting a substantial portion of MBE contracts to non-MBE firms. Past policy of allowing MBE contracts to be awarded when the price is 110 percent of postal estimate has been eliminated.

Recommendation: The Postmaster General should direct the Assistant Postmaster General, Procurement and Supply, to take action to improve USPS purchasing practices for large-dollar contracts by emphasizing the need to include convincing evidence in the contract file that the price of negotiated contracts is fair and reasonable.

Status: Action in process. Estimated completion date: 12/89. The new USPS Procurement Manual advocates internal focus on steps to systemize, standardize,

and document negotiated contract cost and price analysis techniques. USPS is also establishing a new Contract Pricing Division that is expected to provide additional staff and expertise in cost/price analysis techniques.

Recommendation: The Postmaster General should direct the Assistant

Postmaster General, Procurement and Supply, to take action to improve USPS purchasing practices for large-dollar contracts by reinforcing the requirement that specifications used should be accurate, complete, and current. **Status:** Action in process. Estimated completion date: 03/89. USPS assigned the new Office of Technical Support

responsibility for the adequacy and quality of specification packages. USPS has also hired a consulting firm to improve the technical data packages used for large dollar recurring procurements.

Transportation

Air Transportation

Airline Competition: Impact of Computerized Reservation Systems

RCED-86-74, 05/09/86

Background

Pursuant to a congressional request, GAO examined the effects of airline-owned computerized reservation systems on competition in the airline industry, focusing on: (1) conflicting studies on system profitability conducted by two system-vendor airlines and a consultant; and (2) a Department of Justice report on the structure and performance of the market.

Findings

GAO found that: (1) a group of airlines has charged that the airlines that own the two largest systems have used them to create an unfair competitive advantage; (2) before the now-defunct Civil Aeronautics Board (CAB) promulgated system rules in 1984, systems used biased screens which displayed the owning airlines' flights first in the listings of available flights; and (3) other airlines have charged that vendor airlines also charge unreasonably high rates to competitors for system participation and use information gained from their systems to gain an unfair advantage. GAO also found that: (1) the consultant study reported that the two airlines underreported the profitability of their systems; (2) the consultant overestimated potential incremental revenues for the two vendor airlines, but the airlines erroneously determined that they would earn no incremental

revenues for the period after CAB implemented its regulations; and (3) while the study was flawed, its conclusion that the two airlines underestimated potential profitability was accurate. In addition, GAO found that Justice reported that: (1) the market will probably remain highly concentrated, with the two largest airline-owned systems controlling about 70 percent of all domestically booked travel revenue; (2) the prospects for a new entry into the market are slim unless a competitive group buys out a smaller system and attempts to make it more competitive; and (3) vendor airlines could still use their market power to increase booking fees for airlines using their systems.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should undertake the two studies regarding the persistence of incremental revenues and the effect of booking fees on competition, and take additional action, if warranted by the results of the studies, to enforce compliance with or to strengthen the computerized reservation system rules. **Status:** Action in process. The Department of Transportation (DOT) is completing its data collection effort and has begun sifting through the data collected. A report was issued in May

1988 as a result of congressional hearings. DOT is required to report monthly, beginning in November 1988.

Recommendation: The Secretary of Transportation should report to the concerned committees of Congress on the results of the studies and any actions planned.

Status: Action in process. A report was issued in May 1988. DOT is now working with Congress and is providing monthly status reports as final decisions are being made on what specific actions will be taken from study results.

Recommendation: To assess the possible persistence and size of incremental revenues, DOT should study the behavior of individual travel agents who subscribe to different system vendors in the post-rule period.

Status: Action in process. The collection effort was completed and a report was issued in May 1988.

Recommendation: To assess the anticompetitive effects of booking fees, DOT should examine the potential anticompetitive effects of these fees in specific types of air travel markets. The study should also examine the likely impacts of possible remedies to the anticompetitive effects of booking fees. **Status:** Action in process. The collection effort was completed and a report was issued in May 1988.

Air Transportation

Aviation Safety: Needed Improvements in FAA's Airline Inspection Program Are Underway

RCED-87-62, 05/19/87

Background

In response to a congressional request, GAO examined the Federal Aviation Administration's (FAA): (1) ability to maintain airline safety standards in a deregulated environment; and (2) actions to correct weaknesses in its inspection program.

Findings

GAO found that FAA: (1) did not develop a system for monitoring deregulation's impact; (2) decreased its inspection force by 250 between 1981 and 1983, although it did not have staffing standards to provide a framework for determining how many inspectors it needed; (3) failed to collect inspection data and often did not identify major safety problems or ensure their correction through appropriate follow-up; (4) lacked guidelines concerning the needed frequency and scope of inspections; and (5) gave priority to certifying new airlines while existing airlines were experiencing safety compliance problems due to rapid growth and personnel turnover. GAO also found that FAA has begun to address these problems by: (1)

increasing its inspector work force; (2) establishing minimum inspection standards; (3) improving its internal control and management information systems; and (4) instituting a National Inspection Plan (NIP), using specially assembled teams to inspect targeted airlines.

Open Recommendations to Agencies

Recommendation: To help expedite the implementation of FAA efforts and better ensure their effectiveness, the Secretary of Transportation should direct the Administrator, FAA, to ensure that the FAA management information system is adequate to: (1) identify who is inspecting which airlines, thereby permitting FAA to better allocate its inspector work force and identify the current training needs of all of its inspectors; and (2) analyze nationwide inspection results for each airline to provide FAA with a better picture of each airline's compliance with safety regulations.

Status: Action in process. Estimated completion date: 12/88. A paper that examines alternatives for rehosting the

Work Program Management Subsystem and other Burroughs applications to an IBM-compatible microcomputer environment has been completed. A decision to proceed is pending management review.

Recommendation: To help expedite the implementation of FAA efforts and better ensure their effectiveness, the Secretary of Transportation should direct the Administrator, FAA, to develop a plan to ensure that the extensive software and handbook revisions, as well as the retraining necessary to effect the smooth changeover to the new type of microcomputer for the Work Program Management Subsystem, have been made by mid-1988, when the new computers are expected to be available for use.

Status: Action in process. A paper that examines alternatives for rehosting the Work Program Management Subsystem and other Burroughs applications to an IBM-compatible microcomputer environment has been completed. A decision to proceed is pending management review.

Air Transportation

FAA Staffing: Challenges in Managing Shortages in the Maintenance Work Force

RCED-87-137, 09/25/87

Background

Pursuant to a congressional request, GAO examined the adequacy of the Federal Aviation Administration's (FAA) maintenance staffing, focusing on the impact of the: (1) current staffing situation on the air traffic system; and (2) projected attrition of maintenance personnel on staffing requirements.

Findings

GAO found that: (1) FAA hiring restrictions, staffing priorities, and failure to receive budget approval for additional staffing caused critical technician vacancies; (2) staffing shortages seriously impaired air traffic maintenance services; (3) increased work loads affected staff morale; (4) the outlook for technician staffing was not good, due to the large number of prospective retirements and the long training period for replacements; and (5) the performance data used for management analysis did not accurately reflect current conditions in the field.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to improve the

airway facilities staffing standard validation process by: (1) requiring the field to review and verify facility inventories; (2) linking staffing projections to facility-specific data available through the systems engineering and integration contractor data base; and (3) estimating pipeline staffing needs.

Status: Action in process. On-site field reviews are scheduled for completion by the end of the calendar year. Data will be incorporated into the systems engineering and integration contractor data base for compatibility with the staffing standard system. Assessments of pipeline staffing requirements will be conducted.

Recommendation: The Secretary of Transportation should establish staffing targets for field maintenance at a level approaching authorized positions to provide a technician pipeline to replace anticipated attrition over the next 5 years.

Status: Action in process. Staffing targets are being developed as part of the fiscal year 1989 process to include projections over the next 3 to 4 years, which will be based on a detailed analysis in relation to the staffing standards.

Recommendation: The Secretary of Transportation should submit these targets and a funding plan to support hiring to these levels to the appropriate congressional committees.

Status: Action in process. Budget submissions will include projections based on staffing standards and detailed analysis of requirements.

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to consider the options discussed above, such as rehiring retirees and redistributing the work force, to deal with situations where field staffing is already critical.

Status: Action in process. FAA is working on proposals to permit the payment of full salary to reemployed annuitants.

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to standardize the preventive maintenance reporting system.

Status: Action in process. Improvements to reporting systems are in process.

Air Transportation

Aviation Weather: Status of FAA's New Hazardous Weather Detection and Dissemination Systems

RCED-87-208, 09/29/87

Background

Pursuant to a congressional request, GAO reviewed the Federal Aviation Administration's (FAA) efforts to: (1) develop better ground-based hazardous weather detection systems; and (2) disseminate weather information to pilots in a more timely manner.

Findings

GAO found that: (1) the enhanced low-level wind-shear alert system (LLWAS) could not detect wind shears that occurred above or below its ground-based sensors; (2) the terminal next-generation weather radar has a much greater range and is more accurate than LLWAS in detecting wind shears; (3) FAA will replace LLWAS with the terminal doppler weather radar when it becomes available; (4) FAA plans to award a

procurement contract for 100 doppler radars in 1988, although the radar has not realized some performance objectives; (5) some of the doppler radar's performance objectives could require competing siting and scanning strategies; (6) FAA was uncertain on how best to use its improved weather detection data; and (7) an effective communication system to inform pilots of weather conditions was at least a decade away.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to inform the Department of Transportation and Congress of any performance objectives that the terminal doppler weather radar cannot meet and their impact on safety

and cost before committing funds for a procurement contract.

Status: Action in process. Before committing funds to procure terminal doppler weather radar, FAA plans to inform the Department and Congress if any performance objectives cannot be met. FAA continues to comply with this requirement.

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to develop guidance on how air traffic controllers are to monitor the airport surveillance radar weather display and what hazardous weather information they are to disseminate to pilots.

Status: Action in process. Westinghouse is having problems optimizing its system. FAA air-traffic expects to begin testing by the end of 1988.

Air Transportation

Aviation Safety: Commuter Airports Should Participate in the Airport Certification Program

RCED-88-41, 11/18/87

Background

In response to a congressional request, GAO evaluated the Federal Aviation Administration's (FAA) requirements for participation in its Airport Certification Program, particularly: (1) its requirement for commuter airlines with

30 or fewer passenger seats; (2) the program's safety benefits and cost-effectiveness; and (3) alternative requirements and their impact on commuter airports.

Findings

GAO found that: (1) airports that serve only commuter airlines with less than 31 passengers cannot acquire certification; (2) many currently certified airports could lose their certification because

they no longer meet FAA participation requirements; (3) the program has increased airport safety by reducing the risk of accidents and enhancing airports' ability to deal with accidents; (4) airport certification costs ranged from \$25,000 to \$313,000 for capital costs, \$8,200 to \$77,000 for annual operating costs, and \$820 to \$2,100 for FAA inspection and recertification; (5) a grant program under the Airport and Airway Improvement Act of 1982 could cover most of airports' capital costs; and (6) implementation of alternative participation requirements would increase the number of certified commuter airports.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to change the participation requirements for the Airport Certification Program to require certification for all airports that receive regularly scheduled service. If the Secretary deems it necessary to resolve uncertainty over his authority to certify commuter airports, he should seek specific authority from Congress.

Status: Action in process. The Department of Transportation (DOT) is currently assessing its statutory authority to determine whether or not

these recommendations can be implemented through rulemaking.

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to develop a new category of certification for low-activity airports that would require full implementation of the risk reduction features of the airport certification program and allow the use of alternatives for crash, fire, and rescue equipment.

Status: Action in process. DOT agrees and if DOT has rulemaking authority, changes to Part 139 will be proposed to include a new category for low-activity airports.

Air Transportation

Aviation Security: Improved Controls Needed To Prevent Unauthorized Access at Key Airports

RCED-88-86, 01/29/88

Background

GAO reviewed the Federal Aviation Administration's (FAA) domestic civil aviation security program.

Findings

GAO found that, at the nation's highest-risk airports, aviation services firms: (1) could not properly account for their terminated employees' identification badges; (2) failed to challenge unidentified personnel who gained access to restricted airport areas; and (3) allowed employees with identification to bypass screening. GAO also found that FAA: (1) required airport and airline employees to undergo full security screening, effective December 21, 1987; and (2) plans to require all U.S. airports

to acquire automated identification systems.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct FAA to require air carrier and airport officials to inventory identification badges.

Status: Action in process. Corrective actions were initiated and included in the amendment to the Air Carrier Standard Security Program and rulemaking process initiated on March 1988.

Recommendation: The Secretary of Transportation should direct FAA to ensure that appropriate controls over

identification systems are implemented where needed.

Status: Action in process. Action was taken as indicated by development of procedures distributed to airport operators and carriers for comment and initiation of the rulemaking process.

Recommendation: The Secretary of Transportation should direct FAA to reemphasize the responsibility of aviation employees to challenge unauthorized persons and to properly display employee identification badges.

Status: Action in process. Action was taken as indicated by development of procedures distributed to airport operators and carriers for comment and initiation of the rulemaking process.

Air Transportation

Aviation Services: Automation and Consolidation of Flight Service Stations

RCED-88-77, 02/08/88

Background

Pursuant to a congressional request, GAO reviewed the Federal Aviation Administration's (FAA) program to consolidate and automate its flight service stations, focusing on: (1) whether the new automated system is performing all FAA-required services and the quality of those services; (2) the effect of technical problems experienced at the automated stations; and (3) the effect of staff constraints on automated operations.

Findings

GAO found that the automated stations: (1) are performing all FAA-required services, although the manner in which they provide services has changed; (2) do not provide weather observations; and (3) are experiencing technical problems involving computer systems, telephone

lines, data lines, and telephone and radio communications. GAO also found that: (1) FAA contracted for weather observation services in areas that permanently closed stations formerly served; and (2) FAA is testing an automated weather observing system to replace the observers. In addition, GAO found that staffing and consolidation constraints: (1) have delayed achievement of anticipated productivity gains; (2) have increased the number of stations with reduced hours that FAA has not been able to close; and (3) will probably continue until consolidation is complete.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to not further reduce the flight service specialist work

force until after the flight service stations are closed and performance standards and staffing levels can be developed for the automated stations. **Status:** Action not yet initiated. Action is not expected to be initiated until fiscal year 1993 when final flight service stations are closed.

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to ensure that the automated weather observing systems, acquired to replace contracted weather observers for areas formerly served by stations that have been closed, meet all FAA weather forecasting operational requirements.

Status: Action in process. FAA Advisory Circular 150/5220-16, Automated Weather Observing Systems (AWOS) for Non-Federal Applications, contains all the requirements for weather forecasting.

Air Transportation

Airport Noise: FAA's Enforcement of Noise Rules at National Airport

RCED-88-117, 04/15/88

Background

In response to a congressional request, GAO reviewed the Federal Aviation Administration's (FAA) monitoring and enforcement of aircraft noise rules at Washington National Airport.

Findings

GAO found that: (1) between January 1982 and June 1987, FAA monitored all flights between 10 P.M. and 7 A.M. for compliance with the nighttime rule and

imposed penalties for violations; (2) FAA exempted noncompliant operations which it determined were beyond operator control; (3) during the past 6 years, flights during peak traffic hours have exceeded high-density rule limits

by up to 13 percent; (4) since its monitoring equipment broke down in 1985, FAA has relied on voluntary operator compliance with the airport's noise abatement procedures; and (5) it was unable to determine the number of violations or the rate at which FAA imposed penalties, since FAA did not maintain adequate records. GAO noted that the Metropolitan Washington Airports Authority budgeted funds to purchase monitoring equipment as part of its responsibility for noise abatement.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to: (1) monitor all—or a systematic, generalizable sample of—operations at high-density airports, including National Airport, for compliance with the high-density rule; and (2) maintain a system of records of the violations identified and its disposition of them in a form that will

enable FAA to evaluate its overall monitoring and enforcement effort. **Status:** Action taken not fully responsive. No specific actions have been initiated in response to this recommendation. However: (1) air carrier and commuter flights are monitored preventing scheduling of flights in excess of the number of slots held or fly outside hours of slots without detection by FAA, and (2) FAA is maintaining records of enforcement actions and also inquiries into situations which may lead to enforcement.

Air Transportation

Microwave Landing Systems: Additional Systems Should Not Be Procured Unless Benefits Proven

RCED-88-118, 05/16/88

Background

Pursuant to a congressional request, GAO reviewed the Federal Aviation Administration's (FAA) National Airspace System Plan, focusing on: (1) the justification and requirements for replacing its improved instrument landing systems (ILS) with microwave landing systems (MLS); (2) potential MLS operational and economic benefits; (3) the MLS siting strategy; and (4) industry and user association views of ILS and MLS.

Findings

GAO found that FAA: (1) first justified its need for MLS in 1969, citing concerns about ILS reliability and limitations and projected large increases in air traffic volume; (2) planned to replace ILS with MLS, although it did not reassess its needs by taking into consideration substantial ILS improvements and lower-than-projected traffic volumes; (3)

experienced significant delays and increased program costs for MLS production and testing; (4) has not adequately assessed potential MLS benefits or identified its limitations; (5) requested \$20 million to initiate a second MLS procurement and to develop the avionics to demonstrate MLS benefits; (6) is developing plans to test MLS at two airports; and (7) developed its list of MLS implementation sites without considering test results, cost benefits, and user support. GAO also found that: (1) both national and international air carriers were generally satisfied with ILS capabilities; (2) regional and commuter airlines generally supported MLS; and (3) commercial and general aviation pilots' views toward MLS differed.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should require the Administrator, FAA, to reassess the requirements to replace ILS with MLS, recognizing improvements to ILS and current and expected air traffic growth. The reassessment should consider: (1) improved ILS reliability; (2) increases in the number of available ILS channels; (3) reduced ILS siting problems; and (4) the ability of aircraft to land using ILS in lower ceiling and visibility minimums than previously possible.

Status: Action in process. FAA is reviewing the second MLS procurement and developing a plan outlining operational demonstrations and a prototype program at the direction of the Deputy Secretary.

Recommendation: The Secretary of Transportation should direct the

Administrator, FAA, to demonstrate MLS benefits by testing the system in the challenging airport environments in which it is to be used. This should be done before proceeding with further MLS procurements. The operational tests should involve: (1) wide-bodied aircraft; (2) landing at major hub airports having difficult and complex operating requirements; (3) both good and poor weather conditions; (4) both curved and segmented approaches; and (5) operating under the control of FAA traffic controllers and interfacing with the air traffic control environment. **Status:** Action in process. FAA is reviewing the second MLS procurement and developing a plan outlining operational demonstrations and a prototype program at the direction of the Deputy Secretary.

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, not to proceed with the planned second MLS procurement unless the assessment of ILS improvements and air traffic growth, as well as the operational testing of MLS, have been completed. In the interim, FAA must accept delivery of 178 MLS and should use them: (1) in operational tests; (2) on some international runways, if internationally scheduled airlines are willing to acquire the necessary on-board avionics; (3) at locations that qualify for a precision landing system, but where FAA can clearly show that ILS can not be sited because of terrain or obstacles in the approach or missed approach path; and (4) at heliports. **Status:** Action in process. FAA is reviewing the second MLS procurement

and developing a plan outlining operational demonstrations and a prototype program at the direction of the Deputy Secretary.

Recommendation: The Secretary of Transportation should require the Administrator, FAA, to take the action necessary to maintain ILS as the primary landing system nationally and internationally until the assessment, analysis, and demonstrations have been completed.

Status: Action in process. FAA is reviewing the second MLS procurement and developing a plan outlining operational demonstrations and a prototype program at the direction of the Deputy Secretary.

Air Transportation

Aviation Safety: Airlines Should Check Pilot Applicants' Safety History

RCED-88-154, 06/07/88

Background

Pursuant to a congressional request, GAO: (1) identified Federal Aviation Administration (FAA) regulations regarding commercial airline pilot hiring practices; (2) assessed the type and availability of FAA pilot safety background information; and (3) determined whether airlines verified pilot safety background information.

Findings

GAO found that: (1) FAA required airline pilots to have a valid FAA certificate; (2) FAA required airlines to perform a security background check, which included employment verification

for the last 5 years, but not a check of pilot accident, incident, or violation histories; (3) airlines were largely responsible for developing their own hiring criteria; (4) many airlines required pilot applicants to undergo physical examinations and psychological, drug, and proficiency tests; (5) FAA maintained data bases containing records of all pilots' safety histories and certificates, which airlines could inspect; and (6) almost all airlines surveyed knew that the FAA data bases existed. GAO also found that: (1) all the airlines surveyed obtained a copy of pilot certificates, but 62 percent did not verify certificate validity with FAA; and (2) 92 percent of the airlines surveyed obtained

safety background information from pilot applicants, but 23 percent of these airlines did not verify reported safety transgressions with FAA, and 56 percent did not verify applicants' reported lack of transgressions.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to inform all airlines about how to access the Airman and Aircraft Registry; the Accident/Incident Data System; and the Enforcement Information System.

Status: Action in process. Action is being taken to inform air executives of the existence of data bases and their availability in making pilot-hiring decisions. A centralized addressee has been established so that a single inquiry is all that is required to access both data bases.

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to encourage airlines to verify each pilot applicant's certificate validity with the Airman and Aircraft Registry and verify the pilot's flying safety history with FAA's Accident/Incident Data System and the Enforcement Information System and

use this information in making pilot-hiring decisions.

Status: Action in process. Action is being taken to inform air executives of the existence of data bases and their availability in making pilot-hiring decisions. A centralized addressee has been established so that a single inquiry is all that is required to access both data bases.

Air Transportation

FAA Staffing: Improvements Needed in Estimating Air Traffic Controller Requirements

RCED-88-106, 06/21/88

Background

Pursuant to a congressional request, GAO examined the Federal Aviation Administration's (FAA) standards for estimating its air traffic controller staffing requirements, focusing on: (1) whether the standards reasonably projected staffing requirements; (2) how FAA used the standards; and (3) how FAA can improve the standards and their use.

Findings

GAO found that FAA understated its staffing requirements, since: (1) its controller staffing standards did not adequately reflect work-load complexity, peak traffic conditions, actual operating conditions at terminals and centers, attrition, and training needs; and (2) it used orders rather than computer models to determine its other personnel needs. GAO also found that: (1) Congress offset the possible impact of underestimated staffing needs by authorizing more staffing than FAA requested; (2) FAA adopted the current standards in 1981, but has not yet

officially published or effectively communicated them to regional and facility managers; (3) FAA regional and facility managers used their own unvalidated processes and formulas for estimating staffing needs and did not use the current standards as management tools or for productivity measures; and (4) FAA has not revalidated or updated the current standards and has not established a process for doing so.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to revise the terminal and center staffing standards to better reflect actual field operations. **Status:** Action in process. Revisions to the staffing standard are in process, with periodic updates to be implemented in fiscal year (FY) 1989.

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to require field facilities to establish tracking systems to

verify how frequently supervisors and other staff are working as controllers.

Status: Action in process. FAA agrees with the recommendation and is studying alternatives.

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to refine the controller pipeline formula to reflect both historical attrition and anticipated losses. For example, the pipeline allowance could: (1) cover a percentage of either the budget year's or a future year's retirement-eligible controllers; and (2) include additional positions for lower-level terminals, which serve as training grounds for controllers who progress to higher-level terminals. **Status:** Action in process. FAA is reviewing GAO comments that FAA must also calculate an attrition factor and then add an allowance for retirement eligibles rather than only factoring past retirees into its overall attrition.

Recommendation: The Secretary of Transportation should direct the

Administrator, FAA, to base its overhead staffing requirements on operational needs and facility work load. **Status:** Action in process. FAA is reviewing GAO comments on the adequacy of work-load staffing requirements because of FAA orders limiting the number of positions a facility can have.

Recommendation: To improve the process it uses to determine air traffic controller staffing requirements, the Secretary of Transportation should direct the Administrator, FAA, to establish and use a formal validation process to ensure that the standards are accurate and current.

Status: Action in process. FAA is addressing the issue of a formal validation and feedback process and incorporating changes into directives. FAA plans to update its order on the air traffic staffing standards in FY 1989.

Recommendation: To improve the process it uses to determine air traffic controller staffing requirements, the Secretary of Transportation should direct the Administrator, FAA, to establish a formal feedback process for communicating with facility managers to ensure adequate consideration of staff needs for each facility.

Status: Action in process. FAA is addressing the issue of a formal validation and feedback process and incorporating changes into directives. FAA plans to update its order on the air traffic staffing standards in FY 1989.

Recommendation: To improve the process it uses to determine air traffic controller staffing requirements, the Secretary of Transportation should direct the Administrator, FAA, to update the 1980 order on air traffic staffing standards to reflect the

standards and process actually used by FAA. **Status:** Action in process. FAA is addressing the issue of a formal validation and feedback process and incorporating changes into directives. FAA plans to update its order on the air traffic staffing standards in FY 1989.

Recommendation: To improve the process it uses to determine air traffic controller staffing requirements, the Secretary of Transportation should direct the Administrator, FAA, to train facility managers on the staffing standards and process and in ways to use the standards to maximize resource utilization.

Status: Action in process. FAA is studying the approach to provide training on the standards to field managers and is proposing that staffing standards be included as part of all management training.

Air Transportation

Aircraft Noise: Implementation of FAA's Expanded East Coast Plan

RCED-88-143, 08/05/88

Background

Pursuant to a congressional request, GAO reviewed the Federal Aviation Administration's (FAA) implementation of its Expanded East Coast Plan, focusing on: (1) agencies' responsibilities for assessing the environmental impact of revising air routes and flight procedures; (2) the plan's effects on noise and air routes; (3) how FAA measured aircraft noise; (4) reasons why FAA did not perform an environmental assessment of the plan; and (5) actions FAA took in response to citizens'

complaints regarding increased aircraft noise.

Findings

GAO found that FAA: (1) designed the plan to reduce air traffic delays by revising air traffic control routes and flight procedures; (2) had sole responsibility for assessing the plan's environmental impact and used a measure of day-night noise level (Ldn) to determine cumulative exposure to aircraft noise; (3) did not assess the plan's environmental impact, based on

its long-standing policy to exempt routes and flight procedures carried out at over 3,000 feet from such assessment; and (4) concluded that the plan significantly reduced flight delays, but failed to link any delay reductions to specific plan components. GAO also found that: (1) the plan resulted in three new departure routes, two new arrival routes, and six realigned routes over New Jersey; (2) New Jersey residents lodged numerous complaints about increased aircraft noise after the plan's implementation; (3) a 1-day FAA study in one affected area showed aircraft noise to be within FAA

guidelines; and (4) in response to citizen complaints, FAA directed air traffic controllers to, when possible, direct flights along more varied paths to spread traffic over a wider area.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to improve the

information base available on which to assess the merits of the Expanded East Coast Plan and other such major airspace changes by: (1) preparing an environmental assessment of the effects of the plan and, if significant impacts from the plan are found, preparing an environmental impact statement; (2) making a qualitative determination of which portions of the reduced delays are due to the plan and which are due to other factors; and (3) preparing an

environmental assessment of any major proposal for making widespread air route or flight procedure changes on the West Coast or in other areas of the country where delays and congestion warrant such changes.

Status: Action in process. The Department of Transportation continues to work with state and local authorities concerning the East Coast Plan and reviewing the local study results in the impact of the Expanded East Coast Plan.

Air Transportation

Airspace Use: FAA Needs to Improve Its Management of Special Use Airspace

RCED-88-147, 08/05/88

Background

In response to a congressional request, GAO evaluated the Federal Aviation Administration's (FAA) management of special-use airspace set aside for military training, focusing on its: (1) approval process for special-use proposals; and (2) monitoring of existing special-use airspace.

Findings

GAO found that FAA: (1) lacked adequate data to effectively manage special-use airspace areas and did not require military services to provide such data; (2) did not establish guidance for its regions to reduce or eliminate inappropriate use of special airspace areas; and (3) planned to discuss its role in evaluating military environmental assessments in special-use proposals with the Council on Environmental Quality. GAO noted that, in 1987, two Navy staff studies on special-use airspace utilization showed that the Navy: (1) lacked a

standard, centralized system for documenting and reporting its airspace usage; and (2) inefficiently and inappropriately used special airspace areas.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to require standardized user reporting of actual usage data for restricted areas and expand the reporting requirement to other areas, such as military operations areas.

Status: Action in process. FAA has established a Military Operations Division with an integral element being a joint FAA-Department of Defense National Airspace Management Facility (NAMFAC) which will collect standardized data and analyze airspace utilization.

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to review periodically the usage reports and ensure that the airspace is being used for the designated purpose.

Status: Action in process. NAMFAC and regions will conduct these evaluations.

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to establish standards for measuring the effectiveness of special-use airspace utilization to develop a starting point for all regional discussion of modification or disestablishment of special-use airspace.

Status: Action in process. Guidance is being developed which will establish threshold usage levels triggering a detailed review of continued need considering frequency of use and types of activities performed for the purpose of determining airspace modification or revocation.

Air Transportation

Aviation Security: Corrective Actions Underway, but Better Inspection Guidance Still Needed

RCED-88-160, 08/23/88

Background

In response to a congressional request, GAO evaluated the Federal Aviation Administration's (FAA) Civil Aviation Security Program to determine the effectiveness of FAA inspection efforts to identify and rectify domestic security deficiencies.

Findings

GAO reviewed inspection programs at six large airports and found that: (1) FAA lacked adequate controls over personnel identification systems and air operations access points; (2) inspectors did not verify personnel and vehicle identification systems, but relied on airport or air carrier officials' descriptions and judgments; and (3) passenger-screening processes needed

improvement to ensure their effectiveness in preventing passengers from carrying weapons on board airplanes. GAO also found that FAA: (1) has addressed several systemic security problems at major airports; (2) required airport operators to install computer-controlled identification systems for access to restricted areas; and (3) increased the penalties on carriers for screening system failures.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to develop appropriate testing and verification procedures to determine the adequacy of key security features, such as lock-and-

key controls and personnel and vehicle identification systems.

Status: Action not yet initiated.

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to issue clear instructions to inspectors on the use of these procedures during the inspection process.

Status: Action not yet initiated.

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to incorporate these procedures and associated instructions into the inspectors' formal training curriculum to ensure that they are adequately trained in the inspection process to be followed.

Status: Action not yet initiated.

Air Transportation

FAA Staffing: Recruitment, Hiring, and Initial Training of Safety-Related Personnel

RCED-88-189, 09/02/88

Background

Pursuant to a congressional request, GAO examined the Federal Aviation Administration's (FAA) progress in meeting congressionally mandated staffing goals for air traffic controllers, aviation safety inspectors, and maintenance technicians, focusing on its:

(1) employment qualifications; and (2) recruitment, hiring, and initial training programs.

Findings

GAO found that FAA: (1) was behind planned hiring levels for inspectors and maintenance personnel, but expected to

meet fiscal year (FY) staffing goals; and (2) expects to fall 518 controllers short of its FY 1988 staffing goal. GAO also found that controller shortages resulted from: (1) the lack of a national, centralized recruitment policy and resultant failure to attract high-quality candidates; (2) the time-consuming hiring process, averaging 11.5 months,

before candidates enter the FAA Academy for training; (3) the large number of candidates who did not complete training; and (4) field placement of trainees without consideration of individual candidates' test scores, performance levels, and organizational and personal needs. In addition, GAO found that FAA is studying ways to redesign, reorganize, and modernize its training programs for controllers, inspectors, and technicians.

Open Recommendations to Agencies

Recommendation: To improve FAA recruitment and retention of controllers,

the Secretary of Transportation should direct the Administrator, FAA, to develop a systematic and coordinated national recruiting strategy targeted to those individuals most likely to have the potential to be a controller. As part of such a strategy, FAA could, for example, specify standard minimum requirements for the frequency of testing and updating controller registers, canvassing schools, and job fairs.
Status: Action not yet initiated.

Recommendation: To improve FAA recruitment and retention of controllers, the Secretary of Transportation should direct the Administrator, FAA, to integrate the results of the Civil

Aeromedical Institute's research on Academy failures and withdrawals into its training and guidebook for interviewers so that they can better assess an applicant's qualifications.
Status: Action not yet initiated.

Recommendation: To the extent practicable, the Administrator, FAA, should, consistent with the agency's own placement policy, place Academy graduates at field facilities according to their performance during the screening program.
Status: Action not yet initiated.

Air Transportation

Aviation Safety: Enhanced Requirements Can Improve Commuter Pilot Training

RCED-88-218, 09/28/88

Background

Pursuant to a congressional request, GAO reviewed the Federal Aviation Administration's (FAA) commuter airline pilot training regulations, specifically: (1) changes in the commuter airline industry; (2) commuter and major airline pilot training regulatory requirements; and (3) commuter airline accident reports and statistics.

Findings

GAO found that: (1) commuter airlines are flying more passengers, on more routes, in larger, more complex planes, but have been losing experienced pilots to major airlines; (2) copilots are often upgraded to captain more rapidly than

in the past, allowing less time for them to accumulate experience; (3) commuter and major airline pilot training regulations are similar, except that the commuter regulations do not specify required minimum training hours or flight training requirements; (4) accident investigation statistics showed that pilots were a factor in 57 percent of commuter airline accidents between 1980 and 1984 and 95 percent in 1985; and (5) recent accident investigations cited problems with cockpit resource management, including crew coordination, standard operating procedures, and pilot decisionmaking, rather than the pilots' flying ability or equipment problems.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the Administrator, FAA, to include as part of the forthcoming rulemaking for commuter pilot training: (1) guidance describing minimum training program requirements using standards such as pilot performance criteria or required training hours; (2) guidance describing required flight training maneuvers and procedures; and (3) requirements for cockpit resource management training, including crew coordination, standard operating procedures, and pilot decisionmaking, and guidance describing acceptable training programs.
Status: Action not yet initiated.

Ground Transportation

Stronger Enforcement Would Help Improve Motor Carrier Safety

RCED-85-64, 09/05/85

Background

GAO reviewed the motor safety enforcement program that is carried out by the Federal Highway Administration's (FHWA) Bureau of Motor Carrier Safety (BMCS), focusing on the extent of BMCS oversight of such activities as: (1) the selection of motor carriers and shippers for safety audits; (2) assessment of motor carriers' and shippers' safety compliance; (3) the correction of deficiencies identified by safety audits; and (4) a new program to provide grants for state safety enforcement activities.

Findings

GAO found that: (1) while BMCS provides safety investigators with a carrier audit selection priority list, it does not require them to use it; (2) the priority list allows deviations for third-party complaints, accidents involving carriers not on the list, or other unusual circumstances; (3) BMCS regional offices use different criteria and judgment in selecting carriers for audit; and (4) BMCS has not established a similar priority list for shippers. GAO also found that: (1) there was a wide variance among the overall safety ratings

recommended by BMCS investigators; (2) while investigators may be preparing ratings in accordance with the established criteria, BMCS has not analyzed the reasons for the differences; (3) there was a wide variance among actions taken by investigators after audits that resulted in unsatisfactory ratings; (4) BMCS regional offices do not always comply with processing standards to ensure timely processing of enforcement cases; (5) BMCS does not have criteria for ensuring that assessed fines are consistent with the severity of violations found; (6) BMCS and FHWA do not always adequately document justifications for assessed fines; and (7) BMCS organizational structure hampers the effective and uniform implementation of the safety program. In addition, GAO found that, for the grant program, BMCS has not: (1) developed clear program goals; (2) defined federal and state roles and responsibilities; (3) established program information needs; or (4) developed program evaluation mechanisms.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the

Administrator, FHWA, to develop and provide criteria for safety investigators that identify specific conditions and factors to be used for rating individual parts of the regulations as well as for the overall ratings.

Status: Action in process. A new FHWA safety fitness rule was developed and transmitted to the Office of Management and Budget. Anticipated issue date is December 1988.

Recommendation: The Secretary of Transportation should direct the Administrator, FHWA, to establish procedures for monitoring the processing of enforcement cases to include the time taken between the various stages in the penalty process, analyzing and comparing time taken to process civil assessment cases, following up when FHWA standards are not met, and taking the necessary corrective actions. **Status:** Action in process. FHWA is in the process of developing an enforcement data tracking system to monitor every investigation report initiated by field staff. This system will be capable of following an investigation from its initiation to final processing. An operational working group was formed to develop an implementation package. The target date is December 1988.

Ground Transportation

Auto Safety and Emissions: No Assurance That Imported Gray Market Vehicles Meet Federal Standards

RCED-87-29, 12/11/86

Background

In response to a congressional request, GAO reviewed how the National Highway Traffic Safety Administration (NHTSA), Environmental Protection Agency (EPA), and U.S. Customs Service carry out their respective responsibilities regarding the Gray Market Vehicle Enforcement Program, specifically: (1) the problems they encounter in administering safety and emission standards; (2) the costs of implementing the program; (3) the extent to which each of the three involved agencies uses contractors for the program and their contract award methods; (4) the extent of coordination between NHTSA, EPA, and Customs; (5) the extent to which the importation of nonconforming vehicles has become a commercial operation; and (6) the extent to which importers can modify nonconforming motor vehicles to conform to emission and safety standards.

Findings

GAO found that: (1) NHTSA does not inspect firms that modify vehicles to ensure that they have the capability to conform the vehicles to the safety standards; (2) NHTSA does not test the vehicles after modifications; (3) EPA has a certification program that recognizes certain firms and laboratories that have the capability to modify the vehicles to meet the emission standards or perform the federal emission test procedures, but

does not provide for periodic inspection of the modifying firms or vehicle testing; (4) NHTSA and EPA had not timely submitted documentation for 21 of 50 vehicles GAO reviewed; (5) the adequacy and accuracy of the documents substantiating that 29 vehicles conformed with the safety standards was questionable; (6) EPA could not locate emission compliance documentation for 26 vehicles; (7) EPA granted 24 exemptions on the basis of the vehicles' ages and on test results EPA-recognized testing laboratories submitted; and (8) in a 1984 study, only 1 of 27 gray market vehicles that EPA initially approved after laboratory tests passed all parts of the emission test. GAO also found that Congress proposed legislation that would: (1) require NHTSA to provide greater assurance of proper modification of gray market vehicles to meet safety standards; (2) restrict the importation of vehicles that did not conform to safety standards; and (3) establish eligibility controls over consumer importation of nonconforming vehicles.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the Administrator, NHTSA, to improve controls over its program by establishing a process similar to the EPA program, whereby firms are recognized by NHTSA, through certification, as being capable of modifying gray market

vehicles. In addition, NHTSA should periodically reinspect these firms and consider testing a sample of modified vehicles as a check on each firm's performance in ensuring vehicle compliance with the safety standards. In considering the appropriate scope, frequency, and amount of testing, NHTSA should take into account factors such as staffing constraints, as well as the safety standards for which compliance testing is technically practical and cost-effective.

Status: Recommendation valid/action not intended. NHTSA disagreed with this recommendation. The Chairman, House Committee on Energy and Commerce, is pursuing the matter with the agencies and industry groups.

Recommendation: The Administrator, EPA, should improve the controls over its program by periodically inspecting both the modifying firms and test laboratories that have been previously recognized and consider testing the vehicles, on a sample basis, to ensure compliance with federal emission standards. In considering the scope and amount of testing, various factors should be taken into account, including staffing constraints and the costs of such testing. **Status:** Action in process. EPA has a draft final rule in process. The Chairman, House Committee on Energy and Commerce, is pursuing the matter with the agencies and industry groups. EPA has not completed action on its draft final rule.

Ground Transportation

Department of Transportation: Enhancing Policy and Program Effectiveness Through Improved Management

RCED-87-3, 04/13/87

Background

Pursuant to a congressional request, GAO reviewed the Department of Transportation's (DOT) changing role as its programs place greater reliance on state, local, and private sectors to operate transportation systems, in order to: (1) assess DOT management; (2) analyze its problems; and (3) recommend improvements.

Findings

GAO found that: (1) DOT has made transportation safety one of its highest and most visible priorities, but needs a more systematic approach for measuring progress; (2) since grantees now have greater control over funds and more flexibility to select projects, DOT needs to resolve issues concerning program accountability; (3) to prevent loss of services due to budget reductions, DOT needs to modernize its financial, information resource and procurement systems; (4) DOT needs to improve its management of human resources to cope with changes caused by deregulation and the emphasis on deficit reduction; and (5) DOT needs to implement a strategic research and development (R&D) policy by linking R&D investment resources to DOT priorities and industry needs.

Open Recommendations to Agencies

Recommendation: To enhance and sustain the progress DOT has achieved in improving its management of safety programs and resources, the Secretary of

Transportation should direct that operational measures of effectiveness be developed and applied for safety programs throughout DOT to link the overall goal of safer transportation with ongoing program activities and to provide the basis for setting program objectives, monitoring performance, and allocating resources.

Status: Action in process. This recommendation parallels recommendations made by the Secretary of the Safety Review Task Force. DOT has established a Deputy Assistant Secretary for Safety to institutionalize safety initiatives and provide departmentwide focus.

Recommendation: To enhance and sustain the progress DOT has achieved in improving its management of safety programs and resources, the Secretary of Transportation should require that productivity standards, including the definition and use of standards of quality, timeliness, and efficiency for delivery of services, be used to integrate productivity improvement with safety program planning throughout DOT and to establish and implement annual productivity improvement goals.

Status: Action in process. This recommendation parallels recommendations made by the Secretary's Safety Review Task Force. DOT has established a Deputy Assistant Secretary for Safety to institutionalize safety initiatives and provide DOT-wide focus.

Recommendation: To enhance and sustain the progress DOT has achieved in improving its management of safety programs and resources, the Secretary of Transportation should ensure that current and accurate staffing standards (e.g. standard hours for completing program tasks) are used in formulating safety program budgets throughout DOT.

Status: Action in process. This recommendation parallels recommendations made by the Secretary's Safety Review Task Force. DOT has established a Deputy Assistant Secretary for Safety to institutionalize safety initiatives and provide DOT-wide focus.

Recommendation: The Secretary of Transportation should strengthen the DOT grant programs by reassessing and defining the DOT role in managing and overseeing its grants programs.

Status: Action in process. A DOT study is complete and a report is scheduled for December 1988.

Recommendation: The Secretary of Transportation should strengthen the DOT grant programs by developing a grants management strategy appropriate for carrying out that role.

Status: Action in process. DOT is proposing to reassess its grants management role. Objectives and milestones are being developed. A study is complete and a report is scheduled for December 1988.

Recommendation: Given the various mandates and continuing need to strengthen the integrity of the DOT financial, information, and procurement systems, the Secretary of Transportation should establish an agenda or action plan for short- and long-term improvements. The agenda GAO provided could be the basis for developing a blueprint for the future. GAO recognizes that many factors must be considered, yet it believes that with the Secretary's continued support and commitment, such a blueprint can guide the building and maintenance of sound financial, information, and procurement systems across DOT.

Status: Action in process. Major initiatives, including the development of a departmental accounting system, and other short- and long-term improvements to management support systems, are underway. The first conversion to the departmental system was completed in May 1988.

Recommendation: Because change management and strategic human resource management require sustained effort and attention over the long term, the Secretary of Transportation should take additional steps to focus on human resource management DOT-wide. These steps should provide visibility and tangible evidence of top management commitment by establishing a prominent organizational focus for strategic human resource management

at both the operating administration and Office of the Secretary of Transportation levels.

Status: Recommendation valid/action not intended. Focus and management commitment to an effective human resources management program is being carried out through the existing organizational structure.

Recommendation: Because change management and strategic human resource management require sustained effort and attention over the long term, the Secretary of Transportation should take additional steps to focus on human resource management DOT-wide. These steps should develop a DOT-wide awareness of the importance and value of change management and strategic human resource management.

Status: Action in process. DOT-wide focus is being given to human resource management through various training programs, as well as other personnel reforms.

Recommendation: Because change management and strategic human resource management require sustained effort and attention over the long term, the Secretary of Transportation should take additional steps to focus on human resource management DOT-wide. These steps should develop the selection, appraisal, reward, and development functions needed to support human

resources management activities and spur management improvement.

Status: Action in process. DOT-wide focus is being given to human resource management through various training programs, as well as other personnel reforms.

Recommendation: To better integrate policy with program management and support system requirements, and to promote productive use of the information resources available to support policymaking, the Secretary of Transportation should: (1) establish a framework to direct and support the development, implementation, and monitoring of transportation policies, which would include the basic elements enumerated in table 6.1 of this report; and (2) initiate an assessment of DOT policy-related data requirements and responsibilities, including an inventory and evaluation of the data currently collected, data no longer collected, and the costs, if any, imposed by the unavailability of data, and the most cost-effective means of meeting DOT present and expected needs for transportation data collection and analysis.

Status: Recommendation valid/action not intended. DOT is continuously assessing its program support requirements; however, it will continue efforts to improve R&D activities linkage with secretarial priorities and industry needs.

Ground Transportation

Trucking Deregulation: Proposed Sunset of ICC's Trucking Regulatory Responsibilities

RCED-87-107, 04/23/87

Background

In response to a congressional request, GAO: (1) assessed the merits of retaining or eliminating certain Interstate Commerce Commission (ICC) trucking regulatory functions; and (2) estimated the budgetary impact of deregulation on ICC.

Findings

GAO found that: (1) ICC had eight ancillary trucking regulatory functions, for which it spent about 483 staff years in fiscal year (FY) 1985; (2) the labor effort has decreased by 13 percent and is expected to decrease an additional 5 years in FY 1988; (3) the budgetary effects of deregulation would depend on which functions Congress eliminated and how other agencies met those responsibilities; (4) while there is broad support for continued Department of Transportation (DOT) regulation of the trucking industry's safety practices and insurance coverage, there is little evidence of how ICC improves safety through its limited monitoring role; (5) the existing disparities in insurance coverage requirements for private carriers and for-hire carriers may not have merit, since the insurance requirements promote safety; (6) there

was no consensus on the continuing value of ICC promulgation and enforcement of rules regarding liability responsibility for cargo damage; and (7) neither DOT nor the Office of Management and Budget (OMB) plans to collect the needed truck data if Congress eliminates the ICC data-gathering role.

Open Recommendations to Congress

Recommendation: If Congress acts favorably on proposed deregulatory legislation, it may wish to consider revising the provisions in section 30 of the Motor Carrier Act of 1980, which specify insurance requirements for motor carriers, so as to make the requirements for private and for-hire carriers identical.

Status: Action not yet initiated.

Recommendation: If Congress takes further action on deregulatory legislation, it may wish to consider either retaining the Carmack Amendment as statutory law, or replacing by statute both the statutory and common law cargo damage liability requirements, leaving such requirements solely to contractual agreements between the carrier and the shipper.

Status: Action not yet initiated.

Recommendation: Congress may also wish to consider, in any deregulatory legislation, the need to restructure the collection of data on the trucking industry in the federal government to ensure that public and private needs for data are met in the most cost-effective manner if the ICC role in data collection is terminated. Congress may wish to mandate that DOT act to coordinate such a restructuring along the lines described above.

Status: Action not yet initiated.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct appropriate department officials to develop a long-term assessment of requirements for and costs of data on truck transportation, based on the needs of various users in the federal and state governments and in the private sector, and, in conjunction with OMB, coordinate data gathering among DOT, ICC, Census, and other truck transportation data-gathering agencies.

Status: Recommendation valid/action not intended. DOT does not believe that further action is needed.

Ground Transportation

Rail Abandonments: Abandonment Activity and Shipper Views on Rail Service Loss

RCED-87-82, 07/17/87

Background

Pursuant to a congressional request, GAO provided information on railroad abandonments, focusing on: (1) the amount of mileage railroads attempted to abandon; (2) shippers' and local officials' perspectives on the abandonment process; and (3) shippers' views on the effects of rail abandonments on their operations.

Findings

GAO found that: (1) railroads requested the Interstate Commerce Commission's (ICC) permission to abandon 36,900 miles of rail lines from 1970 through 1985; (2) ICC denied permission for 6.9 percent of that mileage; (3) while many factors influenced railroads' decisions to abandon rail lines, it could not determine the primary causes of

abandonments; (4) protesters in abandonment proceedings were generally unaware of the various forms of assistance that ICC could provide to them; (5) protesters and state transportation officials opposed the ICC method of considering railroad opportunity costs in abandonment decisions; (6) many shippers believed that converting to other forms of transportation increased their transportation costs; and (7) abandonments have forced some shippers of bulk commodities to relocate their rail-dependent facilities.

Open Recommendations to Agencies

Recommendation: Given the ICC regulatory requirement that the Office of Public Assistance (OPA) ensure that

all aspects of proceedings are fully developed and that shippers be adequately informed of ICC assistance, ICC should modify its regulations to require that rail-user communities be informed of assistance available to protesters when railroads first notify ICC of their intent to abandon a branch line. Furthermore, OPA should be charged with this notification responsibility. The ICC Office of Hearings should also refer to available assistance in its Notice of Hearings if ICC decides to investigate a case set for oral hearing.

Status: Recommendation valid/action not intended. ICC does not plan any change in its current procedures.

Ground Transportation

Highway Needs: An Evaluation of DOT's Process for Assessing the Nation's Highway Needs

RCED-87-136, 08/07/87

Background

In response to a congressional request, GAO evaluated the Department of Transportation's Highway Performance and Monitoring System (HPMS) to determine the reasonableness of its highway needs assessment.

Findings

GAO found that: (1) the data collection procedures that the Federal Highway Administration (FHWA) and states used in preparing HPMS were statistically sound; (2) FHWA did not test the model's sensitivity to changes in key input data;

(3) although FHWA scheduled a calibration test to determine how closely past and future needs paralleled actual capital investments, it did not develop a test methodology or establish a test completion date; (4) FHWA did not include sufficient information for model users in its technical manuals; and (5)

the report presented total highway needs amounting to \$315 billion through the year 2000, but it did not indicate that about one-half of this amount represented already existing backlogged needs.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the Administrator, FHWA, to adjust the Highway Needs report to separate backlogged from future highway needs in order to provide clearer information

on highway needs and progress being achieved under current policies and programs.

Status: Action in process. FHWA will include this information in the next biannual report to be completed by December 28, 1988 and submitted to Congress.

Ground Transportation

Highway Safety: Monitoring Practices To Show Compliance With Speed Limits Should Be Reexamined

RCED-88-93BR, 03/31/88

Background

In response to a congressional request, GAO examined states' monitoring of motorists' compliance with the 55 miles-per-hour (mph) national speed limit.

Findings

GAO reviewed six states' speed monitoring programs and found that: (1) the programs generally complied with monitoring requirements and regulations; (2) the states generally located their monitoring sites appropriately; (3) the Federal Highway Administration (FHWA) decreased its participation in the development and implementation of state monitoring programs; and (4) there was little relationship between states' speed limit enforcement activities and the compliance level. GAO also found that

the: (1) states' speed monitoring programs did not meet the speed limit's objectives of improving highway safety; (2) states' enforcement activities were insufficient to ensure compliance with the speed limit; (3) federal criteria for judging states' compliance were inadequate because they failed to consider the differences in road quality and design; and (4) states' transportation officials believed that a comprehensive program should consider speed-related fatalities, enforcement levels, and road types in determining states' compliance.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the Administrator, FHWA, to undertake a study of the feasibility of instituting a weighting scheme that places greater

weight on high-speed violations and violations on roads of lower design quality in assessing whether to sanction a state for noncompliance with the 55-mph national maximum speed limit. The Secretary should report the results of this analysis to Congress along with any recommendations for legislative changes necessary to improve the compliance monitoring system.

Status: Recommendation valid/action not intended. The Department of Transportation (DOT) does not believe that flaws of the compliance criteria will be eliminated merely by changing the criteria. DOT recommends reforming the law to keep the requirement for the states to certify that they have posted the correct speeds, but repeal compliance criteria, sanctions for noncompliance, and mandated monitoring and reporting requirements.

Ground Transportation

Bridge Condition Assessment: Inaccurate Data May Cause Inequities in the Apportionment of Federal-Aid Funds

RCED-88-75, 05/20/88

Background

Pursuant to a congressional request, GAO reviewed the Federal Highway Administration's (FHWA) 1986 Highway Bridge Replacement and Rehabilitation Program (HBRRP) report to Congress, focusing on: (1) the accuracy of its National Bridge Inventory; and (2) FHWA procedures for ensuring equitable apportionment of federal funds to states.

Findings

GAO found that the FHWA report did not accurately identify bridge funding needs and could not ensure equitable apportionment of funds, since FHWA: (1) did not exercise sufficient control or oversight of its field offices to ensure that they adequately examined states' bridge inventory data or states' data collecting and reporting methods; (2) did not obtain adequate data from states to differentiate among those bridges requiring total replacement, those requiring remedial improvements, and those that states did not intend to repair; (3) included bridges which were not deficient in its inventory; and (4) allowed states to use inconsistent methods and include inappropriate costs in their estimates of bridge repair costs.

Open Recommendations to Agencies

Recommendation: The Secretary of Transportation should direct the

Administrator, FHWA, to establish a management oversight program, which would include guidance to the states, as well as an internal control process, to ensure the accuracy, completeness, and timeliness of states' bridge inventories. **Status:** Action in process. The following actions are either in draft stage or in early implementation. The Department believes the following will adequately satisfy GAO concerns: a new coding guide for bridge inventory appraisal; changes in instructions for bridge unit cost data reporting; a final rule on changes in NBIS; edit/updates and report generator capability; and ongoing FHWA field reviews of bridge sites.

Recommendation: The Administrator, FHWA, should provide cost-to-improve estimates corresponding to the various categories of deficient bridges. The Administrator should also prescribe an appropriate method for states to use when estimating the cost to replace and rehabilitate their deficient bridges. **Status:** Action taken not fully responsive. DOT improvements to the Recording and Coding Guide for Structure Inventory and Bridge Appraisals may address GAO concerns, but it does not satisfy the need for estimated cost for bridges in need of relatively inexpensive improvements. DOT also notes that its procedure of expanding average cost per bridge is being used to encompass all HBRRP-eligible bridges.

Recommendation: To further ensure the quality of states' bridge data and the equity of the HBRRP apportionment process, the Secretary of Transportation should direct the Administrator, FHWA, to exclude those bridges that are not in need of replacement or rehabilitation from the apportionment data base.

Status: Recommendation valid/action not intended. DOT/FHWA believes its current method of estimating costs to improve all bridges eligible for HBRRP funding is valid.

Recommendation: The Secretary of Transportation should direct the Administrator, FHWA, to require states to report the data that would enable FHWA to identify in its annual report varying levels of bridge deficiencies. At a minimum, states should identify deficiencies in three categories: (1) those bridges that need relatively inexpensive improvements such as traffic control devices; (2) those bridges that need total replacement or rehabilitation; and (3) those bridges that the states do not intend to replace or rehabilitate.

Status: Action taken not fully responsive. DOT believes that actions it has taken to date satisfy the intent of this recommendation. However, DOT actions are either in early implementation or draft stage and further follow-up is required.

Highway Transportation

Motor Vehicle Safety: Enforcement of Federal Standards Can Be Enhanced

RCED-87-2, 12/15/86

Background

GAO reviewed the Department of Transportation's (DOT) National Highway Traffic Safety Administration's (NHTSA) oversight and management procedures for: (1) selecting safety standards, motor vehicles, and equipment for compliance testing; (2) investigating vehicles and equipment that fail compliance tests; and (3) assessing civil penalties against manufacturers or distributors that do not comply with federal standards.

Findings

GAO found that: (1) NHTSA has not tested some standards for long periods and has never tested others; (2) the deterrent value of NHTSA testing activities is not as strong as it could be because its selection process does not ensure testing of each standard over a period of time; (3) NHTSA cannot ensure that manufacturers comply with all of its standards because it has excluded

some standards from testing; (4) resolving cases can take from less than 1 year to as much as 7 years because NHTSA has not established a system of management controls over the processing of investigation and civil penalty cases; and (5) NHTSA has not established guidelines concerning penalty assessments.

Open Recommendations to Agencies

Recommendation: To improve the processing efficiency of all investigations and resulting civil penalty actions and recalls, the Secretary of Transportation should direct the Administrator, NHTSA, to develop criteria and procedures for the Office of Vehicle Safety Compliance (OVSC) to follow in determining which noncompliance investigations should be forwarded to the Office of Chief Counsel for penalty assessments.

Status: Recommendation valid/action not intended. NHTSA does not believe

that decisions on which cases OVSC forwards to the Chief Counsel lend themselves to a set of rigid guidelines. GAO believes that the high-rejection rate of cases OVSC forwarded to the Chief Counsel suggests that the informal process is not as efficient as it could be. Thus, this recommendation, which does not require rigidity, is valid.

Recommendation: To improve the processing efficiency of all investigations and resulting civil penalty actions and recalls, the Secretary of Transportation should direct the Administrator, NHTSA, to develop milestones and procedures for processing civil penalty cases.

Status: Recommendation valid/action not intended. NHTSA does not believe that the processing of civil penalty cases lends itself to a set of rigid guidelines. GAO believes that this recommendation is valid because it calls for a necessary internal control which NHTSA lacks.

Veterans Benefits and Services

Hospital and Medical Care for Veterans

Better Guidelines Could Reduce VA's Planned Construction of Costly Operating Rooms

HRD-81-54, 03/03/81

Background

The Veterans Administration (VA) is planning to spend more than \$1 billion to replace 10 of its medical centers. Each replacement center will have a surgical suite, which is among the most costly hospital departments to construct and operate.

Findings

In reviewing operating room utilization at centers that VA intends to replace, GAO found that, on the average, the 74 operating rooms at these centers were idle about 50 percent of the time that they were available for scheduled surgery. The current planning criterion used by VA calls for 1 operating room for every 28 surgical beds. The continued use of this criterion could result in overconstruction of operating rooms with resulting low utilization. In developing its criterion, VA did not recognize that

not all patients admitted to surgical beds undergo surgery. VA did not fully recognize the significant variation among medical centers in the type of surgical procedures performed and the length of time different surgical procedures take. Average operating times varied significantly among VA medical centers. Surgical procedures generally performed by medical school residents at affiliated centers took longer than similar procedures performed by VA staff at nonaffiliated centers. GAO developed a model for planning operating rooms which focused on the unique surgical work-load characteristics of each VA center. It showed that VA could handle the surgical work load with 22 fewer operating rooms than planned using the present criterion, a potential \$3.5 million saving. VA assigned more operating room nurses than needed to handle the surgical work load due to this criterion,

and savings could be realized if VA made use of less-skilled personnel to do many of the nonprofessional tasks now handled by operating room nurses.

Open Recommendations to Agencies

Recommendation: The Administrator of Veterans Affairs should direct the Chief Medical Director to develop staffing guidelines for operating room nurses based on the number of operating rooms needed to handle the surgical work load. **Status:** Action in process. First draft of the circular incorporating nurse staff guidelines for operating rooms and recovery rooms was completed by the end of fiscal year (FY) 1987. The guidelines have been completed and are awaiting Department concurrence. It is expected that the guidelines will be implemented during the first quarter of FY 1989.

Hospital and Medical Care for Veterans

VA Central Office Needs To Exercise Better Oversight of Cardiac Pacemaker Recalls

HRD-84-33, 04/16/84

Background

GAO reviewed the actions taken by the Veterans Administration (VA) in response to recalls of defective pacemakers.

Findings

The Food and Drug Administration (FDA) has the authority to ban or recall medical devices, including pacemakers, that present "unreasonable risks or

substantial harm," and it informs VA when pacemakers have been recalled. GAO found that, at the VA centers it visited, pacemaker recalls were not effectively managed. GAO learned that the VA computerized pacemaker

registry indicated that some recalled pacemakers are still implanted in VA patients. VA guidance regarding pacemakers deals primarily with the removal of recalled pacemakers from stock and has not defined when a recalled pacemaker should be considered critically unreliable. GAO also questioned the accuracy, completeness, and reliability of the computerized pacemaker registry and, therefore, its current usefulness.

Open Recommendations to Agencies

Recommendation: The Administrator of Veterans Affairs should direct the Chief Medical Director to establish criteria, as part of program guidance, to define when a recalled pacemaker should be considered critically unreliable.

Status: Action in process. Estimated completion date: 12/88. VA is revising the circular which contains program requirements.

Recommendation: The Administrator of Veterans Affairs should direct the Chief Medical Director to revise program guidance to require that medical centers: (1) inform patients of pacemaker recalls unless the reasons for not informing the patient are documented in the medical record; and (2) document the actions taken in response to the recall in the patients' medical records.

Status: Action in process. Estimated completion date: 12/88. VA is revising the circular which contains program requirements.

Recommendation: The Administrator of Veterans Affairs should direct the Chief Medical Director to identify all VA patients using recalled pacemakers and ensure that: (1) they have been informed of the recall or that the reasons for not informing the patient are documented in the patients' medical records; and (2) all actions taken in response to the recalls are documented in affected patients' medical records.

Status: Action in process. Estimated completion date: 12/88. VA is revising the circular which contains program requirements.

Recommendation: The Administrator of Veterans Affairs should direct the Chief Medical Director to establish a timetable for development of the clinical pacemaker registry and, in the interim, take steps to improve the completeness and reliability of data contained in the existing registry.

Status: Action in process. Estimated completion date: 03/89. A timetable will be established after the program circular is revised.

Recommendation: The Administrator of Veterans Affairs should direct the Chief Medical Director to establish a program to monitor the actions taken by medical centers in response to pacemaker recalls.

Status: Action in process. Estimated completion date: 12/88. The program circular is being revised.

Hospital and Medical Care for Veterans

VA Health Care: VA's Patient Injury Control Program Not Effective

HRD-87-49, 05/18/87

Background

Pursuant to a congressional request, GAO reviewed the effectiveness of the patient injury control function in the Veterans Administration's (VA) quality assurance program.

Findings

At the nine centers GAO visited, it found that: (1) the patient injury control program was not effective in preventing the recurrence of unexpected deaths and

surgical complications; (2) in fiscal year 1985, VA medical centers reported about 85,000 incidents involving patient injuries, but did not report more serious injuries because of staff disincentives, lack of central oversight, and inadequate reporting guidelines; (3) VA referred only 36 percent of the incidents requiring investigation to the medical inspector; (4) VA did not compare data on patient incidents over time because it thought that it would take care of the incidents on a case-by-case basis or by

other quality assurance activities; and (5) an occurrence screening program would complement the incident-reporting program.

Open Recommendations to Agencies

Recommendation: The Administrator of Veterans Affairs should direct the Chief Medical Director to develop guidelines that identify the data to be gathered and analyzed for trends and provide

guidance on conducting the trending and analysis.

Status: Action in process. Estimated completion date: 01/89. If funding is available, VA will develop an educational program that provides guidance on conducting trending and analysis.

Recommendation: The Administrator of Veterans Affairs should direct the Chief Medical Director to require the medical inspector to analyze and trend VA program data to determine if individual medical centers are not reporting patient incidents or are having problems providing quality care.

Status: Action in process. Estimated completion date: 01/89. Responsibility for the patient incident program was transferred to the Office of Quality Assurance in July 1988. That office is in the process of determining how it will comply with the recommendation.

Hospital and Medical Care for Veterans

Veterans Administration: Identifying Physicians With License Sanctions—An Incomplete Process

HRD-88-47, 05/13/88

Background

Pursuant to a congressional request, GAO examined the Veterans Administration's (VA) Office of Inspector General's (OIG) methodology for identifying VA physicians with license sanctions.

Findings

GAO found that the OIG study: (1) ran a computer match of physicians listed in the VA data base with the Federation of State Medical Boards data base to identify physicians with license sanctions; (2) identified 93 VA physicians with license sanctions; (3) did not include contract physicians or physicians providing services without VA compensation; and (4) did not include all VA medical center physicians and residents. GAO also found that the VA Department of Medicine and Surgery's (DMS) plans to use the OIG methodology for biennial reviews of physicians' licenses did not include review of: (1) residents, since they are under continual supervision; (2) contract physicians, since that is the contractors' responsibility; and (3) fee-basis physicians, since such

review would make them VA employees and create an additional work load for VA. GAO believes that Congress may wish to consider requiring VA to include all of its paid or authorized physicians in its biennial reviews.

Open Recommendations to Agencies

Recommendation: The Administrator of Veterans Affairs should require the Chief Medical Director to establish a complete physician data base to be used to check the licenses of physicians authorized or paid by VA to treat veterans. This data base should include all physicians authorized or paid by VA to treat veterans.

Status: Action taken not fully responsive. VA does not plan to include fee-basis physicians in its data base, which will be used to check physicians' licenses. VA says to do this would increase its work load and increase its malpractice liability. VA did agree to include without compensation physicians in its check of physicians' licenses.

Recommendation: The Administrator of Veterans Affairs should require the

Chief Medical Director to establish a complete physician data base to be used to check the licenses of physicians authorized or paid by VA to treat veterans. The data base should be verified with information at individual medical centers.

Status: Recommendation valid/action not intended. VA stated that the information at the medical centers was used to develop the centralized data base. Therefore, verification with the medical centers' information is of questionable value. In addition, VA does not plan to include a complete list of physicians in the data base.

Recommendation: The Administrator of Veterans Affairs should require the Chief Medical Director to determine whether there are alternatives that would permit VA to keep the results of the DMS biennial reviews while complying with Office of Management and Budget computer-matching guidelines.

Status: Action not yet initiated. This recommendation is still under review by VA.

Hospital and Medical Care for Veterans

VA Health Care: Monitoring of Cardiac Surgery and Kidney Transplantation

HRD-88-70, 05/26/88

Background

Pursuant to a congressional request, GAO reviewed the Veterans Administration's (VA) monitoring of its Cardiac Surgery Program and Kidney Transplant Program, focusing on whether VA: (1) developed adequate performance standards; (2) centers met these standards; and (3) adequately monitored centers' performance.

Findings

GAO found that VA: (1) required its cardiac surgery centers to perform at least 100 procedures a year; (2) set a 5-percent maximum mortality rate for coronary artery bypass grafts and an overall maximum mortality rate for all procedures of not more than twice its national average; (3) raised its standard for the minimum annual number of cardiac surgical procedures to 150 starting in 1988; (4) relied on semiannual reviews of patients' medical records to monitor cardiac surgery centers, although such reviews failed to address nonsurgical problems such as staff recruitment and retention, patient selection, infection control, and outdated equipment and facilities; and (5) did not

require site visits even if centers were not meeting performance standards, and made only five site visits during fiscal years 1986 and 1987. GAO also found that VA: (1) reduced its performance standard for kidney transplants from 15 to 12 a year; (2) did not establish standards for patient and transplanted kidney survival rates, although a Department of Health and Human Services (HHS) task force proposed such standards; and (3) conducted very limited monitoring of centers' kidney transplant programs. In addition, GAO found that, in fiscal year 1987: (1) 28 of 43 cardiac surgery centers met VA utilization and mortality standards; and (2) four of nine kidney transplant programs met the VA standards.

Open Recommendations to Agencies

Recommendation: The Administrator of Veterans Affairs should direct the Chief Medical Director to require that a site visit be conducted at each cardiac surgery center that does not meet the mortality standards for a prescribed time period, such as 12 consecutive months.

Status: Action in process. Estimated completion date: 01/89. The Cardiac Surgery Consultants Committee will meet in December 1988 to make a final decision about the criteria. The criteria is expected to be approved by the Department of Medicine and Surgery in January 1989.

Recommendation: To better assess whether contract hospitals are providing cardiac surgery to veterans at an overall level consistent with VA standards, the Administrator of Veterans Affairs should require that the Chief Medical Director develop a procedure for collecting and monitoring these hospitals' utilization and mortality information for nonveterans as well as veterans.

Status: Action in process. Estimated completion date: 10/89. Medical centers will begin collecting utilization and operative mortality data for non-veteran patients in October 1989 to ensure local hospitals' performance is consistent with VA standards. A VA attorney recommended that sharing agreements include such a reporting requirement effective October 1989. Acceptance of the new reporting requirement by the local hospitals is uncertain at this time.

Income Security for Veterans

Veterans Administration: VA Pensions to Medicaid Nursing Home Residents Should Be Reduced

HRD-87-111, 07/10/87

Background

GAO reviewed how Veterans Administration (VA) and Medicaid benefits interact to determine: (1) how many medical nursing home residents are receiving VA pensions; (2) how states apply these pensions toward the cost of care; (3) the effect of VA pensions on state and federal costs; and (4) how other needs-based programs adjust benefits for institutionalized recipients.

Findings

GAO found that: (1) about 6 percent of the Medicaid nursing home residents in the eight states it reviewed received VA

benefits; (2) each state required veterans to apply their VA pensions toward the cost of their care; (3) because the states applied the VA payments to the cost of care as part of the Medicaid recipient's income, the federal government paid a higher percentage of Medicaid nursing home costs for veterans with VA benefits than those with no income; and (4) all eight states instituted programs to maximize VA benefit collections on behalf of Medicaid nursing home residents, since the federal government pays about 71 percent of the cost.

Open Recommendations to Congress

Recommendation: Congress should amend title 38 to require that the VA pension for veterans and their survivors who enter a nursing home under Medicaid be reduced. One way would be to amend title 38 to extend the VA pension reduction criteria that currently apply when the recipient is institutionalized in a VA-supported facility to cover recipients supported by Medicaid. Alternately, the reduction could be tailored to the personal needs allowance established by each state Medicaid agency.

Status: Action not yet initiated.

Income Security for Veterans

Veterans' Benefits: Improving the Integrity of VA's Unemployability Compensation Program

HRD-87-62, 09/21/87

Background

In response to a congressional request, GAO reviewed the Veterans Administration's (VA) Unemployability Compensation Program to determine whether: (1) veterans receiving unemployability benefits were reporting their earnings to VA as required; and (2) access to tax information would enable VA to better administer the program.

Findings

GAO found that: (1) 90 percent of the veterans receiving unemployability benefits failed to report their earnings; (2) veterans received potential overpayments of over \$10 million during 1984 and 1985; (3) VA rating boards used different criteria in determining marginal earnings, which resulted in unequal and inconsistent eligibility determinations for unemployability benefits; (4) although access to tax

information could improve payment accuracy, granting VA access to any tax information would raise privacy concerns; and (5) VA did not have the medical evidence it needed to evaluate veterans for employment in 75 percent of its files.

Open Recommendations to Congress

Recommendation: To improve the VA eligibility determination process, Congress should consider amending section 6103(1)(7) of the Internal Revenue Code to permit VA access to tax information. Congress would need to weigh the potential benefits of such disclosure with: (1) privacy concerns; and (2) Internal Revenue Service concerns that expanding access in this way could affect voluntary compliance with the tax system.
Status: Action in process.

Open Recommendations to Agencies

Recommendation: The Administrator of Veterans Affairs should amend the VA guidelines to clarify how marginal employment is defined for unemployability compensation so that

the criteria used in making determinations of marginal employment are consistent between rating boards.
Status: Action in process. Estimated completion date: 02/89. VA is currently preparing a proposed amendment to its guidelines. Such amendment must be reviewed by the Office of Management and Budget and published in the Federal Register prior to its implementation.

Recommendation: The Administrator of Veterans Affairs should revise guidelines on determining eligibility for unemployability compensation by: (1) informing the examining physician that the results of the medical examination will be used for a determination of unemployability and requesting that he provide observations on how the service-connected medical condition impairs the veteran's functional capacity in daily living; and (2) obtaining vocational information during an interview with the veteran by a professional in a

Vocational Rehabilitation and Counseling Division. The interview should take place after the medical evaluation, but prior to the unemployability benefit award decision by a rating board. In addition to a work history, the vocational information should provide information on such things as how the veteran's service-connected condition affects job skills and employment potential.
Status: Action in process. Estimated completion date: 04/89. VA has advised its regional offices to annotate the form used for requesting physical exams that the reason for the exam is unemployability. The VA service conducting the exams has agreed to this procedure. VA is currently considering the results of a field study and an advisory opinion from its General Counsel before implementing the part of this recommendation concerning vocational information.

Other Veterans Benefits and Services

ADP Systems: Department of Veterans Benefits Modernization Program

IMTEC-88-3, 10/30/87

Background

Pursuant to a congressional request, GAO reviewed the Veterans Administration's (VA) Department of Veterans Benefits' efforts to modernize automated computer systems which were resulting in inefficient and costly support for veterans' benefits programs.

Findings

GAO found that VA has begun several modernization projects, including: (1) organizing a separate automatic data

processing (ADP) staff for the Department, independent of the central ADP office; (2) upgrading existing systems; (3) procuring \$11 million in word processing hardware; (4) a requirements analysis; (5) a Department data dictionary; (6) a prototype regional loan system; and (7) designing a prototype optical disk system. GAO also found that: (1) although VA has begun modernization, it has not completed the planning and analysis necessary to demonstrate how it will achieve improved productivity; (2) VA plans to

eliminate 1,100 staff positions; and (3) VA may be unable to complete modernization within the projected time frame and estimated cost.

Open Recommendations to Agencies

Recommendation: To ensure that modernization goals are achieved within established time frames and estimated costs, the Administrator of Veterans Affairs should direct the Department of Veterans Benefits to complete analyses

that provide specific goals and objectives against which program progress can be measured, and to validate that the chosen solution is optimal, based on a documented analysis that clearly lays out the costs and benefits of alternatives.

Status: Action in process. Estimated completion date: 05/90. VA has expanded its planning effort in response to this recommendation. Goals and objectives were completed in October 1987. The selected alternative, based on

a documented analysis of the costs and benefits of alternatives, is scheduled to be completed in May 1990.

Other Veterans Benefits and Services

VA Health Care: Delays in Awarding Major Construction Contracts

HRD-88-74, 03/11/88

Background

Pursuant to a legislative requirement, GAO reviewed the Veterans Administration's (VA) compliance with regulations requiring it to: (1) award contracts for construction projects funded through appropriation acts within a certain time limit; and (2) report to Congress on awards it did not make within the time limit.

Findings

GAO found that VA: (1) for fiscal years (FY) 1984 through 1987, reported that it had not awarded contracts for 26 construction projects within the required time limits; (2) did not include four other projects in its report, since it believed

that it satisfied reporting requirements by including information about those projects in its budget or by awarding partial contracts; (3) blamed most contracting delays on changes in project scope and receipt of bids which exceeded available funds; and (4) expects to award contracts for 22 of the 29 projects by the end of FY 1988. GAO believes that: (1) VA actions show no intent to refrain from using the funds; and (2) the contract delays for 29 of the 30 projects did not constitute an impoundment of budget authority.

Open Recommendations to Agencies

Recommendation: The Administrator of Veterans Affairs should report on all

major construction projects that do not have contracts awarded within specified time limits, including those that may: (1) be included in budget submissions; or (2) have had contracts awarded for some but not all of the funds appropriated. **Status:** Action taken not fully responsive. VA agreed in part with this recommendation. VA contends that reporting projects until all funds appropriated had been obligated would place an excessive annual reporting burden on it because most projects would have to be reported until financially complete. VA noted that its annual construction budget identifies amounts obligated and unobligated until the project is complete.

Recommendation Addressee

The entries in this index include congressional and federal entities to which open GAO report recommendations were addressed; organized alphabetically by branch of government and department.

Sample Entry

Agency/Organization	—	Department of State
Title	—	Key Issues Concerning Department of State's New Financial Management Centers
Report Number	—	(NSIAD-85-97)
Page Number	—	217

Legislative Branch

Congress

Budget Issues: The President's Current Services Budget (AFMD-87-10)
71

Presidential Inaugurations: Legislation Is Needed To Clarify Agencies' Support Roles (GGD-87-10)
99

Bank Powers: Issues Related to Repeal of the Glass-Steagall Act (GGD-88-37)
103

Tax Administration: IRS' Abusive Tax Shelter Efforts Need Improvement (GGD-88-69)
122

Drug Interdiction: Should the Customs Command and Control Program Be Continued as Currently Evolving? (GGD-88-113)
11

Tax Administration: Difficulties in Accurately Estimating Tax Examination Yield (GGD-88-119)
125

Affirmative Action: National Institutes of Health Does Not Fully Meet Federal Requirements (HRD-86-37)
131

Emergency Jobs Act of 1983: Funds Spent Slowly, Few Jobs Created (HRD-87-1)
38

DOD Schools: Funding and Operating Alternatives for Education of Dependents (HRD-87-16)
29

Medical Research: National Research Service Awards for Research in Primary Medical Care (HRD-87-20)
162

Social Security Administration: Stable Leadership and Better Management Needed To Improve Effectiveness (HRD-87-39)
83

Medicare: More Hospital Costs Should Be Paid by Other Insurers (HRD-87-43)
144

Consumer Product Safety Commission: Administrative Structure Could Benefit From Change (HRD-87-47)
100

Social Security: More Must Be Done To Credit Earnings to Individuals' Accounts (HRD-87-52)
178

Welfare and Taxes: Extending Benefits and Taxes to Puerto Rico, Virgin

Islands, Guam, and American Samoa (HRD-87-60)
188

Veterans' Benefits: Improving the Integrity of VA's Unemployability Compensation Program (HRD-87-62)
379

Medical Malpractice: A Framework for Action (HRD-87-73)
146

Guaranteed Student Loans: Legislative and Regulatory Changes Needed To Reduce Default Costs (HRD-87-76)
33

Veterans Administration: VA Pensions to Medicaid Nursing Home Residents Should Be Reduced (HRD-87-111)
379

Immigration Control: A New Role for the Social Security Card (HRD-88-4)
1

Social Security: Little Success Achieved in Rehabilitating Disabled Beneficiaries (HRD-88-11)
180

Veterans' Pensions: Verifying Income With Tax Data Can Identify Significant Payment Problems (HRD-88-24)
190

Recommendation Addressee

Congress

Welfare Eligibility: Programs Treat Indian Tribal Trust Fund Payments Inconsistently (HRD-88-38) 191	Federal Workforce: A Framework for Studying Its Quality Over Time (PEMD-88-27) 79	Food Stamp Program: Progress and Problems in Using 75-Percent Funding for Automation (RCED-88-58) 172
VA/DOD Health Care: Further Opportunities To Increase the Sharing of Medical Resources (HRD-88-51) 265	AIDS Education: Reaching Populations at Higher Risk (PEMD-88-35) 165	Food Marketing: Frozen Pizza Cheese—Representative of Broader Food Labeling Issues (RCED-88-70) 13
Unemployment Insurance: Trust Fund Reserves Inadequate (HRD-88-55) 39	Benefit Overpayments: Recoveries Could Be Increased in the Food Stamp and AFDC Programs (RCED-86-17) 168	Environmental Protection Agency: Protecting Human Health and the Environment Through Improved Management (RCED-88-101) 334
Social Security: The Notch Issue (HRD-88-62) 167	Nonagricultural Pesticides: Risks and Regulation (RCED-86-97) 312	Indoor Radon: Limited Federal Response To Reduce Contamination in Housing (RCED-88-103) 327
Guaranteed Student Loans: Lenders' Interest Billings Often Result in Overpayments (HRD-88-72) 34	Pesticides: EPA's Formidable Task To Assess and Regulate Their Risks (RCED-86-125) 313	Wetlands: The Corps of Engineers' Administration of the Section 404 Program (RCED-88-110) 305
Legislative Mandates: State Experiences Offer Insights for Federal Action (HRD-88-75) 96	Pesticides: Need To Enhance FDA's Ability To Protect the Public From Illegal Residues (RCED-87-7) 134	Home Ownership: Mortgage Bonds Are Costly and Provide Little Assistance to Those in Need (RCED-88-111) 184
Summer Youth Jobs Program: Congressional Action Has Increased Emphasis on Remedial Education (HRD-88-118) 32	Trucking Deregulation: Proposed Sunset of ICC's Trucking Regulatory Responsibilities (RCED-87-107) 370	Hazardous Waste: New Approach Needed to Manage the Resource Conservation and Recovery Act (RCED-88-115) 331
Food Aid: Improving Economic and Market Development Impact in African Countries (NSIAD-88-55) 205	Energy Management: DOE Controls Over Contractor Expenditures Need Strengthening (RCED-87-166) 46	Nuclear Waste: Fourth Annual Report on DOE's Nuclear Waste Program (RCED-88-131) 57
Federal Evaluation: Fewer Units, Reduced Resources, Different Studies From 1980 (PEMD-87-9) 99	Hazardous Waste: Issues Surrounding Insurance Availability (RCED-88-2) 321	Federal Land Management: Consideration of Proposed Alaska Land Exchanges Should Be Discontinued (RCED-88-179) 306
Medical Devices: FDA's 510(k) Operations Could Be Improved (PEMD-88-14) 136	Milk Marketing Orders: Options for Change (RCED-88-9) 17	Satellite Data Archiving: U.S. and Foreign Activities and Plans for Environmental Information (RCED-88-201) 128
Domestic Terrorism: Prevention Efforts in Selected Federal Courts and Mass Transit Systems (PEMD-88-22) 2	Uranium Enrichment: Congressional Action Needed To Revitalize the Program (RCED-88-18) 54	Job Training Partnership Act: Participants, Services, and Outcomes (T-HRD-88-31) 40
Homeless Mentally Ill: Problems and Options in Estimating Numbers and Trends (PEMD-88-24) 159	Air Pollution: Ozone Attainment Requires Long-Term Solutions To Solve Complex Problems (RCED-88-40) 326	
	Tongass National Forest: Timber Provision of the Alaska Lands Act Needs Clarification (RCED-88-54) 302	

Recommendation Addressee

House Committees
Senate Committees
Government Printing Office
Department of Agriculture

House Committees

House Committee on Appropriations

Defense Subcommittee

ADP Budget: Defense Logistics Agency's Automated Information Systems Budget Request (IMTEC-88-50BR)
24

House Committee on Energy and Commerce

Medicare: Laboratory Fee Schedules Produced Large Beneficiary Savings but No Program Savings (HRD-88-32)
152

Oversight and Investigations Subcommittee

Securities Regulation: Efforts to Detect, Investigate, and Deter Insider Trading (GGD-88-116)
110

House Committee on Ways and Means

Medicare: Laboratory Fee Schedules Produced Large Beneficiary Savings but No Program Savings (HRD-88-32)
152

Health Subcommittee

Medicare: Experience Shows Ways to Improve Oversight of Health Maintenance Organizations (HRD-88-73)
160

Medicare: Improving Quality of Care Assessment and Assurance (PEMD-88-10)
153

Senate Committees

Senate Committee on Finance

Medicare: Laboratory Fee Schedules Produced Large Beneficiary Savings but No Program Savings (HRD-88-32)
152

Government Printing Office

U.S. Government Printing Office: Materials Management Service's Charges for Handling Paper and Materials (GGD-88-108)
95

Executive Branch

Department of Agriculture

CPA Audit Quality: Improved Controls Are Needed To Ensure Quality Audits of Federal Loan Programs (AFMD-88-3)
69

Millions Could Be Saved by Improving Integrity of the Food Stamp Program's Authorization-To-Participate System (CED-82-34)
182

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7)
36

Welfare Eligibility: Programs Treat Indian Tribal Trust Fund Payments Inconsistently (HRD-88-38)
191

ADP Management Controls: Farmers Home Administration Can Improve Reporting of Weaknesses (IMTEC-88-38)
61

Transportation of Public Law 480 Commodities—Efforts Needed To

Eliminate Unnecessary Costs (NSIAD-85-74)
18

International Trade: Review of Effectiveness of FAS Cooperator Market Development Program (NSIAD-87-89)
194

International Trade: Commodity Credit Corporation's Refunds of Export Guarantee Fees (NSIAD-87-185)
196

International Trade: FAS Management of Livestock Cooperator Program (NSIAD-88-24)
197

Agricultural Trade: Review of Targeted Export Assistance Program (NSIAD-88-183)
207

International Trade: Commodity Credit Corporation's Export Credit Guarantee Programs (NSIAD-88-194)
208

USDA's Commodity Program: The Accuracy of Budget Forecasts (PEMD-88-8)
14

Improved Management of Import Meat Inspection Program Needed (RCED-83-81)
13

Need To Foster Optimal Use of Resources in the Special Supplemental Food Program for Women, Infants, and Children (WIC) (RCED-85-105)
183

Benefit Overpayments: Recoveries Could Be Increased in the Food Stamp and AFDC Programs (RCED-86-17)
168

Food Stamp Program: Refinements Needed To Improve Accuracy of Quality Control Error Rates (RCED-86-195)
169

Federal Land Acquisition: Land Exchange Process Working But Can Be Improved (RCED-87-9)
299

Recommendation Addressee

Department of Agriculture
Department of Commerce

Imported Meat and Livestock: Chemical Residue Detection and the Issue of Labeling (RCED-87-142)
19

Cultural Resources: Problems Protecting and Preserving Federal Archeological Resources (RCED-88-3)
343

Crop Insurance: Overpayment of Claims by Private Companies Costs the Government Millions (RCED-88-7)
16

Food Stamp Program: Error Rate Adjustments and Sanctions (RCED-88-10)
171

Food Stamp Program: Evaluation of Improper Denial or Termination Error Rates (RCED-88-12)
172

Biotechnology: Managing the Risks of Field Testing Genetically Engineered Organisms (RCED-88-27)
15

Food Stamp Program: Progress and Problems in Using 75-Percent Funding for Automation (RCED-88-58)
172

Rangeland Management: More Emphasis Needed on Declining and Overstocked Grazing Allotments (RCED-88-80)
302

Cultural Resources: Implementation of Federal Historic Preservation Program Can Be Improved (RCED-88-81)
309

Parks and Recreation: Problems With Fee System for Resorts Operating on Forest Service Lands (RCED-88-94)
346

Public Rangelands: Some Riparian Areas Restored but Widespread Improvement Will Be Slow (RCED-88-105)
304

Food Stamp Program: Reporting of Application Activities Could Be Improved (RCED-88-156)
173

Crop Insurance: Participation in and Costs Associated With the Federal Program (RCED-88-171BR)
27

Commodity Credit Corporation

Financial Audit: Commodity Credit Corporation's Financial Statements for 1987 and 1986 (AFMD-88-47)
75

Farmers Home Administration

Information Systems: Agencies Overlook Security Controls During Development (IMTEC-88-11)
89

Federal Crop Insurance Corp.

Financial Audit: Federal Crop Insurance Corporation's Financial Statements for 1986 and 1985 (AFMD-87-36)
72

Food and Nutrition Service

Food Stamp Program: Statistical Validity of Agriculture's Payment Error-Rate Estimates (RCED-87-4)
170

Food Safety and Inspection Service

Imported Meat and Livestock: Chemical Residue Detection and the Issue of Labeling (RCED-87-142)
19

Foreign Agricultural Service

International Trade: Review of Effectiveness of FAS Cooperator Market Development Program (NSIAD-87-89)
194

Department of Commerce

Decennial Census: Minicomputer Procurement Delays and Bid Protests: Effects on the 1990 Census (GGD-88-70)
109

Caribbean Basin Initiative: Need for More Reliable Data on Business Activity Resulting From the Initiative (NSIAD-86-201BR)
202

Export Controls: Assessment of Commerce Department's Foreign Policy Report to Congress (NSIAD-87-176)
195

Export Controls: Commerce's Assessment of the Foreign Availability of Controlled Items Can Be More Effective (NSIAD-88-71)
198

Noncash Benefits: Methodological Review of Experimental Valuation Methods Indicates Many Problems Remain (PEMD-87-23)
167

The Foreign Fishing Observer Program: Management Improvements Needed (RCED-85-110)
307

International Trade Administration

United States and Foreign Commercial Service

Export Promotion: Activities of the Commerce Department's District Offices (NSIAD-86-43)
194

National Bureau of Standards

Information Systems: Agencies Overlook Security Controls During Development (IMTEC-88-11)
89

Recommendation AddresseeDepartment of Commerce
Department of Defense

National Oceanic and Atmospheric Administration

The Foreign Fishing Observer Program: Management Improvements Needed (RCED-85-110)
307

Deactivating Research Vessels: National Oceanic and Atmospheric Administration's Use of Private Ships (RCED-86-133)
308

Department of Defense

Internal Controls: Defense Fuel Supply Center's Recording and Reporting of Accounts Payable (AFMD-87-30)
64

Naval Audit Service: Effectiveness of Navy's Internal Audit Organization Is Limited (AFMD-88-12)
219

Prompt Payment Act: Military Exchanges Had Problems in Paying on Time (AFMD-88-17)
235

Financial Reporting: Defense Agencies' Reports on Financial Position Need To Be Improved (AFMD-88-19)
74

Foreign Military Sales: Redirection of Accounting Improvement Efforts Is Appropriate (AFMD-88-75)
66

Opportunities Exist To Reduce Operating Costs of the Department of Defense Overseas Dependents Schools (HRD-82-86)
226

DOD Should Adopt a New Approach To Analyze the Cost Effectiveness of Small Hospitals (HRD-85-21)
243

Army National Guard: Opportunities To Improve the Condition and Operation of Armories (HRD-86-49)
230

DOD Schools: Funding and Operating Alternatives for Education of Dependents (HRD-87-16)
29

DOD Health Care: Better Use of Malpractice Data Could Help Improve Quality of Care (HRD-87-30)
147

DOD Health Care: Additional Efforts Needed to Verify Physicians' Qualifications (HRD-88-39)
157

VA/DOD Health Care: Further Opportunities To Increase the Sharing of Medical Resources (HRD-88-51)
265

DOD Health Care: Requirements for Emergency Services Adequate and Generally Attainable (HRD-88-94)
161

Computer Systems: Navy Stock Point ADP Replacement Program Needs Better Management Controls (IMTEC-87-30)
76

Command and Control: Upgrades Allow Deferral of \$500 Million Computer Acquisition (IMTEC-88-10)
263

Medical ADP Systems: Analysis of Technical Aspects of DOD's Composite Health Care System (IMTEC-88-27)
156

Computer Procurement: Decision Needed on Navy's Standard Automated Financial System (IMTEC-88-47)
23

Ensuring Retention of Essential Civilians Overseas During Hostilities (NSIAD-84-73)
241

Opportunities To Improve the DOD Personal Property Shipping Program (NSIAD-85-10)
242

Collecting Research and Development Costs on Commercial Military Sales (NSIAD-86-44)
210

DOD Acquisition: Strengthening Capabilities of Key Personnel in Systems Acquisition (NSIAD-86-45)
292

Emergency Airlift: Responsiveness of the Civil Reserve Air Fleet Can Be Improved (NSIAD-86-47)
245

Military Housing: Analyses of Overseas Housing Costs Are Misleading to Decisionmakers (NSIAD-86-82)
228

Stars and Stripes: Appropriated-Fund Support Should Be Reduced (NSIAD-86-104)
227

DOD Tempest Protection: Better Evaluations Needed To Determine Required Countermeasures (NSIAD-86-132)
229

Test Range Needs: Future Navy Underwater Range Requirements Need To Be More Fully Assessed (NSIAD-87-30BR)
232

Quality Assurance: Efforts To Strengthen DOD's Program (NSIAD-87-33)
282

Hazardous Waste: DOD Efforts To Preclude Disposal of Contaminated Property Need Improvement (NSIAD-87-45)
232

Weapon Performance: Operational Test and Evaluation Can Contribute More to Decisionmaking (NSIAD-87-57)
293

Military Airlift: Management Controls Over Charter Airlift Need To Be Strengthened (NSIAD-87-67)
250

Information Security: Special Access Document Control at Northrop's Advanced Systems Division (NSIAD-87-79)
233

Recommendation Addressee

Department of Defense

Military Airspace: Better Planning Is Needed To Meet Future Requirements (NSIAD-87-93) 251	DOD Inventory Management: Revised Policies Needed (NSIAD-88-75) 262	Inventory Management: Receipt Confirmation Problems (NSIAD-88-179) 276
Iran Arms Sales: DOD's Transfer of Arms to the Central Intelligence Agency (NSIAD-87-114) 212	Army Disposal: Construction Equipment Prematurely Disposed of in Europe (NSIAD-88-77) 291	Military Manpower: Problems in Accounting for Occupational Shortfalls (NSIAD-88-188) 277
Military Airlift: Requirements for Aerial Port Personnel in Wartime Need To Be Determined (NSIAD-87-115) 252	Test and Evaluation: An Assessment of Navy's Long-Term Underwater Test Resources Plan (NSIAD-88-80) 295	Military Family Housing: Opportunities to Improve Operations and Maintenance of Military Family Housing (NSIAD-88-204) 240
DOD Warranties: Improvements Needed in Implementation of Warranty Legislation (NSIAD-87-122) 293	Electronic Warfare: Multiple Developments of Costly Threat Simulators (NSIAD-88-93) 262	Military Airlift: Operational Support Airlift Program Needs More Controls (NSIAD-88-219) 279
Procurement: Better Compliance With the Competition in Contracting Act Is Needed (NSIAD-87-145) 285	Management Review: Follow-Up on the Management Review of the Defense Logistics Agency (NSIAD-88-107) 269	Technical Risk Assessment: The Status of Current DOD Efforts (PEMD-86-5) 280
Polygraph Training: DOD Program Meets Standards But Expansion Requires Better Planning (NSIAD-87-161) 234	Navy Maintenance: Competing Vessel Overhauls and Repairs Between Public and Private Shipyards (NSIAD-88-109) 289	Live Fire Testing: Evaluating DOD's Programs (PEMD-87-17) 259
Electronic Warfare: Navy/Air Force Still Developing Separate, Costly Radar Warning Receivers (NSIAD-87-167) 258	Federal Catalog System: Continuing Item Identification Problems (NSIAD-88-121) 271	DOD Simulations: Improved Assessment Procedures Would Increase the Credibility of Results (PEMD-88-3) 294
Competition: Issues on Establishing and Using Federally Funded Research and Development Centers (NSIAD-88-22) 236	NATO: U.S. Contributions to the Airborne Early Warning and Control Program (NSIAD-88-132) 213	More Effective Use of Contract Airlift Could Reduce DOD Transportation Costs (PLRD-83-55) 240
Inventory Management: Defense Logistics Agency Inventory Accuracy Problems (NSIAD-88-39) 260	Inventory Management: Air Force Inventory Accuracy Problems (NSIAD-88-133) 272	Patent Policy: Recent Changes in Federal Law Considered Beneficial (RCED-87-44) 129
Defense Procurement: Work Measurement Programs at Selected Contractor Locations (NSIAD-88-43BR) 288	Government Property: DOD's Management of the Property It Furnishes to Contractors (NSIAD-88-151) 274	<hr/> Defense Logistics Agency <hr/>
Navy Inventory Management: Inventory Accuracy Problems (NSIAD-88-69) 266	Space Shuttle: The Future of the Vandenberg Launch Site Needs to Be Determined (NSIAD-88-158) 130	Procurement: Defense Logistics Agency Implementation of the Spare Parts Initiatives (NSIAD-87-143) 284
Export Controls: Commerce's Assessment of the Foreign Availability of Controlled Items Can Be More Effective (NSIAD-88-71) 198	Military Manpower: Lack of Management Oversight Over Civilian Substitution (NSIAD-88-169) 238	Inventory Management: Defense Logistics Agency Inventory Accuracy Problems (NSIAD-88-39) 260
		Internal Controls: Controls Over Expedited Payments to Defense

Recommendation Addressee

Department of Defense

Suppliers Need Improvement (NSIAD-88-113)
264

Department of the Air Force

Air Force Computers: Development Risks of Logistics Modernization Program Can Be Reduced (IMTEC-87-19)
21

Military Airlift: Improving Management of Aircraft Loading Operations (NSIAD-87-5)
247

Military Logistics: Improvements Needed in Managing Air Force Special Stock Levels (NSIAD-87-34)
249

Air Force Manpower Program: Improvements Needed in Procedures and Controls (NSIAD-87-137)
257

Military Procurement: Air Force Should Terminate More Contracts for On-Order Excess Spare Parts (NSIAD-87-141)
259

Internal Controls: Air Force Can Improve Controls Over Contractor Access to DOD Supply System (NSIAD-88-99)
268

Internal Controls: Air Force Correcting Weaknesses in Its Property Disposal Practices (NSIAD-88-106)
270

Inventory Management: Air Force Inventory Accuracy Problems (NSIAD-88-133)
272

Strategic Air Command: KC-135A Crash and the Need for SAC Air Show Regulations (NSIAD-88-172)
278

Air Force Contracting: Protecting Liquid Oxygen/Nitrogen Plants From Contamination (NSIAD-88-206)
290

Close Air Support: Upgraded A-7 Aircraft's Mission Effectiveness and Total Cost Unknown (NSIAD-88-210)
296

Women in the Military: More Military Jobs Can Be Opened Under Current Statutes (NSIAD-88-222)
278

Department of the Army

DOD Acquisition: Strengthening Capabilities of Key Personnel in Systems Acquisition (NSIAD-86-45)
292

Military Construction: The Letterkenny Army Depot Retrieval System (NSIAD-87-112BR)
283

Army Deployment: Better Transportation Planning Is Needed (NSIAD-87-138)
255

Army Inventory Management: Inventory and Physical Security Problems Continue (NSIAD-88-11)
219

Internal Controls: Status of Army Efforts To Control Contractor Access to the DOD Supply System (NSIAD-88-98)
267

Reserve Training: An Alternative to the Active Army Education Program for National Guard Technicians (NSIAD-88-164)
220

Army Transportation: Alleged Overcharges on Rail Shipments to and From Ft. Irwin, California (NSIAD-88-174)
273

Army Training: Need to Strengthen Internal Controls Over Troop Schools (NSIAD-88-208)
237

Women in the Military: More Military Jobs Can Be Opened Under Current Statutes (NSIAD-88-222)
278

Wetlands: The Corps of Engineers' Administration of the Section 404 Program (RCED-88-110)
305

Water Resources: Issues Concerning the Arkansas River Basin Operation Plan (RCED-88-166)
348

Military Traffic Management Command
Routing Small Shipments of Hazardous or Sensitive Cargo (NSIAD-86-34)
245

U.S. Army, Europe
Medical Readiness: The U.S. Army Can Improve Its Management of POMCUS Hospital Equipment in Europe (NSIAD-86-197)
231

U.S. Army Missile Command
Contract Pricing: Material Prices Overstated on Ground/Vehicular Laser Locator Designators (NSIAD-88-25)
288

Department of the Navy

Computer Procurement: Issues Concerning Technical Specifications for Navy's CAD/CAM Acquisition (IMTEC-88-16BR)
21

Computer Procurement: Navy CAD/CAM Acquisition Has Merit but Management Improvements Needed (IMTEC-88-22)
22

Software Development: Better Management Controls Needed at Navy Regional Data Automation Center (IMTEC-88-46)
24

The Navy Can Improve Material Management at Naval Shipyards (NSIAD-85-71)
243

Navy Manpower: Improved Ship Manpower Document Program Could Reduce Requirements (NSIAD-86-49)
246

Recommendation Addressee

Department of Defense
Department of Education
Department of Energy

Navy Supply: Intermediate Inventories Can Be Reduced (NSIAD-87-19)
248

Navy Manpower: Squadron Manpower Program Needs Improvement (NSIAD-87-101)
253

Navy Maintenance: The P-3 Aircraft Overhaul Program Can Be Improved (NSIAD-87-157)
257

Physical Security: Protection of Assets at U.S. Navy Bases (NSIAD-88-6)
235

Navy Supply: Economic Order Quantity and Item Essentiality Need More Consideration (NSIAD-88-64)
261

Navy Inventory Management: Inventory Accuracy Problems (NSIAD-88-69)
266

Navy Maintenance: Naval Aviation Depots' Asset Capitalization Program Needs Improvement (NSIAD-88-134)
270

Internal Controls: Controls Over Material Furnished to Navy Contractors Can Be Improved (NSIAD-88-150)
275

Navy Maintenance: Ship Maintenance Strategies Need Better Assessments (NSIAD-88-187)
274

Toxic Substances: PCB Spill at the Guam Naval Power Generating Plant (NSIAD-88-217)
239

Women in the Military: More Military Jobs Can Be Opened Under Current Statutes (NSIAD-88-222)
278

Naval Sea Systems Command

Contract Pricing: Material Prices Overstated on the Amphibious Assault Vehicle Contract (NSIAD-86-123)
281

Contract Pricing: Material Prices Overstated on Standard Missile and Phalanx Systems (NSIAD-87-31)
283

Office of the Assistant Secretary of the Navy (Financial Management)

Computer Procurement: Decision Needed on Navy's Standard Automated Financial System (IMTEC-88-47)
23

United States Marine Corps

Marine Corps Manpower: Improvements Needed in Processes for Determining Manpower Requirements (NSIAD-87-102)
254

Department of Education

DOD Schools: Funding and Operating Alternatives for Education of Dependents (HRD-87-16)
29

Defaulted Student Loans: Private Lender Collection Efforts Often Inadequate (HRD-87-48)
32

Guaranteed Student Loans: Legislative and Regulatory Changes Needed To Reduce Default Costs (HRD-87-76)
33

Compensatory Education: Chapter 1's Comparability of Services Provision (HRD-87-102)
30

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7)
36

Guaranteed Student Loans: Lenders' Interest Billings Often Result in Overpayments (HRD-88-72)
34

Department of Energy

Property Management: Excess and Surplus Personal Property Transfers to Nonfederal Organizations (GGD-88-68)
92

Information Systems: Agencies Overlook Security Controls During Development (IMTEC-88-11)
89

More Assurance Is Needed That Strategic Petroleum Reserve Oil Can Be Withdrawn as Designed (RCED-85-104)
41

Environment, Safety, and Health: Environment and Workers Could Be Better Protected at Ohio Defense Plants (RCED-86-61)
221

Department of Energy: Allegations About the Director of the Office of Minority Economic Impact (RCED-86-95)
44

Nuclear Safety: Safety Analysis Reviews for DOE's Defense Facilities Can Be Improved (RCED-86-175)
222

Nuclear Energy: Environmental Issues at DOE's Nuclear Defense Facilities (RCED-86-192)
223

Patent Policy: Recent Changes in Federal Law Considered Beneficial (RCED-87-44)
129

Nuclear Security: DOE's Reinvestigation of Employees Has Not Been Timely (RCED-87-72)
45

Nuclear Materials: Alternatives for Relocating Rocky Flats Plant's Plutonium Operations (RCED-87-93)
223

Naval Petroleum Reserve-1: Data Inaccuracies Complicate Production and Ownership Issues (RCED-87-105BR)
41

Recommendation Addressee

Department of Energy
Department of Health and Human Services

Nuclear Nonproliferation: Department of Energy Needs Tighter Controls Over Reprocessing Information (RCED-87-150)
45

Energy Management: DOE Controls Over Contractor Expenditures Need Strengthening (RCED-87-166)
46

Nuclear Security: DOE Needs a More Accurate and Efficient Security Clearance Program (RCED-88-28)
47

Energy Conservation: States' Use of Interest Earned on Oil Overcharge Funds (RCED-88-51)
43

Environmental Funding: DOE Needs To Better Identify Funds for Hazardous Waste Compliance (RCED-88-62)
224

Nuclear Waste: DOE Should Base Disposal Fee Assessment on Realistic Inflation Rate (RCED-88-129)
55

Nuclear Waste: Fourth Annual Report on DOE's Nuclear Waste Program (RCED-88-131)
57

Nuclear Health and Safety: Oversight at DOE's Nuclear Facilities Can Be Strengthened (RCED-88-137)
51

Nuclear Health and Safety: Stronger Oversight of Asbestos Control Needed at Hanford Tank Farms (RCED-88-150)
51

Naval Petroleum Reserve No. 1: Examination of DOE's Report on Divestiture (RCED-88-151)
42

Energy Management: States' Use and DOE Oversight of Exxon and Stripper Well Overcharge Funds (RCED-88-152)
50

Nuclear Waste: Repository Work Should Not Proceed Until Quality Assurance Is Adequate (RCED-88-159)
57

Nuclear Waste: Problems Associated With DOE's Inactive Waste Sites (RCED-88-169)
225

Naval Petroleum Reserves-1: Data Corrections Made but More Accurate Reserve Data Needed (RCED-88-174)
55

Energy Management: DOE/Martin Marietta Royalty-Sharing Agreement (RCED-88-194)
53

Nuclear Health and Safety: DOE Needs to Take Further Actions to Ensure Safe Transportation of Radioactive Materials (RCED-88-195)
53

Bonneville Power Administration

Electric Power: Issues Concerning Expansion of the Pacific Northwest-Southwest Intertie (RCED-88-199)
56

Federal Energy Regulatory Commission

Energy Regulation: Opportunities for Strengthening Hydropower Cumulative Impact Assessments (RCED-88-82)
49

Department of Health and Human Services

Debt Collection: More Aggressive Action Needed To Collect Debts Owed by Health Professionals (AFMD-88-23)
65

Financial Management: Continued Top Management Support Needed to Improve HHS' Accounting Systems (AFMD-88-37)
67

Social Security: Need To Improve Unit Times for Estimating Field Office Staff Budgets (GGD-86-90)
178

Social Security: Opportunities To Improve Productivity at Program Service Centers (GGD-87-54)
187

Medicare/Medicaid Funds Can Be Better Used To Correct Deficiencies in Indian Health Service Facilities (HRD-83-22)
139

Social Security Administration Needs To Protect Against Possible Conflicts of Interest in Its Disability Programs (HRD-83-65)
175

Better Case File Monitoring of the Workers' Compensation Offset Provision by the Social Security Administration Could Save Millions (HRD-83-90)
175

Medicare's Policies and Prospective Payment Rates for Cardiac Pacemaker Surgeries Need Review and Revision (HRD-85-39)
141

Food Inspections: FDA Should Rely More on State Agencies (HRD-86-2)
133

Disability Programs: SSA Consultative Medical Examination Process Improved; Some Problems Remain (HRD-86-23)
176

Medicare: Past Overuse of Intensive Care Services Inflates Hospital Payments (HRD-86-25)
141

Medicare: Issues Raised by Florida Health Maintenance Organization Demonstrations (HRD-86-97)
142

Affirmative Action: Social Security Can Do More To Improve Blacks' Representation in Its Work Force (HRD-87-2)
97

Medicare: Need To Strengthen Home Health Care Payment Controls and Address Unmet Needs (HRD-87-9)
143

Recommendation Addressee

Department of Health and Human Services

Medicaid: Lessons Learned From Arizona's Prepaid Program (HRD-87-14)
145

Child Support: Need To Improve Efforts To Identify Fathers and Obtain Support Orders (HRD-87-37)
186

Medicare: More Hospital Costs Should Be Paid by Other Insurers (HRD-87-43)
144

Medical Malpractice: A Framework for Action (HRD-87-73)
146

Medicaid: Improvements Needed in Programs To Prevent Abuse (HRD-87-75)
149

Medicare and Medicaid: Stronger Enforcement of Nursing Home Requirements Needed (HRD-87-113)
149

Prenatal Care: Medicaid Recipients and Uninsured Women Obtain Insufficient Care (HRD-87-137)
150

Social Security: Effects of Budget Constraints on Disability Program (HRD-88-2)
179

Social Security: Effects of Budget Constraints on Disability Program (HRD-88-3)
179

Immigration Control: A New Role for the Social Security Card (HRD-88-4)
1

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7)
36

Food and Drug Administration: HHS Inspector General Should Be Involved in Criminal Investigations (HRD-88-8)
136

Medicare: Better Controls Needed for Peer Review Organizations' Evaluations (HRD-88-13)
151

Welfare Eligibility: Programs Treat Indian Tribal Trust Fund Payments Inconsistently (HRD-88-38)
191

Medicare: Refinement of Diagnosis Related Groups Needed To Insure Payment Equity (HRD-88-41)
152

Minority Representation: Efforts of the Alcohol, Drug Abuse, and Mental Health Administration (HRD-88-49)
350

Medicare: Issues Concerning the HealthChoice Demonstration Project (HRD-88-69)
158

Medicare: Experience Shows Ways to Improve Oversight of Health Maintenance Organizations (HRD-88-73)
160

Biomedical Research: Issues Related to Increasing Size of NIH Grant Awards (HRD-88-90BR)
163

FDA's Reviews of New Drugs: Changes Needed in Process for Reviewing and Reporting on Clinical Studies (HRD-88-100)
137

Controlled Substances: Medicaid Data May Be Useful for Monitoring Diversion (HRD-88-111)
159

Information Systems: SSA's Financial Management of Information Systems Needs Improvement (IMTEC-88-15)
181

ADP Systems: FDA Can Reduce Development Risks for Its Import Information System (IMTEC-88-42)
166

Medical Devices: Early Warning of Problems Is Hampered by Severe Underreporting (PEMD-87-1)
135

HCFA Research: Agency Practices and Other Factors Threaten Quality of Mandated Studies (PEMD-88-9)
164

Medicare: Improving Quality of Care Assessment and Assurance (PEMD-88-10)
153

Medical Devices: FDA's 510(k) Operations Could Be Improved (PEMD-88-14)
136

Medicare: Improved Patient Outcome Analyses Could Enhance Quality Assessment (PEMD-88-23)
155

Homeless Mentally Ill: Problems and Options in Estimating Numbers and Trends (PEMD-88-24)
159

AIDS Education: Reaching Populations at Higher Risk (PEMD-88-35)
165

Pesticides: Better Sampling and Enforcement Needed on Imported Food (RCED-86-219)
315

Food and Drug Administration

Document Requests: Response Time to Congressional Committees Could Be Improved (HRD-87-45)
165

Health Care Financing Administration

Payment Rates for Ambulatory Surgery Centers Are Higher Than Intended by HCFA (HRD-84-67)
140

Medicare: Rehabilitation Service Claims Paid Without Adequate Information (HRD-87-91)
148

Health Resources and Services Administration

Debt Collection: More Aggressive Action Needed To Collect Debts Owed by Health Professionals (AFMD-88-23)
65

Recommendation Addressee

Department of Health and Human Services
Department of Housing and Urban Development
Department of the Interior

Office of Inspector General

Inspectors General: Compliance With Professional Standards by the HHS Inspector General (AFMD-88-36)
70

Social Security Administration

IRS and SSA Can Improve the Verification and Recording of Data Provided by Self-Employed Taxpayers (GGD-85-21)
111

Retirement Benefits: Discrepancies in Benefits Paid by the Railroad Retirement Board for SSA (HRD-86-3)
177

Social Security Administration: Stable Leadership and Better Management Needed To Improve Effectiveness (HRD-87-39)
83

Equal Employment Opportunity: Some Racial Imbalance in SSA Region X, Better Data and Remedies Needed (HRD-88-6)
101

Information Systems: Agencies Overlook Security Controls During Development (IMTEC-88-11)
89

Social Security Funds: Additional Measures Could More Fully Indicate the System's Financial Condition (PEMD-88-11)
180

Department of Housing and Urban Development

CPA Audit Quality: Improved Controls Are Needed To Ensure Quality Audits of Federal Loan Programs (AFMD-88-3)
69

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7)
36

Welfare Eligibility: Programs Treat Indian Tribal Trust Fund Payments Inconsistently (HRD-88-38)
191

Internal Controls: Weaknesses in HUD's Single Family Housing Appraisal Program (RCED-87-165)
59

Indoor Radon: Limited Federal Response To Reduce Contamination in Housing (RCED-88-103)
327

Public Housing: Problems Continue To Plague the Cuyahoga Metropolitan Housing Authority (RCED-88-122)
185

Housing Programs: Funding Approach for HUD's Section 8 Certificate Program Needs Changing (RCED-88-136)
184

Department of the Interior

Are Agencies Doing Enough or Too Much for Archeological Preservation? Guidance Needed (CED-81-61)
339

Personnel Practices: Propriety of Selected Personnel Actions at the Bureau of Indian Affairs (GGD-88-81)
108

Welfare Eligibility: Programs Treat Indian Tribal Trust Fund Payments Inconsistently (HRD-88-38)
191

Surface Mining: Cost and Availability of Reclamation Bonds (PEMD-88-17)
328

National Park Service Needs a Maintenance Management System (RCED-84-107)
340

The Bureau of Reclamation Could Identify More Unneeded Land (RCED-85-25)
297

National Parks: Law Enforcement Capability and Cost Comparisons at Two Recreation Areas (RCED-86-40)
341

Parks and Recreation: Limited Progress Made in Documenting and Mitigating Threats to the Parks (RCED-87-36)
342

Surface Mining: Interior Department and States Could Improve Inspection Programs (RCED-87-40)
298

Surface Mining: State Management of Abandoned Mine Land Funds (RCED-87-57)
299

Wildlife Management: National Refuge Contamination Is Difficult To Confirm and Clean Up (RCED-87-128)
347

Surface Mining: States Not Assessing and Collecting Monetary Penalties (RCED-87-129)
319

Surface Mining: State and Federal Use of Alternative Enforcement Techniques (RCED-87-160)
300

Mineral Revenues: Coal Lease Readjustment Problems Remedied but Not All Revenue Is Collected (RCED-87-164)
301

Cultural Resources: Problems Protecting and Preserving Federal Archeological Resources (RCED-88-3)
343

Parks and Recreation: Interior Did Not Comply With Legal Requirements for the Outdoors Commission (RCED-88-65)
345

Rangeland Management: More Emphasis Needed on Declining and Overstocked Grazing Allotments (RCED-88-80)
302

Recommendation Addressee

Department of the Interior
Department of Justice
Department of Labor
Department of State

Cultural Resources: Implementation of Federal Historic Preservation Program Can Be Improved (RCED-88-81)
309

Indoor Radon: Limited Federal Response To Reduce Contamination in Housing (RCED-88-103)
327

Offshore Oil and Gas: Environmental Studies Program Meets Most User Needs but Changes Needed (RCED-88-104)
310

Public Rangelands: Some Riparian Areas Restored but Widespread Improvement Will Be Slow (RCED-88-105)
304

Water Resources: Costs of the Fountain Valley Authority Pipeline (RCED-88-125)
348

Federal Land Management: Consideration of Proposed Alaska Land Exchanges Should Be Discontinued (RCED-88-179)
306

Department of Justice

Justice Needs Better Controls Over Payment of Witness Fees (GGD-84-61)
4

Presentence Evaluations of Offenders Can Be More Responsive to the Needs of the Judiciary (GGD-85-14)
3

Improved Management Processes Would Enhance Justice's Operations (GGD-86-12)
81

INS Delivery Bonds: Stronger Internal Controls Needed (GGD-88-36)
8

Ethics: The Department of Justice's Ethics Program (GGD-88-112BR)
79

Immigration Control: A New Role for the Social Security Card (HRD-88-4)
1

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7)
36

ADP Architecture: Study Made for Immigration and Naturalization Service Needs Validation (IMTEC-88-21)
11

Immigration Service: INS' Technology Selection Process Is Weak, Informal, and Inconsistently Applied (PEMD-88-16)
9

Immigration and Naturalization Service

Immigration Reform: Systematic Alien Verification System Could Be Improved (IMTEC-87-45BR)
7

Information Systems: Agencies Overlook Security Controls During Development (IMTEC-88-11)
89

Office of the Attorney General

Defense Procurement Fraud: Justice's Overall Management Can Be Enhanced (GGD-88-96)
12

Immigration: The Future Flow of Legal Immigration to the United States (PEMD-88-7)
197

Department of Labor

Whistleblowers: Management of the Program to Protect Trucking Company Employees Against Reprisal (GGD-88-123)
138

Strong Leadership Needed To Improve Management at the Department of Labor (HRD-86-12)
35

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7)
36

ADP Internal Controls: Actions To Correct System Weaknesses for Federal Employees' Compensation (IMTEC-88-9)
60

Job Training Partnership Act: Participants, Services, and Outcomes (T-HRD-88-31)
40

Occupational Safety and Health Administration

OSHA's Monitoring and Evaluation of State Programs (T-HRD-88-13)
39

Department of State

Internal Controls: State's Controls Over Personal Property Management Are Inadequate (NSIAD-87-156)
193

Arms Exports: Licensing Reviews for Exporting Military Items Can Be Improved (NSIAD-87-211)
212

Drug Control: U.S.-Mexico Opium Poppy and Marijuana Aerial Eradication Program (NSIAD-88-73)
206

Overseas Support: Current U.S. Administrative Support System Is Too Complicated (NSIAD-88-84)
199

Internal Controls: State Department Needs to Improve Management of Travel Advances (NSIAD-88-178)
200

State Department: U.S. Involvement in the American Club in Greece (NSIAD-88-207)
202

Recommendation Addressee

Department of State
Department of Transportation

Bureau of Politico-Military Affairs

Office of Munitions Control

Arms Exports: Licensing Reviews for Exporting Military Items Can Be Improved (NSIAD-87-211)
212

Department of Transportation

Whistleblowers: Management of the Program to Protect Trucking Company Employees Against Reprisal (GGD-88-123)
138

Transportation of Public Law 480 Commodities—Efforts Needed To Eliminate Unnecessary Costs (NSIAD-85-74)
18

Military Airlift: Management Controls Over Charter Airlift Need To Be Strengthened (NSIAD-87-67)
250

Stronger Enforcement Would Help Improve Motor Carrier Safety (RCED-85-64)
366

Implementing the Small Business Innovation Development Act—The First 2 Years (RCED-86-13)
128

Airline Competition: Impact of Computerized Reservation Systems (RCED-86-74)
353

Motor Vehicle Safety: Enforcement of Federal Standards Can Be Enhanced (RCED-87-2)
374

Department of Transportation: Enhancing Policy and Program Effectiveness Through Improved Management (RCED-87-3)
368

Auto Safety and Emissions: No Assurance That Imported Gray Market

Vehicles Meet Federal Standards (RCED-87-29)
367

Aviation Safety: Needed Improvements in FAA's Airline Inspection Program Are Underway (RCED-87-62)
354

Trucking Deregulation: Proposed Sunset of ICC's Trucking Regulatory Responsibilities (RCED-87-107)
370

Highway Needs: An Evaluation of DOT's Process for Assessing the Nation's Highway Needs (RCED-87-136)
371

FAA Staffing: Challenges in Managing Shortages in the Maintenance Work Force (RCED-87-137)
355

Aviation Weather: Status of FAA's New Hazardous Weather Detection and Dissemination Systems (RCED-87-208)
356

Aviation Safety: Commuter Airports Should Participate in the Airport Certification Program (RCED-88-41)
356

Bridge Condition Assessment: Inaccurate Data May Cause Inequities in the Apportionment of Federal-Aid Funds (RCED-88-75)
373

Aviation Services: Automation and Consolidation of Flight Service Stations (RCED-88-77)
358

Aviation Security: Improved Controls Needed To Prevent Unauthorized Access at Key Airports (RCED-88-86)
357

Highway Safety: Monitoring Practices To Show Compliance With Speed Limits Should Be Reexamined (RCED-88-93BR)
372

FAA Staffing: Improvements Needed in Estimating Air Traffic Controller Requirements (RCED-88-106)
361

Airport Noise: FAA's Enforcement of Noise Rules at National Airport (RCED-88-117)
358

Microwave Landing Systems: Additional Systems Should Not Be Procured Unless Benefits Proven (RCED-88-118)
359

Aircraft Noise: Implementation of FAA's Expanded East Coast Plan (RCED-88-143)
362

Airspace Use: FAA Needs to Improve Its Management of Special Use Airspace (RCED-88-147)
363

Aviation Safety: Airlines Should Check Pilot Applicants' Safety History (RCED-88-154)
360

Aviation Security: Corrective Actions Underway, but Better Inspection Guidance Still Needed (RCED-88-160)
364

FAA Staffing: Recruitment, Hiring, and Initial Training of Safety-Related Personnel (RCED-88-189)
364

Aviation Safety: Enhanced Requirements Can Improve Commuter Pilot Training (RCED-88-218)
365

Federal Aviation Administration

Information Systems: Agencies Overlook Security Controls During Development (IMTEC-88-11)
89

FAA Staffing: Recruitment, Hiring, and Initial Training of Safety-Related Personnel (RCED-88-189)
364

Federal Highway Administration

Bridge Condition Assessment: Inaccurate Data May Cause Inequities in the

Recommendation Addressee

Department of Transportation
Department of the Treasury

Apportionment of Federal-Aid Funds
(RCED-88-75)
373

Office of Inspector General

Inspectors General: Compliance With Professional Standards by the Transportation Inspector General
(AFMD-87-28)
68

Department of the Treasury

Financial Audit: Federal Financing Bank's Financial Statements for Fiscal Years 1985 and 1984 (AFMD-87-31)
26

Bank Secrecy Act: Treasury Can Improve Implementation of the Act
(GGD-86-95)
5

Cargo Imports: Customs Needs To Better Assure Compliance With Trade Laws and Regulations (GGD-86-136)
6

Unemployment Compensation: Payments to Ineligible Former Employees (GGD-87-17)
77

Social Security: More Must Be Done To Credit Earnings to Individuals' Accounts
(HRD-87-52)
178

Pesticides: Better Sampling and Enforcement Needed on Imported Food
(RCED-86-219)
315

Internal Revenue Service

IRS and SSA Can Improve the Verification and Recording of Data Provided by Self-Employed Taxpayers
(GGD-85-21)
111

Tax Administration: Administrative Changes Could Lead to Earlier Resolution of Tax Disputes (GGD-86-75)
113

Tax Administration: Tip Income Reporting Can Be Increased (GGD-86-119)
114

Tax Administration: IRS Can Improve Its Collection Procedures for Taxpayers Living Overseas (GGD-87-14)
116

Tax Administration: IRS Can Improve on the Success of Its Problem Resolution Program (GGD-88-12)
117

Tax Administration: Opportunities Exist for Improving IRS' Administration of Alien Taxpayer Programs (GGD-88-54)
118

Tax Administration: Investigating Illegal Income—Success Uncertain, Improvements Needed (GGD-88-61)
119

Tax Administration: IRS' Abusive Tax Shelter Efforts Need Improvement
(GGD-88-69)
122

Tax Administration: IRS Could Reduce the Number of Unproductive Business Nonfiler Investigations (GGD-88-77)
120

Tax Administration: IRS' Service Centers Need to Improve Handling of Taxpayer Correspondence (GGD-88-101)
121

Tax Administration: Accuracy of Taxpayer Identification Numbers on Information Returns Can Be Improved
(GGD-88-110)
126

Tax Administration: Difficulties in Accurately Estimating Tax Examination Yield (GGD-88-119)
125

Tax Administration: Availability and Completeness of Returns for Tax-Exempt Organizations (GGD-88-128)
126

Computer Security: Contingency Plans and Risk Analyses Needed for IRS Computer Centers (IMTEC-86-10)
112

Data Communications: Thorough Testing and Workload Analyses Needed for IRS Processors (IMTEC-87-3BR)
115

Computer Capacity: IRS Must Better Estimate Its Computer Resource Needs
(IMTEC-87-5BR)
115

Information Systems: Agencies Overlook Security Controls During Development
(IMTEC-88-11)
89

System Integrity: IRS Can Reduce Processing Errors With Better Controls and Information (IMTEC-88-25)
124

Internal Revenue Service: Need to Improve the Revenue Accounting Control System (IMTEC-88-41)
121

Office of the Assistant Commissioner (Employee Plans and Exempt Organizations)

IRS' Examination Selection System for Exempt Organizations' Unrelated Business Income (GGD-85-64)
112

Office of the Comptroller of the Currency

International Banking: Supervision of Overseas Lending Is Inadequate (NSIAD-88-87)
104

United States Customs Service

Information Systems: Agencies Overlook Security Controls During Development
(IMTEC-88-11)
89

Recommendation Addressee

Department of Veterans Affairs
Executive Office of the President
Advisory Commission on Intergovernmental Relations

Department of Veterans Affairs

Financial Management: An Assessment of the Veterans Administration's Major Processes (AFMD-86-7)
131

Financial Audit: Veterans Administration's Financial Statements for Fiscal Year 1986 (AFMD-87-38)
73

Blue-Collar Workers: Appraisal Systems Are in Place, But Basic Refinements Are Needed (GGD-87-72)
77

Better Guidelines Could Reduce VA's Planned Construction of Costly Operating Rooms (HRD-81-54)
375

Prisoners Receiving Social Security and Other Federal Retirement, Disability, and Education Benefits (HRD-82-43)
174

VA Central Office Needs To Exercise Better Oversight of Cardiac Pacemaker Recalls (HRD-84-33)
375

VA Health Care: Too Many Operating Rooms Being Planned and Built (HRD-86-78)
162

VA Health Care: VA's Patient Injury Control Program Not Effective (HRD-87-49)
376

Veterans' Benefits: Improving the Integrity of VA's Unemployability Compensation Program (HRD-87-62)
379

Veterans' Pensions: Verifying Income With Tax Data Can Identify Significant Payment Problems (HRD-88-24)
190

Welfare Eligibility: Programs Treat Indian Tribal Trust Fund Payments Inconsistently (HRD-88-38)
191

Veterans Administration: Identifying Physicians With License Sanctions—An Incomplete Process (HRD-88-47)
377

VA/DOD Health Care: Further Opportunities To Increase the Sharing of Medical Resources (HRD-88-51)
265

VA Health Care: Monitoring of Cardiac Surgery and Kidney Transplantation (HRD-88-70)
378

VA Health Care: Delays in Awarding Major Construction Contracts (HRD-88-74)
381

ADP Systems: Department of Veterans Benefits Modernization Program (IMTEC-88-3)
380

Information Systems: Agencies Overlook Security Controls During Development (IMTEC-88-11)
89

Cultural Resources: Implementation of Federal Historic Preservation Program Can Be Improved (RCED-88-81)
309

Executive Office of the President

Social Security Administration: Stable Leadership and Better Management Needed To Improve Effectiveness (HRD-87-39)
83

Office of Federal Procurement Policy

Procurement: Better Compliance With the Competition in Contracting Act Is Needed (NSIAD-87-145)
285

Office of Management and Budget

CPA Audit Quality: Many Governmental Audits Do Not Comply With Professional Standards (AFMD-86-33)
59

Loan Asset Sales: OMB Policies Will Result in Program Objectives Not Being Fully Achieved (AFMD-86-78)
63

Loan Asset Sales: OMB Policies Will Result in Program Objectives Not Being Fully Achieved (AFMD-86-79)
64

Budget Issues: USDA's Commodity Certificates Should Be Recognized in Budget Totals (AFMD-88-27)
62

Government Contractors: Criteria Needed for Allowable Employee Health Care Costs (HRD-88-27)
290

Information Management: Leadership Needed in Managing Federal Telecommunications (IMTEC-87-9)
87

Information Systems: Agencies Overlook Security Controls During Development (IMTEC-88-11)
89

Procurement: Assessment of the Office of Federal Procurement Policy (NSIAD-88-35)
102

Independent Agencies

Advisory Commission on Intergovernmental Relations

Legislative Mandates: State Experiences Offer Insights for Federal Action (HRD-88-75)
96

Recommendation Addressee

District of Columbia
Environmental Protection Agency
Federal Communications Commission

District of Columbia

Implementation of Public Law 94-142 as It Relates to Handicapped Delinquents in the District of Columbia (GGD-86-4)
29

District of Columbia: P.L. 94-142 Compliance and Management of Youth Services Administration (GGD-86-131)
96

DC Government: Problems Have Created Delays in Constructing Educational Facilities at Lorton (GGD-88-1BR)
102

Environmental Protection Agency

Water Quality: An Evaluation Method for the Construction Grants Program—Methodology (PEMD-87-4A)
317

The Environmental Protection Agency Should Better Manage Its Use of Contractors (RCED-85-12)
310

Hazardous Waste: Environmental Safeguards Jeopardized When Facilities Cease Operating (RCED-86-77)
311

Nonagricultural Pesticides: Risks and Regulation (RCED-86-97)
312

Hazardous Waste: Responsible Party Clean Up Efforts Require Improved Oversight (RCED-86-123)
315

Pesticides: EPA's Formidable Task To Assess and Regulate Their Risks (RCED-86-125)
313

Air Quality Standards: EPA's Standard Setting Process Should Be More Timely and Better Planned (RCED-87-23)
316

Hazardous Waste: EPA Has Made Limited Progress in Determining the Wastes To Be Regulated (RCED-87-27)
318

Auto Safety and Emissions: No Assurance That Imported Gray Market Vehicles Meet Federal Standards (RCED-87-29)
367

Wildlife Management: National Refuge Contamination Is Difficult To Confirm and Clean Up (RCED-87-128)
347

Hazardous Waste: Controls Over Injection Well Disposal Operations Protect Drinking Water (RCED-87-170)
320

Superfund: Improvements Needed in Work Force Management (RCED-88-1)
321

Hazardous Waste: Issues Surrounding Insurance Availability (RCED-88-2)
321

Internal Controls: EPA Needs To Improve Controls Over Change Orders and Claims (RCED-88-16)
60

Hazardous Waste: Facility Inspections Are Not Thorough and Complete (RCED-88-20)
322

Biotechnology: Managing the Risks of Field Testing Genetically Engineered Organisms (RCED-88-27)
15

Hazardous Waste: Groundwater Conditions at Many Land Disposal Facilities Remain Uncertain (RCED-88-29)
326

Superfund: Insuring Underground Petroleum Tanks (RCED-88-39)
325

Superfund: Extent of Nation's Potential Hazardous Waste Problem Still Unknown (RCED-88-44)
324

Environmental Protection Agency: Protecting Human Health and the Environment Through Improved Management (RCED-88-101)
334

Indoor Radon: Limited Federal Response To Reduce Contamination in Housing (RCED-88-103)
327

Hazardous Waste: New Approach Needed to Manage the Resource Conservation and Recovery Act (RCED-88-115)
331

Air Pollution: Better Internal Controls Needed To Ensure Complete Air Regulation Dockets (RCED-88-128)
329

Hazardous Waste: Many Enforcement Actions Do Not Meet EPA Standards (RCED-88-140)
330

Water Pollution: Efforts to Clean Up Michigan's Rouge River (RCED-88-164)
333

Superfund Contracts: EPA Needs to Control Contractor Costs (RCED-88-182)
332

Federal Communications Commission

ADP Modernization: FCC's Automation Planning Is Inadequate (IMTEC-88-51)
217

Telephone Communications: Controlling Cross-Subsidy Between Regulated and Competitive Services (RCED-88-34)
216

Telecommunications: Actions Needed for Better Management of Public Safety Spectrum (RCED-88-173)
216

Recommendation Addressee

Federal Deposit Insurance Corporation
Federal Emergency Management Agency
Federal Reserve System
Gallaudet University
General Services Administration
Interstate Commerce Commission
Legal Services Corporation
National Aeronautics and Space Administration
Nuclear Regulatory Commission
Office of Personnel Management

Federal Deposit Insurance Corporation

International Banking: Supervision of Overseas Lending Is Inadequate (NSIAD-88-87)
104

Federal Emergency Management Agency

Disaster Assistance: Response to West Virginia's November 1985 Flood Shows Need for Improvements (RCED-88-5)
27

Federal Reserve System

Board of Governors

International Banking: Supervision of Overseas Lending Is Inadequate (NSIAD-88-87)
104

Gallaudet University

Deaf Education: The National Mission of Gallaudet's Elementary and Secondary Schools (HRD-87-133)
31

General Services Administration

Financial Audit: Examination of GSA's Financial Statements for Fiscal Years 1986 and 1985 (AFMD-87-49)
74

Congressional Reports: Efforts To Eliminate or Modify Reporting Requirements Need To Be Improved (AFMD-88-4)
94

Chet Holifield Federal Building: GSA's Decision To Renovate and Retain Appears Appropriate (GGD-87-47)
92

Property Management: Excess and Surplus Personal Property Transfers to Nonfederal Organizations (GGD-88-68)
92

Information Management: Leadership Needed in Managing Federal Telecommunications (IMTEC-87-9)
87

Procurement: Better Compliance With the Competition in Contracting Act Is Needed (NSIAD-87-145)
285

Cultural Resources: Implementation of Federal Historic Preservation Program Can Be Improved (RCED-88-81)
309

Interstate Commerce Commission

Rail Abandonments: Abandonment Activity and Shipper Views on Rail Service Loss (RCED-87-82)
371

Legal Services Corporation

Legal Services Corporation: Benefits and Costs of Proposed Information System Improvements Not Clear (HRD-88-5)
189

National Aeronautics and Space Administration

Financial Reporting: NASA Can Improve Compliance With GAO Standards and Treasury Requirements (AFMD-88-21)
68

Procurement: Better Compliance With the Competition in Contracting Act Is Needed (NSIAD-87-145)
285

Nuclear Regulatory Commission

Nuclear Regulation: Action Needed To Ensure That Utilities Monitor and Repair Pipe Damage (RCED-88-73)
49

Nuclear Waste: Repository Work Should Not Proceed Until Quality Assurance Is Adequate (RCED-88-159)
57

Nuclear Regulation: NRC's Decommissioning Cost Estimates Appear Low (RCED-88-184)
52

Office of Personnel Management

OPM Revolving Fund: Investigation Activities During Fiscal Years 1983 Through 1986 (GGD-87-81)
89

Senior Executive Service: Reasons the Candidate Development Program Has Not Produced More SES Appointees (GGD-88-47)
78

Senior Executive Service: The Extent to Which SES Members Have Used the Sabbatical Program (GGD-88-90)
80

Insurance Reserves: Strategies for Regulating the Federal Employees Health Benefits Program (HRD-87-10)
93

Recommendation Addressee

Overseas Private Investment Corporation
Panama Canal Commission
Railroad Retirement Board
Securities and Exchange Commission
Small Business Administration
United States International Development Cooperation Agency
United States Postal Service
Judicial Conference of the United States

Overseas Private Investment Corporation

Foreign Aid: Impact of Overseas Private Investment Corporation Activities on U.S. Employment (NSIAD-87-109)
203

Panama Canal Commission

Panama Canal Commission's Financial Statements FY 1984 and 1983 (AFMD-86-15)
211

Financial Audit: Panama Canal Commission's Financial Statements for 1985 and 1984 (AFMD-87-4)
72

Railroad Retirement Board

Need To Improve Internal Controls To Curtail Fraud and Abuse in the RRB Unemployment and Sickness Insurance Program (HRD-85-37)
192

Retirement Benefits: Discrepancies in Benefits Paid by the Railroad Retirement Board for SSA (HRD-86-3)
177

Securities and Exchange Commission

Securities Regulation: Efforts to Detect, Investigate, and Deter Insider Trading (GGD-88-116)
110

Small Business Administration

CPA Audit Quality: Improved Controls Are Needed To Ensure Quality Audits of Federal Loan Programs (AFMD-88-3)
69

United States International Development Cooperation Agency

Agency for International Development

Liberia: Need To Improve Accountability and Control Over U.S. Assistance (NSIAD-87-173)
204

Foreign Aid: Improvement Needed in Management of Technical Services Contracts (NSIAD-87-183)
204

Food Aid: Improving Economic and Market Development Impact in African Countries (NSIAD-88-55)
205

Sub-Saharan Africa: Factors Affecting Export Capabilities (NSIAD-88-145)
200

Foreign Aid: Improving the Impact and Control of Economic Support Funds (NSIAD-88-182)
214

Foreign Aid: Issues Concerning AID's Private-Sector Revolving Fund (NSIAD-88-185)
209

Foreign Aid: Better Management of Commodity Import Programs Could Improve Development Impact (NSIAD-88-209)
215

Implementing the Small Business Innovation Development Act—The First 2 Years (RCED-86-13)
128

United States Postal Service

Postal Procurement: An Assessment of Postal Purchasing Practices (GGD-88-65)
351

Judicial Branch

Judicial Conference of the United States

Presentence Evaluations of Offenders Can Be More Responsive to the Needs of the Judiciary (GGD-85-14)
3

Committees of Jurisdiction

The entries in this index include congressional and federal entities to which open GAO report recommendations were addressed; organized alphabetically by branch of government and department.

Sample Entry

Congressional Committee	—	Joint Committee on Printing
Title	—	Stars and Strips: Appropriated-Fund Support Should Be Reduced
Report Number	—	(NSIAD-86-104)
Page Number	—	257

Joint Committees

Joint Committee on Printing

U.S. Government Printing Office: Materials Management Service's Charges for Handling Paper and Materials (GGD-88-108)
95

Stars and Strips: Appropriated-Fund Support Should Be Reduced (NSIAD-86-104)
227

Joint Committee on Taxation

IRS and SSA Can Improve the Verification and Recording of Data Provided by Self-Employed Taxpayers (GGD-85-21)
111

Tax Administration: Administrative Changes Could Lead to Earlier Resolution of Tax Disputes (GGD-86-75)
113

Tax Administration: Tip Income Reporting Can Be Increased (GGD-86-119)
114

Tax Administration: IRS Can Improve Its Collection Procedures for Taxpayers Living Overseas (GGD-87-14)
116

Tax Administration: IRS Can Improve on the Success of Its Problem Resolution Program (GGD-88-12)
117

Tax Administration: Opportunities Exist for Improving IRS' Administration of Alien Taxpayer Programs (GGD-88-54)
118

Tax Administration: Investigating Illegal Income—Success Uncertain, Improvements Needed (GGD-88-61)
119

Tax Administration: IRS' Abusive Tax Shelter Efforts Need Improvement (GGD-88-69)
122

Tax Administration: IRS Could Reduce the Number of Unproductive Business Nonfiler Investigations (GGD-88-77)
120

Tax Administration: IRS' Service Centers Need to Improve Handling of Taxpayer Correspondence (GGD-88-101)
121

Tax Administration: Difficulties in Accurately Estimating Tax Examination Yield (GGD-88-119)
125

Veterans' Pensions: Verifying Income With Tax Data Can Identify Significant Payment Problems (HRD-88-24)
190

Computer Security: Contingency Plans and Risk Analyses Needed for IRS Computer Centers (IMTEC-86-10)
112

Data Communications: Thorough Testing and Workload Analyses Needed for IRS Processors (IMTEC-87-3BR)
115

Computer Capacity: IRS Must Better Estimate Its Computer Resource Needs (IMTEC-87-5BR)
115

System Integrity: IRS Can Reduce Processing Errors With Better Controls and Information (IMTEC-88-25)
124

Internal Revenue Service: Need to Improve the Revenue Accounting Control System (IMTEC-88-41)
121

Joint Economic Committee

Budget Issues: The President's Current Services Budget (AFMD-87-10)
71

Committees of Jurisdiction
House Committee on Agriculture

Emergency Jobs Act of 1983: Funds Spent Slowly, Few Jobs Created (HRD-87-1)
38

Defense Procurement: Work Measurement Programs at Selected Contractor Locations (NSIAD-88-43BR)
288

Technical Risk Assessment: The Status of Current DOD Efforts (PEMD-86-5)
280

Social Security Funds: Additional Measures Could More Fully Indicate the System's Financial Condition (PEMD-88-11)
180

House Committees

House Committee on Agriculture

Financial Audit: Federal Crop Insurance Corporation's Financial Statements for 1986 and 1985 (AFMD-87-36)
72

Welfare and Taxes: Extending Benefits and Taxes to Puerto Rico, Virgin Islands, Guam, and American Samoa (HRD-87-60)
188

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7)
36

Welfare Eligibility: Programs Treat Indian Tribal Trust Fund Payments Inconsistently (HRD-88-38)
191

Transportation of Public Law 480 Commodities—Efforts Needed To Eliminate Unnecessary Costs (NSIAD-85-74)
18

Food Aid: Improving Economic and Market Development Impact in African Countries (NSIAD-88-55)
205

Improved Management of Import Meat Inspection Program Needed (RCED-83-81)
13

Nonagricultural Pesticides: Risks and Regulation (RCED-86-97)
312

Pesticides: EPA's Formidable Task To Assess and Regulate Their Risks (RCED-86-125)
313

Imported Meat and Livestock: Chemical Residue Detection and the Issue of Labeling (RCED-87-142)
19

Milk Marketing Orders: Options for Change (RCED-88-9)
17

Tongass National Forest: Timber Provision of the Alaska Lands Act Needs Clarification (RCED-88-54)
302

Food Marketing: Frozen Pizza Cheese—Representative of Broader Food Labeling Issues (RCED-88-70)
13

Food Stamp Program: Reporting of Application Activities Could Be Improved (RCED-88-156)
173

Crop Insurance: Participation in and Costs Associated With the Federal Program (RCED-88-171BR)
27

Conservation, Credit, and Rural Development Subcommittee

ADP Management Controls: Farmers Home Administration Can Improve Reporting of Weaknesses (IMTEC-88-38)
61

Crop Insurance: Overpayment of Claims by Private Companies Costs the Government Millions (RCED-88-7)
16

Department Operations, Research, and Foreign Agriculture Subcommittee

International Trade: Review of Effectiveness of FAS Cooperator Market Development Program (NSIAD-87-89)
194

International Trade: Commodity Credit Corporation's Refunds of Export Guarantee Fees (NSIAD-87-185)
196

International Trade: FAS Management of Livestock Cooperator Program (NSIAD-88-24)
157

Agricultural Trade: Review of Targeted Export Assistance Program (NSIAD-88-183)
207

International Trade: Commodity Credit Corporation's Export Credit Guarantee Programs (NSIAD-88-194)
208

Domestic Marketing, Consumer Relations, and Nutrition Subcommittee

Millions Could Be Saved by Improving Integrity of the Food Stamp Program's Authorization-To-Participate System (CED-82-34)
182

Need To Foster Optimal Use of Resources in the Special Supplemental Food Program for Women, Infants, and Children (WIC) (RCED-85-105)
183

Benefit Overpayments: Recoveries Could Be Increased in the Food Stamp and AFDC Programs (RCED-86-17)
168

Committees of JurisdictionHouse Committee on Agriculture
House Committee on Appropriations

Food Stamp Program: Refinements Needed To Improve Accuracy of Quality Control Error Rates (RCED-86-195)
169**Food Stamp Program: Statistical Validity of Agriculture's Payment Error-Rate Estimates (RCED-87-4)**
170**Food Stamp Program: Error Rate Adjustments and Sanctions (RCED-88-10)**
171**Food Stamp Program: Evaluation of Improper Denial or Termination Error Rates (RCED-88-12)**
172**Food Stamp Program: Progress and Problems in Using 75-Percent Funding for Automation (RCED-88-58)**
172**House Committee on Appropriations****Panama Canal Commission's Financial Statements FY 1984 and 1983 (AFMD-86-15)**
211**Internal Controls: Defense Fuel Supply Center's Recording and Reporting of Accounts Payable (AFMD-87-30)**
64**CPA Audit Quality: Improved Controls Are Needed To Ensure Quality Audits of Federal Loan Programs (AFMD-88-3)**
69**Congressional Reports: Efforts To Eliminate or Modify Reporting Requirements Need To Be Improved (AFMD-88-4)**
94**Emergency Jobs Act of 1983: Funds Spent Slowly, Few Jobs Created (HRD-87-1)**
38**Welfare and Taxes: Extending Benefits and Taxes to Puerto Rico, Virgin****Islands, Guam, and American Samoa (HRD-87-60)**
188**Air Force Computers: Development Risks of Logistics Modernization Program Can Be Reduced (IMTEC-87-19)**
21**Computer Systems: Navy Stock Point ADP Replacement Program Needs Better Management Controls (IMTEC-87-30)**
76**Contract Pricing: Material Prices Overstated on the Amphibious Assault Vehicle Contract (NSIAD-86-123)**
281**DOD Tempest Protection: Better Evaluations Needed To Determine Required Countermeasures (NSIAD-86-132)**
229**Contract Pricing: Material Prices Overstated on Standard Missile and Phalanx Systems (NSIAD-87-31)**
283**Air Force Manpower Program: Improvements Needed in Procedures and Controls (NSIAD-87-137)**
257**Army Deployment: Better Transportation Planning Is Needed (NSIAD-87-138)**
255**Polygraph Training: DOD Program Meets Standards But Expansion Requires Better Planning (NSIAD-87-161)**
234**Army Inventory Management: Inventory and Physical Security Problems Continue (NSIAD-88-11)**
219**Navy Inventory Management: Inventory Accuracy Problems (NSIAD-88-69)**
266**Internal Controls: Status of Army Efforts To Control Contractor Access to the DOD Supply System (NSIAD-88-98)**
267**Internal Controls: Controls Over Expedited Payments to Defense Suppliers Need Improvement (NSIAD-88-113)**
264**Internal Controls: Controls Over Material Furnished to Navy Contractors Can Be Improved (NSIAD-88-150)**
275**Military Manpower: Problems in Accounting for Occupational Shortfalls (NSIAD-88-188)**
277**Implementing the Small Business Innovation Development Act—The First 2 Years (RCED-86-13)**
128

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

Justice Needs Better Controls Over Payment of Witness Fees (GGD-84-61)
4**Presentence Evaluations of Offenders Can Be More Responsive to the Needs of the Judiciary (GGD-85-14)**
3**Improved Management Processes Would Enhance Justice's Operations (GGD-86-12)**
81**INS Delivery Bonds: Stronger Internal Controls Needed (GGD-88-36)**
8**Decennial Census: Minicomputer Procurement Delays and Bid Protests: Effects on the 1990 Census (GGD-88-70)**
109**Ethics: The Department of Justice's Ethics Program (GGD-88-112BR)**
79**Securities Regulation: Efforts to Detect, Investigate, and Deter Insider Trading (GGD-88-116)**
110

Committees of Jurisdiction
House Committee on Appropriations

Immigration Control: A New Role for the Social Security Card (HRD-88-4) 1	Deactivating Research Vessels: National Oceanic and Atmospheric Administration's Use of Private Ships (RCED-86-133) 308	DOD Health Care: Better Use of Malpractice Data Could Help Improve Quality of Care (HRD-87-30) 147
Legal Services Corporation: Benefits and Costs of Proposed Information System Improvements Not Clear (HRD-88-5) 189	Patent Policy: Recent Changes in Federal Law Considered Beneficial (RCED-87-44) 129	Government Contractors: Criteria Needed for Allowable Employee Health Care Costs (HRD-88-27) 290
Immigration Reform: Systematic Alien Verification System Could Be Improved (IMTEC-87-45BR) 7	Disaster Assistance: Response to West Virginia's November 1985 Flood Shows Need for Improvements (RCED-88-5) 27	DOD Health Care: Additional Efforts Needed to Verify Physicians' Qualifications (HRD-88-39) 157
ADP Architecture: Study Made for Immigration and Naturalization Service Needs Validation (IMTEC-88-21) 11	Telephone Communications: Controlling Cross-Subsidy Between Regulated and Competitive Services (RCED-88-34) 216	ADP Systems: Department of Veterans Benefits Modernization Program (IMTEC-88-3) 380
Export Promotion: Activities of the Commerce Department's District Offices (NSIAD-86-43) 194	Telecommunications: Actions Needed for Better Management of Public Safety Spectrum (RCED-88-173) 216	Command and Control: Upgrades Allow Deferral of \$500 Million Computer Acquisition (IMTEC-88-10) 263
Foreign Aid: Impact of Overseas Private Investment Corporation Activities on U.S. Employment (NSIAD-87-109) 203	<hr/> Defense Subcommittee <hr/>	Computer Procurement: Issues Concerning Technical Specifications for Navy's CAD/CAM Acquisition (IMTEC-88-16BR) 21
Internal Controls: State's Controls Over Personal Property Management Are Inadequate (NSIAD-87-156) 193	Prompt Payment Act: Military Exchanges Had Problems in Paying on Time (AFMD-88-17) 235	Computer Procurement: Navy CAD/CAM Acquisition Has Merit but Management Improvements Needed (IMTEC-88-22) 22
Export Controls: Assessment of Commerce Department's Foreign Policy Report to Congress (NSIAD-87-176) 195	Unemployment Compensation: Payments to Ineligible Former Employees (GGD-87-17) 77	Medical ADP Systems: Analysis of Technical Aspects of DOD's Composite Health Care System (IMTEC-88-27) 156
Arms Exports: Licensing Reviews for Exporting Military Items Can Be Improved (NSIAD-87-211) 212	Opportunities Exist To Reduce Operating Costs of the Department of Defense Overseas Dependents Schools (HRD-82-86) 226	Ensuring Retention of Essential Civilians Overseas During Hostilities (NSIAD-84-73) 241
Overseas Support: Current U.S. Administrative Support System Is Too Complicated (NSIAD-88-84) 199	DOD Should Adopt a New Approach To Analyze the Cost Effectiveness of Small Hospitals (HRD-85-21) 243	Opportunities To Improve the DOD Personal Property Shipping Program (NSIAD-85-10) 242
Immigration: The Future Flow of Legal Immigration to the United States (PEMD-88-7) 197	Army National Guard: Opportunities To Improve the Condition and Operation of Armories (HRD-86-49) 230	The Navy Can Improve Material Management at Naval Shipyards (NSIAD-85-71) 243
The Foreign Fishing Observer Program: Management Improvements Needed (RCED-85-110) 307	DOD Schools: Funding and Operating Alternatives for Education of Dependents (HRD-87-16) 29	

Committees of Jurisdiction
House Committee on Appropriations

Routing Small Shipments of Hazardous or Sensitive Cargo (NSIAD-86-34) 245	Navy Manpower: Squadron Manpower Program Needs Improvement (NSIAD-87-101) 253	DOD Inventory Management: Revised Policies Needed (NSIAD-88-75) 262
DOD Acquisition: Strengthening Capabilities of Key Personnel in Systems Acquisition (NSIAD-86-45) 292	Marine Corps Manpower: Improvements Needed in Processes for Determining Manpower Requirements (NSIAD-87-102) 254	Test and Evaluation: An Assessment of Navy's Long-Term Underwater Test Resources Plan (NSIAD-88-80) 295
Emergency Airlift: Responsiveness of the Civil Reserve Air Fleet Can Be Improved (NSIAD-86-47) 245	Iran Arms Sales: DOD's Transfer of Arms to the Central Intelligence Agency (NSIAD-87-114) 212	Electronic Warfare: Multiple Developments of Costly Threat Simulators (NSIAD-88-93) 262
Medical Readiness: The U.S. Army Can Improve Its Management of POMCUS Hospital Equipment in Europe (NSIAD-86-197) 231	Military Airlift: Requirements for Aerial Port Personnel in Wartime Need To Be Determined (NSIAD-87-115) 252	Internal Controls: Air Force Can Improve Controls Over Contractor Access to DOD Supply System (NSIAD-88-99) 268
Military Airlift: Improving Management of Aircraft Loading Operations (NSIAD-87-5) 247	Military Procurement: Air Force Should Terminate More Contracts for On-Order Excess Spare Parts (NSIAD-87-141) 259	Internal Controls: Air Force Correcting Weaknesses in Its Property Disposal Practices (NSIAD-88-106) 270
Navy Supply: Intermediate Inventories Can Be Reduced (NSIAD-87-19) 248	Procurement: Defense Logistics Agency Implementation of the Spare Parts Initiatives (NSIAD-87-143) 284	Management Review: Follow-Up on the Management Review of the Defense Logistics Agency (NSIAD-88-107) 269
Test Range Needs: Future Navy Underwater Range Requirements Need To Be More Fully Assessed (NSIAD-87-30BR) 232	Procurement: Better Compliance With the Competition in Contracting Act Is Needed (NSIAD-87-145) 285	Navy Maintenance: Competing Vessel Overhauls and Repairs Between Public and Private Shipyards (NSIAD-88-109) 289
Quality Assurance: Efforts To Strengthen DOD's Program (NSIAD-87-33) 282	Navy Maintenance: The P-3 Aircraft Overhaul Program Can Be Improved (NSIAD-87-157) 257	Federal Catalog System: Continuing Item Identification Problems (NSIAD-88-121) 271
Military Logistics: Improvements Needed in Managing Air Force Special Stock Levels (NSIAD-87-34) 249	Electronic Warfare: Navy/Air Force Still Developing Separate, Costly Radar Warning Receivers (NSIAD-87-167) 258	NATO: U.S. Contributions to the Airborne Early Warning and Control Program (NSIAD-88-132) 213
Weapon Performance: Operational Test and Evaluation Can Contribute More to Decisionmaking (NSIAD-87-57) 293	Inventory Management: Defense Logistics Agency Inventory Accuracy Problems (NSIAD-88-39) 260	Inventory Management: Air Force Inventory Accuracy Problems (NSIAD-88-133) 272
Military Airlift: Management Controls Over Charter Airlift Need To Be Strengthened (NSIAD-87-67) 250	Defense Procurement: Work Measurement Programs at Selected Contractor Locations (NSIAD-88-43BR) 288	Navy Maintenance: Naval Aviation Depots' Asset Capitalization Program Needs Improvement (NSIAD-88-134) 270
Military Airspace: Better Planning Is Needed To Meet Future Requirements (NSIAD-87-93) 251	Navy Supply: Economic Order Quantity and Item Essentiality Need More Consideration (NSIAD-88-64) 261	Government Property: DOD's Management of the Property It Furnishes to Contractors (NSIAD-88-151) 274

Committees of Jurisdiction
House Committee on Appropriations

Reserve Training: An Alternative to the Active Army Education Program for National Guard Technicians (NSIAD-88-164)
220

Strategic Air Command: KC-135A Crash and the Need for SAC Air Show Regulations (NSIAD-88-172)
278

Army Transportation: Alleged Overcharges on Rail Shipments to and From Ft. Irwin, California (NSIAD-88-174)
273

Inventory Management: Receipt Confirmation Problems (NSIAD-88-179)
276

Navy Maintenance: Ship Maintenance Strategies Need Better Assessments (NSIAD-88-187)
274

Air Force Contracting: Protecting Liquid Oxygen/Nitrogen Plants From Contamination (NSIAD-88-206)
290

Army Training: Need to Strengthen Internal Controls Over Troop Schools (NSIAD-88-208)
237

Technical Risk Assessment: The Status of Current DOD Efforts (PEMD-86-5)
280

More Effective Use of Contract Airlift Could Reduce DOD Transportation Costs (PLRD-83-55)
240

District of Columbia Subcommittee

Implementation of Public Law 94-142 as It Relates to Handicapped Delinquents in the District of Columbia (GGD-86-4)
29

District of Columbia: P.L. 94-142 Compliance and Management of Youth Services Administration (GGD-86-131)
96

DC Government: Problems Have Created Delays in Constructing Educational Facilities at Lorton (GGD-88-1BR)
102

Energy and Water Development Subcommittee

Property Management: Excess and Surplus Personal Property Transfers to Nonfederal Organizations (GGD-88-68)
92

Water Quality: An Evaluation Method for the Construction Grants Program—Methodology (PEMD-87-4A)
317

Environment, Safety, and Health: Environment and Workers Could Be Better Protected at Ohio Defense Plants (RCED-86-61)
221

Department of Energy: Allegations About the Director of the Office of Minority Economic Impact (RCED-86-95)
44

Nuclear Safety: Safety Analysis Reviews for DOE's Defense Facilities Can Be Improved (RCED-86-175)
222

Nuclear Energy: Environmental Issues at DOE's Nuclear Defense Facilities (RCED-86-192)
223

Nuclear Materials: Alternatives for Relocating Rocky Flats Plant's Plutonium Operations (RCED-87-93)
223

Naval Petroleum Reserve-1: Data Inaccuracies Complicate Production and Ownership Issues (RCED-87-105BR)
41

Wildlife Management: National Refuge Contamination Is Difficult To Confirm and Clean Up (RCED-87-128)
347

Energy Management: DOE Controls Over Contractor Expenditures Need Strengthening (RCED-87-166)
36

Uranium Enrichment: Congressional Action Needed To Revitalize the Program (RCED-88-18)
54

Energy Conservation: States' Use of Interest Earned on Oil Overcharge Funds (RCED-88-51)
43

Nuclear Regulation: Action Needed To Ensure That Utilities Monitor and Repair Pipe Damage (RCED-88-73)
49

Energy Regulation: Opportunities for Strengthening Hydropower Cumulative Impact Assessments (RCED-88-82)
49

Water Resources: Costs of the Fountain Valley Authority Pipeline (RCED-88-125)
348

Nuclear Waste: DOE Should Base Disposal Fee Assessment on Realistic Inflation Rate (RCED-88-129)
55

Nuclear Health and Safety: Oversight at DOE's Nuclear Facilities Can Be Strengthened (RCED-88-137)
51

Nuclear Health and Safety: Stronger Oversight of Asbestos Control Needed at Hanford Tank Farms (RCED-88-150)
51

Water Resources: Issues Concerning the Arkansas River Basin Operation Plan (RCED-88-166)
348

Nuclear Waste: Problems Associated With DOE's Inactive Waste Sites (RCED-88-169)
225

Naval Petroleum Reserves-1: Data Corrections Made but More Accurate Reserve Data Needed (RCED-88-174)
55

Nuclear Regulation: NRC's Decommissioning Cost Estimates Appear Low (RCED-88-184)
52

Committees of Jurisdiction
House Committee on Appropriations

**Foreign Operations, Export
Financing, and Related Programs
Subcommittee**

Collecting Research and Development
Costs on Commercial Military Sales
(NSIAD-86-44)
210

Foreign Aid: Impact of Overseas Private
Investment Corporation Activities on
U.S. Employment (NSIAD-87-109)
203

Liberia: Need To Improve Accountability
and Control Over U.S. Assistance
(NSIAD-87-173)
204

Foreign Aid: Improvement Needed in
Management of Technical Services
Contracts (NSIAD-87-183)
204

Drug Control: U.S.-Mexico Opium Poppy
and Marijuana Aerial Eradication
Program (NSIAD-88-73)
206

Sub-Saharan Africa: Factors Affecting
Export Capabilities (NSIAD-88-145)
200

Foreign Aid: Improving the Impact and
Control of Economic Support Funds
(NSIAD-88-182)
214

Foreign Aid: Issues Concerning AID's
Private-Sector Revolving Fund (NSIAD-
88-185)
209

**HUD-Independent Agencies
Subcommittee**

Financial Management: An Assessment
of the Veterans Administration's Major
Processes (AFMD-86-7)
131

Property Management: Excess and
Surplus Personal Property Transfers to
Nonfederal Organizations (GGD-88-68)
92

Better Guidelines Could Reduce VA's
Planned Construction of Costly
Operating Rooms (HRD-81-54)
375

VA Central Office Needs To Exercise
Better Oversight of Cardiac Pacemaker
Recalls (HRD-84-33)
375

VA Health Care: Too Many Operating
Rooms Being Planned and Built (HRD-
86-78)
162

Consumer Product Safety Commission:
Administrative Structure Could Benefit
From Change (HRD-87-47)
100

VA Health Care: VA's Patient Injury
Control Program Not Effective (HRD-87-
49)
376

Veterans' Benefits: Improving the
Integrity of VA's Unemployability
Compensation Program (HRD-87-62)
379

Veterans Administration: VA Pensions
to Medicaid Nursing Home Residents
Should Be Reduced (HRD-87-111)
379

Veterans' Pensions: Verifying Income
With Tax Data Can Identify Significant
Payment Problems (HRD-88-24)
190

Veterans Administration: Identifying
Physicians With License Sanctions—An
Incomplete Process (HRD-88-47)
377

The Environmental Protection Agency
Should Better Manage Its Use of
Contractors (RCED-85-12)
310

Hazardous Waste: Environmental
Safeguards Jeopardized When Facilities
Cease Operating (RCED-86-77)
311

Hazardous Waste: Responsible Party
Clean Up Efforts Require Improved
Oversight (RCED-86-123)
315

Pesticides: EPA's Formidable Task To
Assess and Regulate Their Risks (RCED-
86-125)
313

Hazardous Waste: EPA Has Made
Limited Progress in Determining the
Wastes To Be Regulated (RCED-87-27)
318

Internal Controls: Weaknesses in HUD's
Single Family Housing Appraisal
Program (RCED-87-165)
59

Hazardous Waste: Controls Over
Injection Well Disposal Operations
Protect Drinking Water (RCED-87-170)
320

Superfund: Improvements Needed in
Work Force Management (RCED-88-1)
321

Disaster Assistance: Response to West
Virginia's November 1985 Flood Shows
Need for Improvements (RCED-88-5)
27

Internal Controls: EPA Needs To
Improve Controls Over Change Orders
and Claims (RCED-88-16)
60

Hazardous Waste: Facility Inspections
Are Not Thorough and Complete (RCED-
88-20)
322

Hazardous Waste: Groundwater
Conditions at Many Land Disposal
Facilities Remain Uncertain (RCED-88-
29)
326

Hazardous Waste: New Approach
Needed to Manage the Resource
Conservation and Recovery Act (RCED-
88-115)
331

Public Housing: Problems Continue To
Plague the Cuyahoga Metropolitan
Housing Authority (RCED-88-122)
185

Committees of Jurisdiction

House Committee on Appropriations

Housing Programs: Funding Approach for HUD's Section 8 Certificate Program Needs Changing (RCED-88-136)
184

Hazardous Waste: Many Enforcement Actions Do Not Meet EPA Standards (RCED-88-140)
330

Water Pollution: Efforts to Clean Up Michigan's Rouge River (RCED-88-164)
333

Superfund Contracts: EPA Needs to Control Contractor Costs (RCED-88-182)
332

Interior Subcommittee

Are Agencies Doing Enough or Too Much for Archeological Preservation? Guidance Needed (CED-81-61)
339

Personnel Practices: Propriety of Selected Personnel Actions at the Bureau of Indian Affairs (GGD-88-81)
108

National Park Service Needs a Maintenance Management System (RCED-84-107)
340

More Assurance Is Needed That Strategic Petroleum Reserve Oil Can Be Withdrawn as Designed (RCED-85-104)
41

National Parks: Law Enforcement Capability and Cost Comparisons at Two Recreation Areas (RCED-86-40)
341

Federal Land Acquisition: Land Exchange Process Working But Can Be Improved (RCED-87-9)
299

Parks and Recreation: Limited Progress Made in Documenting and Mitigating Threats to the Parks (RCED-87-36)
342

Surface Mining: Interior Department and States Could Improve Inspection Programs (RCED-87-40)
298

Surface Mining: State Management of Abandoned Mine Land Funds (RCED-87-57)
299

Surface Mining: States Not Assessing and Collecting Monetary Penalties (RCED-87-129)
319

Surface Mining: State and Federal Use of Alternative Enforcement Techniques (RCED-87-160)
300

Mineral Revenues: Coal Lease Readjustment Problems Remedied but Not All Revenue Is Collected (RCED-87-164)
301

Cultural Resources: Problems Protecting and Preserving Federal Archeological Resources (RCED-88-3)
343

Tongass National Forest: Timber Provision of the Alaska Lands Act Needs Clarification (RCED-88-54)
302

Parks and Recreation: Interior Did Not Comply With Legal Requirements for the Outdoors Commission (RCED-88-65)
345

Rangeland Management: More Emphasis Needed on Declining and Overstocked Grazing Allotments (RCED-88-80)
302

Cultural Resources: Implementation of Federal Historic Preservation Program Can Be Improved (RCED-88-81)
309

Parks and Recreation: Problems With Fee System for Resorts Operating on Forest Service Lands (RCED-88-94)
346

Offshore Oil and Gas: Environmental Studies Program Meets Most User Needs but Changes Needed (RCED-88-104)
310

Public Rangelands: Some Riparian Areas Restored but Widespread Improvement Will Be Slow (RCED-88-105)
304

Energy Management: States' Use and DOE Oversight of Exxon and Stripper Well Overcharge Funds (RCED-88-152)
50

Labor, Health and Human Services, and Education Subcommittee

Debt Collection: More Aggressive Action Needed To Collect Debts Owed by Health Professionals (AFMD-88-23)
65

Social Security: Need To Improve Unit Times for Estimating Field Office Staff Budgets (GGD-86-90)
178

Unemployment Compensation: Payments to Ineligible Former Employees (GGD-87-17)
77

Prisoners Receiving Social Security and Other Federal Retirement, Disability, and Education Benefits (HRD-82-43)
174

Medicare/Medicaid Funds Can Be Better Used To Correct Deficiencies in Indian Health Service Facilities (HRD-83-22)
139

Social Security Administration Needs To Protect Against Possible Conflicts of Interest in Its Disability Programs (HRD-83-65)
175

Better Case File Monitoring of the Workers' Compensation Offset Provision by the Social Security Administration Could Save Millions (HRD-83-90)
175

Payment Rates for Ambulatory Surgery Centers Are Higher Than Intended by HCFA (HRD-84-67)
140

Need To Improve Internal Controls To Curtail Fraud and Abuse in the RRB Unemployment and Sickness Insurance Program (HRD-85-37)
192

Medicare's Policies and Prospective Payment Rates for Cardiac Pacemaker

Committees of JurisdictionHouse Committee on Appropriations

Surgeries Need Review and Revision (HRD-85-39) 141	Social Security Administration: Stable Leadership and Better Management Needed To Improve Effectiveness (HRD-87-39) 83	Social Security: Effects of Budget Constraints on Disability Program (HRD-88-2) 179
Retirement Benefits: Discrepancies in Benefits Paid by the Railroad Retirement Board for SSA (HRD-86-3) 177	Medicare: More Hospital Costs Should Be Paid by Other Insurers (HRD-87-43) 144	Social Security: Effects of Budget Constraints on Disability Program (HRD-88-3) 179
Strong Leadership Needed To Improve Management at the Department of Labor (HRD-86-12) 35	Defaulted Student Loans: Private Lender Collection Efforts Often Inadequate (HRD-87-48) 32	Equal Employment Opportunity: Some Racial Imbalance in SSA Region X, Better Data and Remedies Needed (HRD-88-6) 101
Disability Programs: SSA Consultative Medical Examination Process Improved; Some Problems Remain (HRD-86-23) 176	Social Security: More Must Be Done To Credit Earnings to Individuals' Accounts (HRD-87-52) 178	Social Security: Little Success Achieved in Rehabilitating Disabled Beneficiaries (HRD-88-11) 180
Medicare: Past Overuse of Intensive Care Services Inflates Hospital Payments (HRD-86-25) 141	Medical Malpractice: A Framework for Action (HRD-87-73) 146	Medicare: Better Controls Needed for Peer Review Organizations' Evaluations (HRD-88-13) 151
Affirmative Action: National Institutes of Health Does Not Fully Meet Federal Requirements (HRD-86-37) 131	Medicaid: Improvements Needed in Programs To Prevent Abuse (HRD-87-75) 149	Medicare: Laboratory Fee Schedules Produced Large Beneficiary Savings but No Program Savings (HRD-88-32) 152
Medicare: Issues Raised by Florida Health Maintenance Organization Demonstrations (HRD-86-97) 142	Guaranteed Student Loans: Legislative and Regulatory Changes Needed To Reduce Default Costs (HRD-87-76) 33	Medicare: Refinement of Diagnosis Related Groups Needed To Insure Payment Equity (HRD-88-41) 152
Affirmative Action: Social Security Can Do More To Improve Blacks' Representation in Its Work Force (HRD-87-2) 97	Medicare: Rehabilitation Service Claims Paid Without Adequate Information (HRD-87-91) 148	Minority Representation: Efforts of the Alcohol, Drug Abuse, and Mental Health Administration (HRD-88-49) 350
Medicare: Need To Strengthen Home Health Care Payment Controls and Address Unmet Needs (HRD-87-9) 143	Compensatory Education: Chapter 1's Comparability of Services Provision (HRD-87-102) 30	Social Security: The Notch Issue (HRD-88-62) 167
Medicaid: Lessons Learned From Arizona's Prepaid Program (HRD-87-14) 145	Medicare and Medicaid: Stronger Enforcement of Nursing Home Requirements Needed (HRD-87-113) 149	Medicare: Issues Concerning the HealthChoice Demonstration Project (HRD-88-69) 158
Medical Research: National Research Service Awards for Research in Primary Medical Care (HRD-87-20) 162	Deaf Education: The National Mission of Gallaudet's Elementary and Secondary Schools (HRD-87-133) 31	Biomedical Research: Issues Related to Increasing Size of NIH Grant Awards (HRD-88-90BR) 163
Child Support: Need To Improve Efforts To Identify Fathers and Obtain Support Orders (HRD-87-37) 186	Prenatal Care: Medicaid Recipients and Uninsured Women Obtain Insufficient Care (HRD-87-137) 150	Controlled Substances: Medicaid Data May Be Useful for Monitoring Diversion (HRD-88-111) 159

Committees of Jurisdiction
House Committee on Appropriations

Information Systems: SSA's Financial Management of Information Systems Needs Improvement (IMTEC-88-15)
181

HCFA Research: Agency Practices and Other Factors Threaten Quality of Mandated Studies (PEMD-88-9)
164

Medicare: Improving Quality of Care Assessment and Assurance (PEMD-88-10)
153

Medicare: Improved Patient Outcome Analyses Could Enhance Quality Assessment (PEMD-88-23)
155

Homeless Mentally Ill: Problems and Options in Estimating Numbers and Trends (PEMD-88-24)
159

Pesticides: Better Sampling and Enforcement Needed on Imported Food (RCED-86-219)
315

Pesticides: Need To Enhance FDA's Ability To Protect the Public From Illegal Residues (RCED-87-7)
134

OSHA's Monitoring and Evaluation of State Programs (T-HRD-88-13)
39

Legislative Subcommittee

U.S. Government Printing Office: Materials Management Service's Charges for Handling Paper and Materials (GGD-88-108)
95

Military Construction Subcommittee

Military Housing: Analyses of Overseas Housing Costs Are Misleading to Decisionmakers (NSIAD-86-82)
228

Military Construction: The Letterkenny Army Depot Retrieval System (NSIAD-87-112BR)
283

Space Shuttle: The Future of the Vandenberg Launch Site Needs to Be Determined (NSIAD-88-158)
130

Rural Development, Agriculture, and Related Agencies Subcommittee

Financial Audit: Commodity Credit Corporation's Financial Statements for 1987 and 1986 (AFMD-88-47)
75

Millions Could Be Saved by Improving Integrity of the Food Stamp Program's Authorization-To-Participate System (CED-82-34)
182

Food Inspections: FDA Should Rely More on State Agencies (HRD-86-2)
133

Document Requests: Response Time to Congressional Committees Could Be Improved (HRD-87-45)
165

Food and Drug Administration: HHS Inspector General Should Be Involved in Criminal Investigations (HRD-88-8)
136

ADP Management Controls: Farmers Home Administration Can Improve Reporting of Weaknesses (IMTEC-88-38)
61

Transportation of Public Law 480 Commodities—Efforts Needed To Eliminate Unnecessary Costs (NSIAD-85-74)
18

International Trade: Review of Effectiveness of FAS Cooperator Market Development Program (NSIAD-87-89)
194

International Trade: Commodity Credit Corporation's Refunds of Export Guarantee Fees (NSIAD-87-185)
196

International Trade: FAS Management of Livestock Cooperator Program (NSIAD-88-24)
197

Food Aid: Improving Economic and Market Development Impact in African Countries (NSIAD-88-55)
205

Agricultural Trade: Review of Targeted Export Assistance Program (NSIAD-88-183)
207

International Trade: Commodity Credit Corporation's Export Credit Guarantee Programs (NSIAD-88-194)
208

Need To Foster Optimal Use of Resources in the Special Supplemental Food Program for Women, Infants, and Children (WIC) (RCED-85-105)
183

Benefit Overpayments: Recoveries Could Be Increased in the Food Stamp and AFDC Programs (RCED-86-17)
168

Nonagricultural Pesticides: Risks and Regulation (RCED-86-97)
312

Food Stamp Program: Refinements Needed To Improve Accuracy of Quality Control Error Rates (RCED-86-195)
169

Food Stamp Program: Statistical Validity of Agriculture's Payment Error-Rate Estimates (RCED-87-4)
170

Imported Meat and Livestock: Chemical Residue Detection and the Issue of Labeling (RCED-87-142)
19

Crop Insurance: Overpayment of Claims by Private Companies Costs the Government Millions (RCED-88-7)
16

Milk Marketing Orders: Options for Change (RCED-88-9)
17

Food Stamp Program: Error Rate Adjustments and Sanctions (RCED-88-10)
171

Committees of Jurisdiction

House Committee on Appropriations

Food Stamp Program: Evaluation of Improper Denial or Termination Error Rates (RCED-88-12)
172

Food Stamp Program: Progress and Problems in Using 75-Percent Funding for Automation (RCED-88-58)
172

Rangeland Management: More Emphasis Needed on Declining and Overstocked Grazing Allotments (RCED-88-80)
302

Food Stamp Program: Reporting of Application Activities Could Be Improved (RCED-88-156)
173

Crop Insurance: Participation in and Costs Associated With the Federal Program (RCED-88-171BR)
27

Transportation Subcommittee

Inspectors General: Compliance With Professional Standards by the Transportation Inspector General (AFMD-87-28)
68

Stronger Enforcement Would Help Improve Motor Carrier Safety (RCED-85-64)
366

Airline Competition: Impact of Computerized Reservation Systems (RCED-86-74)
353

Motor Vehicle Safety: Enforcement of Federal Standards Can Be Enhanced (RCED-87-2)
374

Department of Transportation: Enhancing Policy and Program Effectiveness Through Improved Management (RCED-87-3)
368

Auto Safety and Emissions: No Assurance That Imported Gray Market Vehicles Meet Federal Standards (RCED-87-29)
367

Aviation Safety: Needed Improvements in FAA's Airline Inspection Program Are Underway (RCED-87-62)
354

Rail Abandonments: Abandonment Activity and Shipper Views on Rail Service Loss (RCED-87-82)
371

Trucking Deregulation: Proposed Sunset of ICC's Trucking Regulatory Responsibilities (RCED-87-107)
370

Highway Needs: An Evaluation of DOT's Process for Assessing the Nation's Highway Needs (RCED-87-136)
371

FAA Staffing: Challenges in Managing Shortages in the Maintenance Work Force (RCED-87-137)
355

Aviation Weather: Status of FAA's New Hazardous Weather Detection and Dissemination Systems (RCED-87-208)
356

Aviation Safety: Commuter Airports Should Participate in the Airport Certification Program (RCED-88-41)
356

Bridge Condition Assessment: Inaccurate Data May Cause Inequities in the Apportionment of Federal-Aid Funds (RCED-88-75)
373

Aviation Services: Automation and Consolidation of Flight Service Stations (RCED-88-77)
358

Aviation Security: Improved Controls Needed To Prevent Unauthorized Access at Key Airports (RCED-88-86)
357

Highway Safety: Monitoring Practices To Show Compliance With Speed Limits Should Be Reexamined (RCED-88-93BR)
372

Airport Noise: FAA's Enforcement of Noise Rules at National Airport (RCED-88-117)
358

Microwave Landing Systems: Additional Systems Should Not Be Procured Unless Benefits Proven (RCED-88-118)
359

Aircraft Noise: Implementation of FAA's Expanded East Coast Plan (RCED-88-143)
362

Airspace Use: FAA Needs to Improve Its Management of Special Use Airspace (RCED-88-147)
363

Aviation Safety: Airlines Should Check Pilot Applicants' Safety History (RCED-88-154)
360

Treasury-Postal Service and General Government Subcommittee

Financial Audit: Federal Financing Bank's Financial Statements for Fiscal Years 1985 and 1984 (AFMD-87-31)
26

Financial Audit: Examination of GSA's Financial Statements for Fiscal Years 1986 and 1985 (AFMD-87-49)
74

IRS and SSA Can Improve the Verification and Recording of Data Provided by Self-Employed Taxpayers (GGD-85-21)
111

IRS' Examination Selection System for Exempt Organizations' Unrelated Business Income (GGD-85-64)
112

Tax Administration: Administrative Changes Could Lead to Earlier Resolution of Tax Disputes (GGD-86-75)
113

Bank Secrecy Act: Treasury Can Improve Implementation of the Act (GGD-86-95)
5

Tax Administration: Tip Income Reporting Can Be Increased (GGD-86-119)
114

Committees of Jurisdiction

House Committee on Appropriations
House Committee on Armed Services

Cargo Imports: Customs Needs To Better Assure Compliance With Trade Laws and Regulations (GGD-86-136)
6

Presidential Inaugurations: Legislation Is Needed To Clarify Agencies' Support Roles (GGD-87-10)
99

Blue-Collar Workers: Appraisal Systems Are in Place, But Basic Refinements Are Needed (GGD-87-72)
77

Tax Administration: IRS Can Improve on the Success of Its Problem Resolution Program (GGD-88-12)
117

Senior Executive Service: Reasons the Candidate Development Program Has Not Produced More SES Appointees (GGD-88-47)
78

Tax Administration: Opportunities Exist for Improving IRS' Administration of Alien Taxpayer Programs (GGD-88-54)
118

Tax Administration: Investigating Illegal Income—Success Uncertain, Improvements Needed (GGD-88-61)
119

Postal Procurement: An Assessment of Postal Purchasing Practices (GGD-88-65)
351

Tax Administration: IRS' Abusive Tax Shelter Efforts Need Improvement (GGD-88-69)
122

Tax Administration: IRS Could Reduce the Number of Unproductive Business Nonfiler Investigations (GGD-88-77)
120

Senior Executive Service: The Extent to Which SES Members Have Used the Sabbatical Program (GGD-88-90)
80

Tax Administration: IRS' Service Centers Need to Improve Handling of Taxpayer Correspondence (GGD-88-101)
121

Drug Interdiction: Should the Customs Command and Control Program Be Continued as Currently Evolving? (GGD-88-113)
11

Tax Administration: Difficulties in Accurately Estimating Tax Examination Yield (GGD-88-119)
125

Insurance Reserves: Strategies for Regulating the Federal Employees Health Benefits Program (HRD-87-10)
93

Information Management: Leadership Needed in Managing Federal Telecommunications (IMTEC-87-9)
87

Internal Revenue Service: Need to Improve the Revenue Accounting Control System (IMTEC-88-41)
121

Procurement: Assessment of the Office of Federal Procurement Policy (NSIAD-88-35)
102

International Banking: Supervision of Overseas Lending Is Inadequate (NSIAD-88-87)
104

Federal Evaluation: Fewer Units, Reduced Resources, Different Studies From 1980 (PEMD-87-9)
99

House Committee on Armed Services

Internal Controls: Defense Fuel Supply Center's Recording and Reporting of Accounts Payable (AFMD-87-30)
64

Opportunities Exist To Reduce Operating Costs of the Department of Defense Overseas Dependents Schools (HRD-82-86)
226

Army National Guard: Opportunities To Improve the Condition and Operation of Armories (HRD-86-49)
230

DOD Schools: Funding and Operating Alternatives for Education of Dependents (HRD-87-16)
29

Government Contractors: Criteria Needed for Allowable Employee Health Care Costs (HRD-88-27)
290

DOD Health Care: Additional Efforts Needed to Verify Physicians' Qualifications (HRD-88-39)
157

Air Force Computers: Development Risks of Logistics Modernization Program Can Be Reduced (IMTEC-87-19)
21

Computer Systems: Navy Stock Point ADP Replacement Program Needs Better Management Controls (IMTEC-87-30)
76

Command and Control: Upgrades Allow Deferral of \$500 Million Computer Acquisition (IMTEC-88-10)
263

Computer Procurement: Issues Concerning Technical Specifications for Navy's CAD/CAM Acquisition (IMTEC-88-16BR)
21

Computer Procurement: Navy CAD/CAM Acquisition Has Merit but Management Improvements Needed (IMTEC-88-22)
22

Medical ADP Systems: Analysis of Technical Aspects of DOD's Composite Health Care System (IMTEC-88-27)
156

Ensuring Retention of Essential Civilians Overseas During Hostilities (NSIAD-84-73)
241

Committees of Jurisdiction
House Committee on Armed Services

Opportunities To Improve the DOD Personal Property Shipping Program (NSIAD-85-10) 242	Military Logistics: Improvements Needed in Managing Air Force Special Stock Levels (NSIAD-87-34) 249	Procurement: Defense Logistics Agency Implementation of the Spare Parts Initiatives (NSIAD-87-143) 284
The Navy Can Improve Material Management at Naval Shipyards (NSIAD-85-71) 243	Weapon Performance: Operational Test and Evaluation Can Contribute More to Decisionmaking (NSIAD-87-57) 293	Navy Maintenance: The P-3 Aircraft Overhaul Program Can Be Improved (NSIAD-87-157) 257
Routing Small Shipments of Hazardous or Sensitive Cargo (NSIAD-86-34) 245	Military Airlift: Management Controls Over Charter Airlift Need To Be Strengthened (NSIAD-87-67) 250	Polygraph Training: DOD Program Meets Standards But Expansion Requires Better Planning (NSIAD-87-161) 234
DOD Acquisition: Strengthening Capabilities of Key Personnel in Systems Acquisition (NSIAD-86-45) 292	Military Airspace: Better Planning Is Needed To Meet Future Requirements (NSIAD-87-93) 251	Electronic Warfare: Navy/Air Force Still Developing Separate, Costly Radar Warning Receivers (NSIAD-87-167) 258
Emergency Airlift: Responsiveness of the Civil Reserve Air Fleet Can Be Improved (NSIAD-86-47) 245	Navy Manpower: Squadron Manpower Program Needs Improvement (NSIAD-87-101) 253	Physical Security: Protection of Assets at U.S. Navy Bases (NSIAD-88-6) 235
Navy Manpower: Improved Ship Manpower Document Program Could Reduce Requirements (NSIAD-86-49) 246	Marine Corps Manpower: Improvements Needed in Processes for Determining Manpower Requirements (NSIAD-87-102) 254	Competition: Issues on Establishing and Using Federally Funded Research and Development Centers (NSIAD-88-22) 236
Military Housing: Analyses of Overseas Housing Costs Are Misleading to Decisionmakers (NSIAD-86-82) 228	Military Construction: The Letterkenny Army Depot Retrieval System (NSIAD-87-112BR) 283	Inventory Management: Defense Logistics Agency Inventory Accuracy Problems (NSIAD-88-39) 260
DOD Tempest Protection: Better Evaluations Needed To Determine Required Countermeasures (NSIAD-86-132) 229	Iran Arms Sales: DOD's Transfer of Arms to the Central Intelligence Agency (NSIAD-87-114) 212	Defense Procurement: Work Measurement Programs at Selected Contractor Locations (NSIAD-88-43BR) 288
Medical Readiness: The U.S. Army Can Improve Its Management of POMCUS Hospital Equipment in Europe (NSIAD-86-197) 231	Military Airlift: Requirements for Aerial Port Personnel in Wartime Need To Be Determined (NSIAD-87-115) 252	Navy Supply: Economic Order Quantity and Item Essentiality Need More Consideration (NSIAD-88-64) 261
Military Airlift: Improving Management of Aircraft Loading Operations (NSIAD-87-5) 247	Air Force Manpower Program: Improvements Needed in Procedures and Controls (NSIAD-87-137) 257	Navy Inventory Management: Inventory Accuracy Problems (NSIAD-88-69) 266
Navy Supply: Intermediate Inventories Can Be Reduced (NSIAD-87-19) 248	Army Deployment: Better Transportation Planning Is Needed (NSIAD-87-138) 255	DOD Inventory Management: Revised Policies Needed (NSIAD-88-75) 262
Quality Assurance: Efforts To Strengthen DOD's Program (NSIAD-87-33) 282	Military Procurement: Air Force Should Terminate More Contracts for On-Order Excess Spare Parts (NSIAD-87-141) 259	Electronic Warfare: Multiple Developments of Costly Threat Simulators (NSIAD-88-93) 262

Committees of Jurisdiction
House Committee on Armed Services

Internal Controls: Status of Army Efforts To Control Contractor Access to the DOD Supply System (NSIAD-88-98)
267

Internal Controls: Air Force Can Improve Controls Over Contractor Access to DOD Supply System (NSIAD-88-99)
268

Internal Controls: Air Force Correcting Weaknesses in Its Property Disposal Practices (NSIAD-88-106)
270

Management Review: Follow-Up on the Management Review of the Defense Logistics Agency (NSIAD-88-107)
269

Internal Controls: Controls Over Expedited Payments to Defense Suppliers Need Improvement (NSIAD-88-113)
264

Federal Catalog System: Continuing Item Identification Problems (NSIAD-88-121)
271

Inventory Management: Air Force Inventory Accuracy Problems (NSIAD-88-133)
272

Navy Maintenance: Naval Aviation Depots' Asset Capitalization Program Needs Improvement (NSIAD-88-134)
270

Internal Controls: Controls Over Material Furnished to Navy Contractors Can Be Improved (NSIAD-88-150)
275

Space Shuttle: The Future of the Vandenberg Launch Site Needs to Be Determined (NSIAD-88-158)
130

Reserve Training: An Alternative to the Active Army Education Program for National Guard Technicians (NSIAD-88-164)
220

Strategic Air Command: KC-135A Crash and the Need for SAC Air Show Regulations (NSIAD-88-172)
278

Army Transportation: Alleged Overcharges on Rail Shipments to and From Ft. Irwin, California (NSIAD-88-174)
273

Inventory Management: Receipt Confirmation Problems (NSIAD-88-179)
276

Navy Maintenance: Ship Maintenance Strategies Need Better Assessments (NSIAD-88-187)
274

Military Manpower: Problems in Accounting for Occupational Shortfalls (NSIAD-88-188)
277

Air Force Contracting: Protecting Liquid Oxygen/Nitrogen Plants From Contamination (NSIAD-88-206)
290

Army Training: Need to Strengthen Internal Controls Over Troop Schools (NSIAD-88-208)
237

More Effective Use of Contract Airlift Could Reduce DOD Transportation Costs (PLRD-83-55)
240

Nuclear Materials: Alternatives for Relocating Rocky Flats Plant's Plutonium Operations (RCED-87-93)
223

Naval Petroleum Reserve-1: Data Inaccuracies Complicate Production and Ownership Issues (RCED-87-105BR)
41

Naval Petroleum Reserves-1: Data Corrections Made but More Accurate Reserve Data Needed (RCED-88-174)
55

Investigations Subcommittee

Technical Risk Assessment: The Status of Current DOD Efforts (PEMD-86-5)
280

Military Installations and Facilities Subcommittee

DOD Should Adopt a New Approach To Analyze the Cost Effectiveness of Small Hospitals (HRD-85-21)
243

Military Personnel and Compensation Subcommittee

DOD Health Care: Better Use of Malpractice Data Could Help Improve Quality of Care (HRD-87-30)
147

Readiness Subcommittee

Naval Audit Service: Effectiveness of Navy's Internal Audit Organization Is Limited (AFMD-88-12)
219

Prompt Payment Act: Military Exchanges Had Problems in Paying on Time (AFMD-88-17)
235

Stars and Stripes: Appropriated-Fund Support Should Be Reduced (NSIAD-86-104)
227

Research and Development Subcommittee

Technical Risk Assessment: The Status of Current DOD Efforts (PEMD-86-5)
280

Seapower and Strategic and Critical Materials Subcommittee

Navy Maintenance: Competing Vessel Overhauls and Repairs Between Public and Private Shipyards (NSIAD-88-109)
289

Committees of Jurisdiction

House Committee on Armed Services
House Committee on Banking, Finance and Urban Affairs
House Committee on Budget
House Committee on District of Columbia
House Committee on Education and Labor

Live Fire Testing: Evaluating DOD's Programs (PEMD-87-17)
259

House Committee on Banking, Finance and Urban Affairs

Financial Audit: Federal Financing Bank's Financial Statements for Fiscal Years 1985 and 1984 (AFMD-87-31)
26

Bank Powers: Issues Related to Repeal of the Glass-Steagall Act (GGD-88-37)
103

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7)
36

International Banking: Supervision of Overseas Lending Is Inadequate (NSIAD-88-87)
104

Internal Controls: Weaknesses in HUD's Single Family Housing Appraisal Program (RCED-87-165)
59

Indoor Radon: Limited Federal Response To Reduce Contamination in Housing (RCED-88-103)
327

Public Housing: Problems Continue To Plague the Cuyahoga Metropolitan Housing Authority (RCED-88-122)
185

Housing and Community Development Subcommittee

Housing Programs: Funding Approach for HUD's Section 8 Certificate Program Needs Changing (RCED-88-136)
184

House Committee on Budget

Are Agencies Doing Enough or Too Much for Archeological Preservation? Guidance Needed (CED-81-61)
339

Millions Could Be Saved by Improving Integrity of the Food Stamp Program's Authorization-To-Participate System (CED-82-34)
182

Prisoners Receiving Social Security and Other Federal Retirement, Disability, and Education Benefits (HRD-82-43)
174

Defaulted Student Loans: Private Lender Collection Efforts Often Inadequate (HRD-87-48)
32

Guaranteed Student Loans: Legislative and Regulatory Changes Needed To Reduce Default Costs (HRD-87-76)
33

Technical Risk Assessment: The Status of Current DOD Efforts (PEMD-86-5)
280

Benefit Overpayments: Recoveries Could Be Increased in the Food Stamp and AFDC Programs (RCED-86-17)
168

Naval Petroleum Reserve-1: Data Inaccuracies Complicate Production and Ownership Issues (RCED-87-105BR)
41

Naval Petroleum Reserves-1: Data Corrections Made but More Accurate Reserve Data Needed (RCED-88-174)
55

House Committee on District of Columbia

District of Columbia: P.L. 94-142 Compliance and Management of Youth Services Administration (GGD-86-131)
96

DC Government: Problems Have Created Delays in Constructing Educational Facilities at Lorton (GGD-88-1BR)
102

Fiscal Affairs and Health Subcommittee

Implementation of Public Law 94-142 as It Relates to Handicapped Delinquents in the District of Columbia (GGD-86-4)
29

House Committee on Education and Labor

Unemployment Compensation: Payments to Ineligible Former Employees (GGD-87-17)
77

Strong Leadership Needed To Improve Management at the Department of Labor (HRD-86-12)
35

Affirmative Action: National Institutes of Health Does Not Fully Meet Federal Requirements (HRD-86-37)
131

Pesticides: Need To Enhance FDA's Ability To Protect the Public From Illegal Residues (RCED-87-7)
134

Elementary, Secondary and Vocational Education Subcommittee

Compensatory Education: Chapter 1's Comparability of Services Provision (HRD-87-102)
30

Deaf Education: The National Mission of Gallaudet's Elementary and Secondary Schools (HRD-87-133)
31

Committees of Jurisdiction

House Committee on Education and Labor
House Committee on Energy and Commerce

Employment Opportunities Subcommittee

Affirmative Action: National Institutes of Health Does Not Fully Meet Federal Requirements (HRD-86-37)
131

Health and Safety Subcommittee

OSHA's Monitoring and Evaluation of State Programs (T-HRD-88-13)
39

Postsecondary Education Subcommittee

Defaulted Student Loans: Private Lender Collection Efforts Often Inadequate (HRD-87-48)
32

Guaranteed Student Loans: Legislative and Regulatory Changes Needed To Reduce Default Costs (HRD-87-76)
33

House Committee on Energy and Commerce

Bank Powers: Issues Related to Repeal of the Glass-Steagall Act (GGD-88-37)
103

Payment Rates for Ambulatory Surgery Centers Are Higher Than Intended by HCFA (HRD-84-67)
140

Need To Improve Internal Controls To Curtail Fraud and Abuse in the RRB Unemployment and Sickness Insurance Program (HRD-85-37)
192

Medicare's Policies and Prospective Payment Rates for Cardiac Pacemaker Surgeries Need Review and Revision (HRD-85-39)
141

Affirmative Action: National Institutes of Health Does Not Fully Meet Federal Requirements (HRD-86-37)
131

Medicare: Issues Raised by Florida Health Maintenance Organization Demonstrations (HRD-86-97)
142

Medicare: Need To Strengthen Home Health Care Payment Controls and Address Unmet Needs (HRD-87-9)
143

Medicaid: Lessons Learned From Arizona's Prepaid Program (HRD-87-14)
145

Welfare and Taxes: Extending Benefits and Taxes to Puerto Rico, Virgin Islands, Guam, and American Samoa (HRD-87-60)
188

Medicaid: Improvements Needed in Programs To Prevent Abuse (HRD-87-75)
149

Medicare: Rehabilitation Service Claims Paid Without Adequate Information (HRD-87-91)
148

Veterans Administration: VA Pensions to Medicaid Nursing Home Residents Should Be Reduced (HRD-87-111)
379

Medicare and Medicaid: Stronger Enforcement of Nursing Home Requirements Needed (HRD-87-113)
149

Prenatal Care: Medicaid Recipients and Uninsured Women Obtain Insufficient Care (HRD-87-137)
150

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7)
36

Medicare: Better Controls Needed for Peer Review Organizations' Evaluations (HRD-88-13)
141

Medicare: Laboratory Fee Schedules Produced Large Beneficiary Savings but No Program Savings (HRD-88-32)
152

Welfare Eligibility: Programs Treat Indian Tribal Trust Fund Payments Inconsistently (HRD-88-38)
191

Minority Representation: Efforts of the Alcohol, Drug Abuse, and Mental Health Administration (HRD-88-49)
350

Medicare: Issues Concerning the HealthChoice Demonstration Project (HRD-88-69)
158

Biomedical Research: Issues Related to Increasing Size of NIH Grant Awards (HRD-88-90BR)
163

Controlled Substances: Medicaid Data May Be Useful for Monitoring Diversion (HRD-88-111)
159

Medicare: Improving Quality of Care Assessment and Assurance (PEMD-88-10)
153

Stronger Enforcement Would Help Improve Motor Carrier Safety (RCED-85-64)
366

Department of Energy: Allegations About the Director of the Office of Minority Economic Impact (RCED-86-95)
44

Nonagricultural Pesticides: Risks and Regulation (RCED-86-97)
312

Pesticides: EPA's Formidable Task To Assess and Regulate Their Risks (RCED-86-125)
313

Pesticides: Better Sampling and Enforcement Needed on Imported Food (RCED-86-219)
315

Pesticides: Need To Enhance FDA's Ability To Protect the Public From Illegal Residues (RCED-87-7)
134

Committees of Jurisdiction

House Committee on Energy and Commerce

Air Quality Standards: EPA's Standard Setting Process Should Be More Timely and Better Planned (RCED-87-23)
316

Auto Safety and Emissions: No Assurance That Imported Gray Market Vehicles Meet Federal Standards (RCED-87-29)
367

Nuclear Security: DOE's Reinvestigation of Employees Has Not Been Timely (RCED-87-72)
45

Nuclear Materials: Alternatives for Relocating Rocky Flats Plant's Plutonium Operations (RCED-87-93)
223

Highway Needs: An Evaluation of DOT's Process for Assessing the Nation's Highway Needs (RCED-87-136)
371

Superfund: Improvements Needed in Work Force Management (RCED-88-1)
321

Hazardous Waste: Issues Surrounding Insurance Availability (RCED-88-2)
321

Internal Controls: EPA Needs To Improve Controls Over Change Orders and Claims (RCED-88-16)
60

Nuclear Security: DOE Needs a More Accurate and Efficient Security Clearance Program (RCED-88-28)
47

Hazardous Waste: Groundwater Conditions at Many Land Disposal Facilities Remain Uncertain (RCED-88-29)
326

Air Pollution: Ozone Attainment Requires Long-Term Solutions To Solve Complex Problems (RCED-88-40)
326

Nuclear Regulation: Action Needed To Ensure That Utilities Monitor and Repair Pipe Damage (RCED-88-73)
49

Indoor Radon: Limited Federal Response To Reduce Contamination in Housing (RCED-88-103)
327

Hazardous Waste: New Approach Needed to Manage the Resource Conservation and Recovery Act (RCED-88-115)
331

Nuclear Waste: DOE Should Base Disposal Fee Assessment on Realistic Inflation Rate (RCED-88-129)
55

Hazardous Waste: Many Enforcement Actions Do Not Meet EPA Standards (RCED-88-140)
330

Nuclear Health and Safety: Stronger Oversight of Asbestos Control Needed at Hanford Tank Farms (RCED-88-150)
51

Energy Management: States' Use and DOE Oversight of Exxon and Stripper Well Overcharge Funds (RCED-88-152)
50

Superfund Contracts: EPA Needs to Control Contractor Costs (RCED-88-182)
332

Commerce, Consumer Protection and Competitiveness Subcommittee

Consumer Product Safety Commission: Administrative Structure Could Benefit From Change (HRD-87-47)
100

Motor Vehicle Safety: Enforcement of Federal Standards Can Be Enhanced (RCED-87-2)
374

Energy and Power Subcommittee

Naval Petroleum Reserve-1: Data Inaccuracies Complicate Production and Ownership Issues (RCED-87-105BR)
41

Nuclear Nonproliferation: Department of Energy Needs Tighter Controls Over Reprocessing Information (RCED-87-150)
45

Uranium Enrichment: Congressional Action Needed To Revitalize the Program (RCED-88-18)
54

Energy Conservation: States' Use of Interest Earned on Oil Overcharge Funds (RCED-88-51)
43

Naval Petroleum Reserves-1: Data Corrections Made but More Accurate Reserve Data Needed (RCED-88-174)
55

Nuclear Regulation: NRC's Decommissioning Cost Estimates Appear Low (RCED-88-184)
52

Health and the Environment Subcommittee

Food Inspections: FDA Should Rely More on State Agencies (HRD-86-2)
133

Medical Research: National Research Service Awards for Research in Primary Medical Care (HRD-87-20)
162

Medical Malpractice: A Framework for Action (HRD-87-73)
146

Food and Drug Administration: HHS Inspector General Should Be Involved in Criminal Investigations (HRD-88-8)
136

Medical Devices: Early Warning of Problems Is Hampered by Severe Underreporting (PEMD-87-1)
135

Committees of Jurisdiction

House Committee on Energy and Commerce
House Committee on Foreign Affairs

Oversight and Investigations Subcommittee

Securities Regulation: Efforts to Detect, Investigate, and Deter Insider Trading (GGD-88-116)
110

Export Promotion: Activities of the Commerce Department's District Offices (NSIAD-86-43)
194

Information Security: Special Access Document Control at Northrop's Advanced Systems Division (NSIAD-87-79)
233

Internal Controls: Air Force Correcting Weaknesses in Its Property Disposal Practices (NSIAD-88-106)
270

The Environmental Protection Agency Should Better Manage Its Use of Contractors (RCED-85-12)
310

Stronger Enforcement Would Help Improve Motor Carrier Safety (RCED-85-64)
366

Wildlife Management: National Refuge Contamination Is Difficult To Confirm and Clean Up (RCED-87-128)
347

Energy Management: DOE Controls Over Contractor Expenditures Need Strengthening (RCED-87-166)
46

Disaster Assistance: Response to West Virginia's November 1985 Flood Shows Need for Improvements (RCED-88-5)
27

Biotechnology: Managing the Risks of Field Testing Genetically Engineered Organisms (RCED-88-27)
15

Food Marketing: Frozen Pizza Cheese—Representative of Broader Food Labeling Issues (RCED-88-70)
13

Energy Regulation: Opportunities for Strengthening Hydropower Cumulative Impact Assessments (RCED-88-82)
49

Air Pollution: Better Internal Controls Needed To Ensure Complete Air Regulation Dockets (RCED-88-128)
329

Telecommunications and Finance Subcommittee

Securities Regulation: Efforts to Detect, Investigate, and Deter Insider Trading (GGD-88-116)
110

Telephone Communications: Controlling Cross-Subsidy Between Regulated and Competitive Services (RCED-88-34)
216

Telecommunications: Actions Needed for Better Management of Public Safety Spectrum (RCED-88-173)
216

Transportation, Tourism, and Hazardous Materials Subcommittee

Retirement Benefits: Discrepancies in Benefits Paid by the Railroad Retirement Board for SSA (HRD-86-3)
177

Export Promotion: Activities of the Commerce Department's District Offices (NSIAD-86-43)
194

Hazardous Waste: Environmental Safeguards Jeopardized When Facilities Cease Operating (RCED-86-77)
311

Hazardous Waste: Responsible Party Clean Up Efforts Require Improved Oversight (RCED-86-123)
315

Hazardous Waste: EPA Has Made Limited Progress in Determining the Wastes To Be Regulated (RCED-87-27)
318

Rail Abandonments: Abandonment Activity and Shipper Views on Rail Service Loss (RCED-87-82)
371

Hazardous Waste: Facility Inspections Are Not Thorough and Complete (RCED-88-20)
322

Superfund: Extent of Nation's Potential Hazardous Waste Problem Still Unknown (RCED-88-44)
324

House Committee on Foreign Affairs

Collecting Research and Development Costs on Commercial Military Sales (NSIAD-86-44)
210

Foreign Aid: Impact of Overseas Private Investment Corporation Activities on U.S. Employment (NSIAD-87-109)
203

Iran Arms Sales: DOD's Transfer of Arms to the Central Intelligence Agency (NSIAD-87-114)
212

Internal Controls: State's Controls Over Personal Property Management Are Inadequate (NSIAD-87-156)
193

Liberia: Need To Improve Accountability and Control Over U.S. Assistance (NSIAD-87-173)
204

Food Aid: Improving Economic and Market Development Impact in African Countries (NSIAD-88-55)
205

Export Controls: Commerce's Assessment of the Foreign Availability of Controlled Items Can Be More Effective (NSIAD-88-71)
198

Committees of Jurisdiction

House Committee on Foreign Affairs
House Committee on Government Operations

Drug Control: U.S.-Mexico Opium Poppy and Marijuana Aerial Eradication Program (NSIAD-88-73)
206

Overseas Support: Current U.S. Administrative Support System Is Too Complicated (NSIAD-88-84)
199

Foreign Aid: Improving the Impact and Control of Economic Support Funds (NSIAD-88-182)
214

Foreign Aid: Issues Concerning AID's Private-Sector Revolving Fund (NSIAD-88-185)
209

Technical Risk Assessment: The Status of Current DOD Efforts (PEMD-86-5)
280

Nuclear Nonproliferation: Department of Energy Needs Tighter Controls Over Reprocessing Information (RCED-87-150)
45

Africa Subcommittee

Sub-Saharan Africa: Factors Affecting Export Capabilities (NSIAD-88-145)
200

Europe and the Middle East Subcommittee

NATO: U.S. Contributions to the Airborne Early Warning and Control Program (NSIAD-88-132)
213

International Economic Policy and Trade Subcommittee

Export Controls: Assessment of Commerce Department's Foreign Policy Report to Congress (NSIAD-87-176)
195

Arms Exports: Licensing Reviews for Exporting Military Items Can Be Improved (NSIAD-87-211)
212

House Committee on Government Operations

Inspectors General: Compliance With Professional Standards by the Transportation Inspector General (AFMD-87-28)
68

CPA Audit Quality: Improved Controls Are Needed To Ensure Quality Audits of Federal Loan Programs (AFMD-88-3)
69

Congressional Reports: Efforts To Eliminate or Modify Reporting Requirements Need To Be Improved (AFMD-88-4)
94

Financial Audit: Commodity Credit Corporation's Financial Statements for 1987 and 1986 (AFMD-88-47)
75

Presidential Inaugurations: Legislation Is Needed To Clarify Agencies' Support Roles (GGD-87-10)
99

Unemployment Compensation: Payments to Ineligible Former Employees (GGD-87-17)
77

Property Management: Excess and Surplus Personal Property Transfers to Nonfederal Organizations (GGD-88-68)
92

Strong Leadership Needed To Improve Management at the Department of Labor (HRD-86-12)
35

DOD Schools: Funding and Operating Alternatives for Education of Dependents (HRD-87-16)
29

Social Security Administration: Stable Leadership and Better Management Needed To Improve Effectiveness (HRD-87-39)
83

Government Contractors: Criteria Needed for Allowable Employee Health Care Costs (HRD-88-27)
290

Computer Security: Contingency Plans and Risk Analyses Needed for IRS Computer Centers (IMTEC-86-10)
112

Air Force Computers: Development Risks of Logistics Modernization Program Can Be Reduced (IMTEC-87-19)
21

Computer Systems: Navy Stock Point ADP Replacement Program Needs Better Management Controls (IMTEC-87-30)
76

Information Systems: SSA's Financial Management of Information Systems Needs Improvement (IMTEC-88-15)
181

Computer Procurement: Issues Concerning Technical Specifications for Navy's CAD/CAM Acquisition (IMTEC-88-16BR)
21

ADP Architecture: Study Made for Immigration and Naturalization Service Needs Validation (IMTEC-88-21)
11

Computer Procurement: Navy CAD/CAM Acquisition Has Merit but Management Improvements Needed (IMTEC-88-22)
22

Collecting Research and Development Costs on Commercial Military Sales (NSIAD-86-44)
210

Stars and Stripes: Appropriated-Fund Support Should Be Reduced (NSIAD-86-104)
227

Quality Assurance: Efforts To Strengthen DOD's Program (NSIAD-87-33)
282

Committees of Jurisdiction
House Committee on Government Operations

International Trade: Review of Effectiveness of FAS Cooperator Market Development Program (NSIAD-87-89)
194

Foreign Aid: Impact of Overseas Private Investment Corporation Activities on U.S. Employment (NSIAD-87-109)
203

Procurement: Better Compliance With the Competition in Contracting Act Is Needed (NSIAD-87-145)
285

Internal Controls: State's Controls Over Personal Property Management Are Inadequate (NSIAD-87-156)
193

International Trade: Commodity Credit Corporation's Refunds of Export Guarantee Fees (NSIAD-87-185)
196

Arms Exports: Licensing Reviews for Exporting Military Items Can Be Improved (NSIAD-87-211)
212

International Trade: FAS Management of Livestock Cooperator Program (NSIAD-88-24)
197

Procurement: Assessment of the Office of Federal Procurement Policy (NSIAD-88-35)
102

Overseas Support: Current U.S. Administrative Support System Is Too Complicated (NSIAD-88-84)
199

Internal Controls: Air Force Can Improve Controls Over Contractor Access to DOD Supply System (NSIAD-88-99)
268

Management Review: Follow-Up on the Management Review of the Defense Logistics Agency (NSIAD-88-107)
269

Sub-Saharan Africa: Factors Affecting Export Capabilities (NSIAD-88-145)
200

Government Property: DOD's Management of the Property It Furnishes to Contractors (NSIAD-88-151)
274

Technical Risk Assessment: The Status of Current DOD Efforts (PEMD-86-5)
280

Hazardous Waste: Environmental Safeguards Jeopardized When Facilities Cease Operating (RCED-86-77)
311

Department of Transportation: Enhancing Policy and Program Effectiveness Through Improved Management (RCED-87-3)
368

Hazardous Waste: EPA Has Made Limited Progress in Determining the Wastes To Be Regulated (RCED-87-27)
318

Auto Safety and Emissions: No Assurance That Imported Gray Market Vehicles Meet Federal Standards (RCED-87-29)
367

Imported Meat and Livestock: Chemical Residue Detection and the Issue of Labeling (RCED-87-142)
19

Hazardous Waste: Groundwater Conditions at Many Land Disposal Facilities Remain Uncertain (RCED-88-29)
326

Superfund: Insuring Underground Petroleum Tanks (RCED-88-39)
325

Hazardous Waste: New Approach Needed to Manage the Resource Conservation and Recovery Act (RCED-88-115)
331

Nuclear Waste: DOE Should Base Disposal Fee Assessment on Realistic Inflation Rate (RCED-88-129)
55

Hazardous Waste: Many Enforcement Actions Do Not Meet EPA Standards (RCED-88-140)
330

Superfund Contracts: EPA Needs to Control Contractor Costs (RCED-88-182)
332

Commerce, Consumer and Monetary Affairs Subcommittee

Tax Administration: IRS Can Improve Its Collection Procedures for Taxpayers Living Overseas (GGD-87-14)
116

Tax Administration: Opportunities Exist for Improving IRS' Administration of Alien Taxpayer Programs (GGD-88-54)
118

Tax Administration: IRS Could Reduce the Number of Unproductive Business Nonfiler Investigations (GGD-88-77)
120

Tax Administration: IRS' Service Centers Need to Improve Handling of Taxpayer Correspondence (GGD-88-101)
121

Tax Administration: Difficulties in Accurately Estimating Tax Examination Yield (GGD-88-119)
125

System Integrity: IRS Can Reduce Processing Errors With Better Controls and Information (IMTEC-88-25)
124

Internal Revenue Service: Need to Improve the Revenue Accounting Control System (IMTEC-88-41)
121

Export Promotion: Activities of the Commerce Department's District Offices (NSIAD-86-43)
194

Pesticides: Better Sampling and Enforcement Needed on Imported Food (RCED-86-219)
315

Committees of Jurisdiction
House Committee on Government Operations

Internal Controls: Weaknesses in HUD's Single Family Housing Appraisal Program (RCED-87-165)
59

Employment and Housing Subcommittee

ADP Internal Controls: Actions To Correct System Weaknesses for Federal Employees' Compensation (IMTEC-88-9)
60

Environment, Energy and Natural Resources Subcommittee

Hazardous Waste: DOD Efforts To Preclude Disposal of Contaminated Property Need Improvement (NSIAD-87-45)
232

Water Quality: An Evaluation Method for the Construction Grants Program—Methodology (PEMD-87-4A)
317

Surface Mining: Cost and Availability of Reclamation Bonds (PEMD-88-17)
328

More Assurance Is Needed That Strategic Petroleum Reserve Oil Can Be Withdrawn as Designed (RCED-85-104)
41

Surface Mining: Interior Department and States Could Improve Inspection Programs (RCED-87-40)
298

Nuclear Security: DOE's Reinvestigation of Employees Has Not Been Timely (RCED-87-72)
45

Surface Mining: States Not Assessing and Collecting Monetary Penalties (RCED-87-129)
319

Surface Mining: State and Federal Use of Alternative Enforcement Techniques (RCED-87-160)
300

Energy Management: DOE Controls Over Contractor Expenditures Need Strengthening (RCED-87-166)
46

Hazardous Waste: Controls Over Injection Well Disposal Operations Protect Drinking Water (RCED-87-170)
320

Nuclear Security: DOE Needs a More Accurate and Efficient Security Clearance Program (RCED-88-28)
47

Nuclear Regulation: Action Needed To Ensure That Utilities Monitor and Repair Pipe Damage (RCED-88-73)
49

Nuclear Regulation: NRC's Decommissioning Cost Estimates Appear Low (RCED-88-184)
52

Government Activities and Transportation Subcommittee

Stronger Enforcement Would Help Improve Motor Carrier Safety (RCED-85-64)
366

Trucking Deregulation: Proposed Sunset of ICC's Trucking Regulatory Responsibilities (RCED-87-107)
370

Government Information, Justice, and Agriculture Subcommittee

Immigration Reform: Systematic Alien Verification System Could Be Improved (IMTEC-87-45BR)
7

DOD Tempest Protection: Better Evaluations Needed To Determine Required Countermeasures (NSIAD-86-132)
229

Immigration: The Future Flow of Legal Immigration to the United States (PEMD-88-7)
197

USDA's Commodity Program: The Accuracy of Budget Forecasts (PEMD-88-8)
14

Immigration Service: INS' Technology Selection Process Is Weak, Informal, and Inconsistently Applied (PEMD-88-16)
9

Crop Insurance: Overpayment of Claims by Private Companies Costs the Government Millions (RCED-88-7)
16

Human Resources and Intergovernmental Relations Subcommittee

Document Requests: Response Time to Congressional Committees Could Be Improved (HRD-87-45)
165

Federal Evaluation: Fewer Units, Reduced Resources, Different Studies From 1980 (PEMD-87-9)
99

HCFA Research: Agency Practices and Other Factors Threaten Quality of Mandated Studies (PEMD-88-9)
164

Legislation and National Security Subcommittee

CPA Audit Quality: Many Governmental Audits Do Not Comply With Professional Standards (AFMD-86-33)
59

Loan Asset Sales: OMB Policies Will Result in Program Objectives Not Being Fully Achieved (AFMD-86-78)
63

Loan Asset Sales: OMB Policies Will Result in Program Objectives Not Being Fully Achieved (AFMD-86-79)
64

Internal Controls: Defense Fuel Supply Center's Recording and Reporting of Accounts Payable (AFMD-87-30)
64

Committees of Jurisdiction

House Committee on Government Operations
House Committee on House Administration
House Committee on Interior and Insular Affairs

Information Management: Leadership Needed in Managing Federal Telecommunications (IMTEC-87-9)
87

ADP Internal Controls: Actions To Correct System Weaknesses for Federal Employees' Compensation (IMTEC-88-9)
60

Contract Pricing: Material Prices Overstated on the Amphibious Assault Vehicle Contract (NSIAD-86-123)
281

Contract Pricing: Material Prices Overstated on Standard Missile and Phalanx Systems (NSIAD-87-31)
283

Electronic Warfare: Navy/Air Force Still Developing Separate, Costly Radar Warning Receivers (NSIAD-87-167)
258

Foreign Aid: Improvement Needed in Management of Technical Services Contracts (NSIAD-87-183)
204

Contract Pricing: Material Prices Overstated on Ground/Vehicular Laser Locator Designators (NSIAD-88-25)
288

Electronic Warfare: Multiple Developments of Costly Threat Simulators (NSIAD-88-93)
262

DOD Simulations: Improved Assessment Procedures Would Increase the Credibility of Results (PEMD-88-3)
294

House Committee on House Administration

Office Systems Subcommittee

Information Management: Leadership Needed in Managing Federal Telecommunications (IMTEC-87-9)
87

House Committee on Interior and Insular Affairs

Are Agencies Doing Enough or Too Much for Archeological Preservation? Guidance Needed (CED-81-61)
339

Personnel Practices: Propriety of Selected Personnel Actions at the Bureau of Indian Affairs (GGD-88-81)
108

Welfare and Taxes: Extending Benefits and Taxes to Puerto Rico, Virgin Islands, Guam, and American Samoa (HRD-87-60)
188

Welfare Eligibility: Programs Treat Indian Tribal Trust Fund Payments Inconsistently (HRD-88-38)
191

National Park Service Needs a Maintenance Management System (RCED-84-107)
340

The Bureau of Reclamation Could Identify More Unneeded Land (RCED-85-25)
297

National Parks: Law Enforcement Capability and Cost Comparisons at Two Recreation Areas (RCED-86-40)
341

Federal Land Acquisition: Land Exchange Process Working But Can Be Improved (RCED-87-9)
299

Surface Mining: Interior Department and States Could Improve Inspection Programs (RCED-87-40)
298

Surface Mining: State Management of Abandoned Mine Land Funds (RCED-87-57)
299

Surface Mining: States Not Assessing and Collecting Monetary Penalties (RCED-87-129)
319

Surface Mining: State and Federal Use of Alternative Enforcement Techniques (RCED-87-160)
300

Mineral Revenues: Coal Lease Readjustment Problems Remedied but Not All Revenue Is Collected (RCED-87-164)
301

Tongass National Forest: Timber Provision of the Alaska Lands Act Needs Clarification (RCED-88-54)
302

Parks and Recreation: Interior Did Not Comply With Legal Requirements for the Outdoors Commission (RCED-88-65)
345

Rangeland Management: More Emphasis Needed on Declining and Overstocked Grazing Allotments (RCED-88-80)
302

Cultural Resources: Implementation of Federal Historic Preservation Program Can Be Improved (RCED-88-81)
309

Indoor Radon: Limited Federal Response To Reduce Contamination in Housing (RCED-88-103)
327

Offshore Oil and Gas: Environmental Studies Program Meets Most User Needs but Changes Needed (RCED-88-104)
310

Public Rangelands: Some Riparian Areas Restored but Widespread Improvement Will Be Slow (RCED-88-105)
304

Water Resources: Costs of the Fountain Valley Authority Pipeline (RCED-88-125)
348

Nuclear Regulation: NRC's Decommissioning Cost Estimates Appear Low (RCED-88-184)
52

Committees of Jurisdiction

House Committee on Interior and Insular Affairs
House Committee on the Judiciary
House Committee on Merchant Marine and Fisheries
House Committee on Post Office and Civil Service

Energy and the Environment Subcommittee

Uranium Enrichment: Congressional Action Needed To Revitalize the Program (RCED-88-18)
54

National Parks and Public Lands Subcommittee

Parks and Recreation: Limited Progress Made in Documenting and Mitigating Threats to the Parks (RCED-87-36)
342

Cultural Resources: Problems Protecting and Preserving Federal Archeological Resources (RCED-88-3)
343

Parks and Recreation: Problems With Fee System for Resorts Operating on Forest Service Lands (RCED-88-94)
346

House Committee on the Judiciary

Improved Management Processes Would Enhance Justice's Operations (GGD-86-12)
81

Medical Malpractice: A Framework for Action (HRD-87-73)
146

Immigration Control: A New Role for the Social Security Card (HRD-88-4)
1

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7)
36

Civil and Constitutional Rights Subcommittee

Domestic Terrorism: Prevention Efforts in Selected Federal Courts and Mass Transit Systems (PEMD-88-22)
2

Courts, Civil Liberties, and the Administration of Justice Subcommittee

Legal Services Corporation: Benefits and Costs of Proposed Information System Improvements Not Clear (HRD-88-5)
189

Patent Policy: Recent Changes in Federal Law Considered Beneficial (RCED-87-44)
129

Criminal Justice Subcommittee

Justice Needs Better Controls Over Payment of Witness Fees (GGD-84-61)
4

Presentence Evaluations of Offenders Can Be More Responsive to the Needs of the Judiciary (GGD-85-14)
3

Immigration, Refugees and International Law Subcommittee

INS Delivery Bonds: Stronger Internal Controls Needed (GGD-88-36)
8

Immigration Reform: Systematic Alien Verification System Could Be Improved (IMTEC-87-45BR)
7

Immigration: The Future Flow of Legal Immigration to the United States (PEMD-88-7)
197

Monopolies and Commercial Law Subcommittee

Trucking Deregulation: Proposed Sunset of ICC's Trucking Regulatory Responsibilities (RCED-87-107)
370

House Committee on Merchant Marine and Fisheries

Panama Canal Commission's Financial Statements FY 1984 and 1983 (AFMD-86-15)
211

Financial Audit: Panama Canal Commission's Financial Statements for 1985 and 1984 (AFMD-87-4)
72

The Foreign Fishing Observer Program: Management Improvements Needed (RCED-85-110)
307

Deactivating Research Vessels: National Oceanic and Atmospheric Administration's Use of Private Ships (RCED-86-133)
308

House Committee on Post Office and Civil Service

Unemployment Compensation: Payments to Ineligible Former Employees (GGD-87-17)
77

OPM Revolving Fund: Investigation Activities During Fiscal Years 1983 Through 1986 (GGD-87-81)
89

Senior Executive Service: Reasons the Candidate Development Program Has Not Produced More SES Appointees (GGD-88-47)
78

Postal Procurement: An Assessment of Postal Purchasing Practices (GGD-88-65)
351

Senior Executive Service: The Extent to Which SES Members Have Used the Sabbatical Program (GGD-88-90)
80

Committees of Jurisdiction

House Committee on Post Office and Civil Service
House Committee on Public Works and Transportation

Affirmative Action: National Institutes of Health Does Not Fully Meet Federal Requirements (HRD-86-37)
131

Affirmative Action: Social Security Can Do More To Improve Blacks' Representation in Its Work Force (HRD-87-2)
97

Insurance Reserves: Strategies for Regulating the Federal Employees Health Benefits Program (HRD-87-10)
93

Reserve Training: An Alternative to the Active Army Education Program for National Guard Technicians (NSIAD-88-164)
220

Census and Population Subcommittee

Decennial Census: Minicomputer Procurement Delays and Bid Protests: Effects on the 1990 Census (GGD-88-70)
109

Noncash Benefits: Methodological Review of Experimental Valuation Methods Indicates Many Problems Remain (PEMD-87-23)
167

Civil Service Subcommittee

Blue-Collar Workers: Appraisal Systems Are in Place, But Basic Refinements Are Needed (GGD-87-72)
77

Federal Workforce: A Framework for Studying Its Quality Over Time (PEMD-88-27)
79

Human Resources Subcommittee

Blue-Collar Workers: Appraisal Systems Are in Place, But Basic Refinements Are Needed (GGD-87-72)
77

Ethics: The Department of Justice's Ethics Program (GGD-88-112BR)
79

House Committee on Public Works and Transportation

Financial Audit: Examination of GSA's Financial Statements for Fiscal Years 1986 and 1985 (AFMD-87-49)
74

Chet Holifield Federal Building: GSA's Decision To Renovate and Retain Appears Appropriate (GGD-87-47)
92

Water Quality: An Evaluation Method for the Construction Grants Program—Methodology (PEMD-87-4A)
317

Aviation Weather: Status of FAA's New Hazardous Weather Detection and Dissemination Systems (RCED-87-208)
356

Bridge Condition Assessment: Inaccurate Data May Cause Inequities in the Apportionment of Federal-Aid Funds (RCED-88-75)
373

Aviation Services: Automation and Consolidation of Flight Service Stations (RCED-88-77)
358

Highway Safety: Monitoring Practices To Show Compliance With Speed Limits Should Be Reexamined (RCED-88-93BR)
372

Wetlands: The Corps of Engineers' Administration of the Section 404 Program (RCED-88-110)
305

Aircraft Noise: Implementation of FAA's Expanded East Coast Plan (RCED-88-143)
362

Aviation Safety: Airlines Should Check Pilot Applicants' Safety History (RCED-88-154)
360

Water Pollution: Efforts to Clean Up Michigan's Rouge River (RCED-88-164)
333

Water Resources: Issues Concerning the Arkansas River Basin Operation Plan (RCED-88-166)
348

Superfund Contracts: EPA Needs to Control Contractor Costs (RCED-88-182)
332

Aviation Subcommittee

Airline Competition: Impact of Computerized Reservation Systems (RCED-86-74)
353

Aviation Safety: Needed Improvements in FAA's Airline Inspection Program Are Underway (RCED-87-62)
354

FAA Staffing: Challenges in Managing Shortages in the Maintenance Work Force (RCED-87-137)
355

Aviation Safety: Commuter Airports Should Participate in the Airport Certification Program (RCED-88-41)
356

Aviation Security: Improved Controls Needed To Prevent Unauthorized Access at Key Airports (RCED-88-86)
357

Airport Noise: FAA's Enforcement of Noise Rules at National Airport (RCED-88-117)
358

Microwave Landing Systems: Additional Systems Should Not Be Procured Unless Benefits Proven (RCED-88-118)
359

Airspace Use: FAA Needs to Improve Its Management of Special Use Airspace (RCED-88-147)
363

Committees of Jurisdiction

House Committee on Public Works and Transportation
House Committee on Science, Space, and Technology
House Committee on Small Business
House Committee on Veterans' Affairs

Investigations and Oversight Subcommittee

Disaster Assistance: Response to West Virginia's November 1985 Flood Shows Need for Improvements (RCED-88-5)
27

FAA Staffing: Improvements Needed in Estimating Air Traffic Controller Requirements (RCED-88-106)
361

Airport Noise: FAA's Enforcement of Noise Rules at National Airport (RCED-88-117)
358

Public Buildings and Grounds Subcommittee

Chet Holifield Federal Building: GSA's Decision To Renovate and Retain Appears Appropriate (GGD-87-47)
92

Surface Transportation Subcommittee

Stronger Enforcement Would Help Improve Motor Carrier Safety (RCED-85-64)
366

Trucking Deregulation: Proposed Sunset of ICC's Trucking Regulatory Responsibilities (RCED-87-107)
370

House Committee on Science, Space, and Technology

Financial Reporting: Defense Agencies' Reports on Financial Position Need To Be Improved (AFMD-88-19)
74

Financial Reporting: NASA Can Improve Compliance With GAO Standards and Treasury Requirements (AFMD-88-21)
68

Information Systems: Agencies Overlook Security Controls During Development (IMTEC-88-11)
89

Implementing the Small Business Innovation Development Act—The First 2 Years (RCED-86-13)
128

Deactivating Research Vessels: National Oceanic and Atmospheric Administration's Use of Private Ships (RCED-86-133)
308

Nuclear Safety: Safety Analysis Reviews for DOE's Defense Facilities Can Be Improved (RCED-86-175)
222

Nuclear Energy: Environmental Issues at DOE's Nuclear Defense Facilities (RCED-86-192)
223

Air Quality Standards: EPA's Standard Setting Process Should Be More Timely and Better Planned (RCED-87-23)
316

Natural Resources, Agriculture Research and Environment Subcommittee

Environment, Safety, and Health: Environment and Workers Could Be Better Protected at Ohio Defense Plants (RCED-86-61)
221

Nuclear Health and Safety: Oversight at DOE's Nuclear Facilities Can Be Strengthened (RCED-88-137)
51

Nuclear Waste: Problems Associated With DOE's Inactive Waste Sites (RCED-88-169)
225

Science, Research and Technology Subcommittee

Technical Risk Assessment: The Status of Current DOD Efforts (PEMD-86-5)
280

Patent Policy: Recent Changes in Federal Law Considered Beneficial (RCED-87-44)
129

Transportation, Aviation and Materials Subcommittee

Aviation Weather: Status of FAA's New Hazardous Weather Detection and Dissemination Systems (RCED-87-208)
356

House Committee on Small Business

Medical Malpractice: A Framework for Action (HRD-87-73)
146

Procurement: Better Compliance With the Competition in Contracting Act Is Needed (NSIAD-87-145)
285

SBA and the Economy Subcommittee

Implementing the Small Business Innovation Development Act—The First 2 Years (RCED-86-13)
128

House Committee on Veterans' Affairs

Financial Management: An Assessment of the Veterans Administration's Major Processes (AFMD-86-7)
131

VA Central Office Needs To Exercise Better Oversight of Cardiac Pacemaker Recalls (HRD-84-33)
375

VA Health Care: Too Many Operating Rooms Being Planned and Built (HRD-86-78)
162

Committees of Jurisdiction

House Committee on Veterans' Affairs
House Committee on Ways and Means

VA Health Care: VA's Patient Injury Control Program Not Effective (HRD-87-49)
376

Veterans' Benefits: Improving the Integrity of VA's Unemployability Compensation Program (HRD-87-62)
379

Veterans Administration: VA Pensions to Medicaid Nursing Home Residents Should Be Reduced (HRD-87-111)
379

Veterans' Pensions: Verifying Income With Tax Data Can Identify Significant Payment Problems (HRD-88-24)
190

Veterans Administration: Identifying Physicians With License Sanctions—An Incomplete Process (HRD-88-47)
377

ADP Systems: Department of Veterans Benefits Modernization Program (IMTEC-88-3)
380

Hospitals and Health Care Subcommittee

Better Guidelines Could Reduce VA's Planned Construction of Costly Operating Rooms (HRD-81-54)
375

House Committee on Ways and Means

Debt Collection: More Aggressive Action Needed To Collect Debts Owed by Health Professionals (AFMD-88-23)
65

IRS and SSA Can Improve the Verification and Recording of Data Provided by Self-Employed Taxpayers (GGD-85-21)
111

Tax Administration: Administrative Changes Could Lead to Earlier Resolution of Tax Disputes (GGD-86-75)
113

Tax Administration: Tip Income Reporting Can Be Increased (GGD-86-119)
114

Unemployment Compensation: Payments to Ineligible Former Employees (GGD-87-17)
77

Tax Administration: IRS Can Improve on the Success of Its Problem Resolution Program (GGD-88-12)
117

Tax Administration: Investigating Illegal Income—Success Uncertain, Improvements Needed (GGD-88-61)
119

Tax Administration: IRS' Abusive Tax Shelter Efforts Need Improvement (GGD-88-69)
122

Tax Administration: IRS Could Reduce the Number of Unproductive Business Nonfiler Investigations (GGD-88-77)
120

Drug Interdiction: Should the Customs Command and Control Program Be Continued as Currently Evolving? (GGD-88-113)
11

Prisoners Receiving Social Security and Other Federal Retirement, Disability, and Education Benefits (HRD-82-43)
174

Medicare/Medicaid Funds Can Be Better Used To Correct Deficiencies in Indian Health Service Facilities (HRD-83-22)
139

Social Security Administration Needs To Protect Against Possible Conflicts of Interest in Its Disability Programs (HRD-83-65)
175

Better Case File Monitoring of the Workers' Compensation Offset Provision by the Social Security Administration Could Save Millions (HRD-83-90)
175

Payment Rates for Ambulatory Surgery Centers Are Higher Than Intended by HCFA (HRD-84-67)
140

Need To Improve Internal Controls To Curtail Fraud and Abuse in the RRB Unemployment and Sickness Insurance Program (HRD-85-37)
192

Medicare's Policies and Prospective Payment Rates for Cardiac Pacemaker Surgeries Need Review and Revision (HRD-85-39)
141

Strong Leadership Needed To Improve Management at the Department of Labor (HRD-86-12)
35

Disability Programs: SSA Consultative Medical Examination Process Improved; Some Problems Remain (HRD-86-23)
176

Medicare: Past Overuse of Intensive Care Services Inflates Hospital Payments (HRD-86-25)
141

Medicare: Issues Raised by Florida Health Maintenance Organization Demonstrations (HRD-86-97)
142

Affirmative Action: Social Security Can Do More To Improve Blacks' Representation in Its Work Force (HRD-87-2)
97

Child Support: Need To Improve Efforts To Identify Fathers and Obtain Support Orders (HRD-87-37)
186

Medicare: More Hospital Costs Should Be Paid by Other Insurers (HRD-87-43)
144

Social Security: More Must Be Done To Credit Earnings to Individuals' Accounts (HRD-87-52)
178

Committees of Jurisdiction
House Committee on Ways and Means

Medicare: Rehabilitation Service Claims Paid Without Adequate Information (HRD-87-91)
148

Medicare and Medicaid: Stronger Enforcement of Nursing Home Requirements Needed (HRD-87-113)
149

Social Security: Effects of Budget Constraints on Disability Program (HRD-88-2)
179

Social Security: Effects of Budget Constraints on Disability Program (HRD-88-3)
179

Equal Employment Opportunity: Some Racial Imbalance in SSA Region X, Better Data and Remedies Needed (HRD-88-6)
101

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7)
36

Medicare: Better Controls Needed for Peer Review Organizations' Evaluations (HRD-88-13)
151

Veterans' Pensions: Verifying Income With Tax Data Can Identify Significant Payment Problems (HRD-88-24)
190

Medicare: Laboratory Fee Schedules Produced Large Beneficiary Savings but No Program Savings (HRD-88-32)
152

Welfare Eligibility: Programs Treat Indian Tribal Trust Fund Payments Inconsistently (HRD-88-38)
191

Medicare: Refinement of Diagnosis Related Groups Needed To Insure Payment Equity (HRD-88-41)
152

Medicare: Issues Concerning the HealthChoice Demonstration Project (HRD-88-69)
158

System Integrity: IRS Can Reduce Processing Errors With Better Controls and Information (IMTEC-88-25)
124

Social Security Funds: Additional Measures Could More Fully Indicate the System's Financial Condition (PEMD-88-11)
180

Medicare: Improved Patient Outcome Analyses Could Enhance Quality Assessment (PEMD-88-23)
155

Home Ownership: Mortgage Bonds Are Costly and Provide Little Assistance to Those in Need (RCED-88-111)
184

Health Subcommittee

HCFA Research: Agency Practices and Other Factors Threaten Quality of Mandated Studies (PEMD-88-9)
164

Medicare: Improving Quality of Care Assessment and Assurance (PEMD-88-10)
153

Oversight Subcommittee

IRS' Examination Selection System for Exempt Organizations' Unrelated Business Income (GGD-85-64)
112

Tax Administration: IRS Can Improve Its Collection Procedures for Taxpayers Living Overseas (GGD-87-14)
116

Tax Administration: Opportunities Exist for Improving IRS' Administration of Alien Taxpayer Programs (GGD-88-54)
118

Tax Administration: IRS' Service Centers Need to Improve Handling of Taxpayer Correspondence (GGD-88-101)
121

Tax Administration: Difficulties in Accurately Estimating Tax Examination Yield (GGD-88-119)
125

Computer Security: Contingency Plans and Risk Analyses Needed for IRS Computer Centers (IMTEC-86-10)
112

Data Communications: Thorough Testing and Workload Analyses Needed for IRS Processors (IMTEC-87-3BR)
115

Computer Capacity: IRS Must Better Estimate Its Computer Resource Needs (IMTEC-87-5BR)
115

Internal Revenue Service: Need to Improve the Revenue Accounting Control System (IMTEC-88-41)
121

Caribbean Basin Initiative: Need for More Reliable Data on Business Activity Resulting From the Initiative (NSIAD-86-201BR)
202

Public Assistance and Unemployment Compensation Subcommittee

Welfare and Taxes: Extending Benefits and Taxes to Puerto Rico, Virgin Islands, Guam, and American Samoa (HRD-87-60)
188

Food Stamp Program: Evaluation of Improper Denial or Termination Error Rates (RCED-88-12)
172

Social Security Subcommittee

Social Security: Need To Improve Unit Times for Estimating Field Office Staff Budgets (GGD-86-90)
178

Social Security Administration: Stable Leadership and Better Management Needed To Improve Effectiveness (HRD-87-39)
83

Committees of Jurisdiction

House Committee on Ways and Means
House Select Committee on Aging
House Select Committee on Hunger
House Select Committee to Investigate Covert Arms Transactions with Iran
House Select Committee on Narcotics Abuse and Control
Senate Committee on Agriculture, Nutrition, and Forestry

Social Security: Little Success Achieved in Rehabilitating Disabled Beneficiaries (HRD-88-11)

180

Social Security: The Notch Issue (HRD-88-62)

167

Trade Subcommittee

Bank Secrecy Act: Treasury Can Improve Implementation of the Act (GGD-86-95)

5

Cargo Imports: Customs Needs To Better Assure Compliance With Trade Laws and Regulations (GGD-86-136)

6

House Select Committee on Aging

Financial Management: An Assessment of the Veterans Administration's Major Processes (AFMD-86-7)

131

Medicare: Need To Strengthen Home Health Care Payment Controls and Address Unmet Needs (HRD-87-9)

143

Social Security: More Must Be Done To Credit Earnings to Individuals' Accounts (HRD-87-52)

178

Medicare and Medicaid: Stronger Enforcement of Nursing Home Requirements Needed (HRD-87-113)

149

Social Security: The Notch Issue (HRD-88-62)

167

Information Systems: SSA's Financial Management of Information Systems Needs Improvement (IMTEC-88-15)

181

Social Security Funds: Additional Measures Could More Fully Indicate the

System's Financial Condition (PEMD-88-11)

180

Medicare: Improved Patient Outcome Analyses Could Enhance Quality Assessment (PEMD-88-23)

155

House Select Committee on Hunger

Food Aid: Improving Economic and Market Development Impact in African Countries (NSIAD-88-55)

205

Food Stamp Program: Evaluation of Improper Denial or Termination Error Rates (RCED-88-12)

172

House Select Committee to Investigate Covert Arms Transactions with Iran

Iran Arms Sales: DOD's Transfer of Arms to the Central Intelligence Agency (NSIAD-87-114)

212

House Select Committee on Narcotics Abuse and Control

Controlled Substances: Medicaid Data May Be Useful for Monitoring Diversion (HRD-88-111)

159

Drug Control: U.S.-Mexico Opium Poppy and Marijuana Aerial Eradication Program (NSIAD-88-73)

206

Senate Committees

Senate Committee on Agriculture, Nutrition, and Forestry

Financial Audit: Federal Crop Insurance Corporation's Financial Statements for 1986 and 1985 (AFMD-87-36)

72

Millions Could Be Saved by Improving Integrity of the Food Stamp Program's Authorization-To-Participate System (CED-82-34)

182

Welfare and Taxes: Extending Benefits and Taxes to Puerto Rico, Virgin Islands, Guam, and American Samoa (HRD-87-60)

188

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7)

36

Welfare Eligibility: Programs Treat Indian Tribal Trust Fund Payments Inconsistently (HRD-88-38)

191

Transportation of Public Law 480 Commodities—Efforts Needed To Eliminate Unnecessary Costs (NSIAD-85-74)

18

Food Aid: Improving Economic and Market Development Impact in African Countries (NSIAD-88-55)

205

Improved Management of Import Meat Inspection Program Needed (RCED-83-81)

13

Need To Foster Optimal Use of Resources in the Special Supplemental Food Program for Women, Infants, and Children (WIC) (RCED-85-105)

183

Committees of Jurisdiction

Senate Committee on Agriculture, Nutrition and Forestry
Senate Committee on Appropriations

Nonagricultural Pesticides: Risks and Regulation (RCED-86-97)
312

Pesticides: EPA's Formidable Task To Assess and Regulate Their Risks (RCED-86-125)
313

Food Stamp Program: Refinements Needed To Improve Accuracy of Quality Control Error Rates (RCED-86-195)
169

Imported Meat and Livestock: Chemical Residue Detection and the Issue of Labeling (RCED-87-142)
19

Crop Insurance: Overpayment of Claims by Private Companies Costs the Government Millions (RCED-88-7)
16

Milk Marketing Orders: Options for Change (RCED-88-9)
17

Tongass National Forest: Timber Provision of the Alaska Lands Act Needs Clarification (RCED-88-54)
302

Food Stamp Program: Progress and Problems in Using 75-Percent Funding for Automation (RCED-88-58)
172

Food Marketing: Frozen Pizza Cheese—Representative of Broader Food Labeling Issues (RCED-88-70)
13

Indoor Radon: Limited Federal Response To Reduce Contamination in Housing (RCED-88-103)
327

Food Stamp Program: Reporting of Application Activities Could Be Improved (RCED-88-156)
173

Crop Insurance: Participation in and Costs Associated With the Federal Program (RCED-88-171BR)
27

Domestic and Foreign Marketing and Product Promotion Subcommittee

International Trade: Review of Effectiveness of FAS Cooperator Market Development Program (NSIAD-87-89)
194

International Trade: Commodity Credit Corporation's Refunds of Export Guarantee Fees (NSIAD-87-185)
196

International Trade: FAS Management of Livestock Cooperator Program (NSIAD-88-24)
197

Agricultural Trade: Review of Targeted Export Assistance Program (NSIAD-88-183)
207

International Trade: Commodity Credit Corporation's Export Credit Guarantee Programs (NSIAD-88-194)
208

Nutrition and Investigations Subcommittee

Benefit Overpayments: Recoveries Could Be Increased in the Food Stamp and AFDC Programs (RCED-86-17)
168

Food Stamp Program: Statistical Validity of Agriculture's Payment Error-Rate Estimates (RCED-87-4)
170

Food Stamp Program: Error Rate Adjustments and Sanctions (RCED-88-10)
171

Food Stamp Program: Evaluation of Improper Denial or Termination Error Rates (RCED-88-12)
172

Rural Development and Rural Electrification Subcommittee

ADP Management Controls: Farmers Home Administration Can Improve Reporting of Weaknesses (IMTEC-88-38)
61

Senate Committee on Appropriations

Internal Controls: Defense Fuel Supply Center's Recording and Reporting of Accounts Payable (AFMD-87-30)
64

CPA Audit Quality: Improved Controls Are Needed To Ensure Quality Audits of Federal Loan Programs (AFMD-88-3)
69

Congressional Reports: Efforts To Eliminate or Modify Reporting Requirements Need To Be Improved (AFMD-88-4)
94

Social Security: Opportunities To Improve Productivity at Program Service Centers (GGD-87-54)
187

Emergency Jobs Act of 1983: Funds Spent Slowly, Few Jobs Created (HRD-87-1)
38

Welfare and Taxes: Extending Benefits and Taxes to Puerto Rico, Virgin Islands, Guam, and American Samoa (HRD-87-60)
188

Air Force Computers: Development Risks of Logistics Modernization Program Can Be Reduced (IMTEC-87-19)
21

Computer Systems: Navy Stock Point ADP Replacement Program Needs Better Management Controls (IMTEC-87-30)
76

Committees of Jurisdiction
Senate Committee on Appropriations

Contract Pricing: Material Prices Overstated on the Amphibious Assault Vehicle Contract (NSIAD-86-123) 281	Military Manpower: Problems in Accounting for Occupational Shortfalls (NSIAD-88-188) 277	International Trade: FAS Management of Livestock Cooperator Program (NSIAD-88-24) 197
DOD Tempest Protection: Better Evaluations Needed To Determine Required Countermeasures (NSIAD-86-132) 229	Implementing the Small Business Innovation Development Act—The First 2 Years (RCED-86-13) 128	Food Aid: Improving Economic and Market Development Impact in African Countries (NSIAD-88-55) 205
Contract Pricing: Material Prices Overstated on Standard Missile and Phalanx Systems (NSIAD-87-31) 283	Indoor Radon: Limited Federal Response To Reduce Contamination in Housing (RCED-88-103) 327	Agricultural Trade: Review of Targeted Export Assistance Program (NSIAD-88-183) 207
Air Force Manpower Program: Improvements Needed in Procedures and Controls (NSIAD-87-137) 257	<hr/> Agriculture, Rural Development, and Related Agencies Subcommittee <hr/>	International Trade: Commodity Credit Corporation's Export Credit Guarantee Programs (NSIAD-88-194) 208
Army Deployment: Better Transportation Planning Is Needed (NSIAD-87-138) 255	Financial Audit: Commodity Credit Corporation's Financial Statements for 1987 and 1986 (AFMD-88-47) 75	Improved Management of Import Meat Inspection Program Needed (RCED-83-81) 13
Polygraph Training: DOD Program Meets Standards But Expansion Requires Better Planning (NSIAD-87-161) 234	Millions Could Be Saved by Improving Integrity of the Food Stamp Program's Authorization-To-Participate System (CED-82-34) 182	Need To Foster Optimal Use of Resources in the Special Supplemental Food Program for Women, Infants, and Children (WIC) (RCED-85-105) 183
Army Inventory Management: Inventory and Physical Security Problems Continue (NSIAD-88-11) 219	Food Inspections: FDA Should Rely More on State Agencies (HRD-86-2) 133	Benefit Overpayments: Recoveries Could Be Increased in the Food Stamp and AFDC Programs (RCED-86-17) 168
Navy Inventory Management: Inventory Accuracy Problems (NSIAD-88-69) 266	Food and Drug Administration: HHS Inspector General Should Be Involved in Criminal Investigations (HRD-88-8) 136	Nonagricultural Pesticides: Risks and Regulation (RCED-86-97) 312
Internal Controls: Status of Army Efforts To Control Contractor Access to the DOD Supply System (NSIAD-88-98) 267	ADP Management Controls: Farmers Home Administration Can Improve Reporting of Weaknesses (IMTEC-88-38) 61	Food Stamp Program: Refinements Needed To Improve Accuracy of Quality Control Error Rates (RCED-86-195) 169
Internal Controls: Controls Over Expedited Payments to Defense Suppliers Need Improvement (NSIAD-88-113) 264	Transportation of Public Law 480 Commodities—Efforts Needed To Eliminate Unnecessary Costs (NSIAD-85-74) 18	Food Stamp Program: Statistical Validity of Agriculture's Payment Error-Rate Estimates (RCED-87-4) 170
Internal Controls: Controls Over Material Furnished to Navy Contractors Can Be Improved (NSIAD-88-150) 275	International Trade: Review of Effectiveness of FAS Cooperator Market Development Program (NSIAD-87-89) 194	Imported Meat and Livestock: Chemical Residue Detection and the Issue of Labeling (RCED-87-142) 19
	International Trade: Commodity Credit Corporation's Refunds of Export Guarantee Fees (NSIAD-87-185) 196	Crop Insurance: Overpayment of Claims by Private Companies Costs the Government Millions (RCED-88-7) 16

Committees of Jurisdiction

Senate Committee on Appropriations

Milk Marketing Orders: Options for Change (RCED-88-9)
17

Food Stamp Program: Error Rate Adjustments and Sanctions (RCED-88-10)
171

Food Stamp Program: Evaluation of Improper Denial or Termination Error Rates (RCED-88-12)
172

Food Stamp Program: Progress and Problems in Using 75-Percent Funding for Automation (RCED-88-58)
172

Rangeland Management: More Emphasis Needed on Declining and Overstocked Grazing Allotments (RCED-88-80)
302

Food Stamp Program: Reporting of Application Activities Could Be Improved (RCED-88-156)
173

Crop Insurance: Participation in and Costs Associated With the Federal Program (RCED-88-171BR)
27

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

Justice Needs Better Controls Over Payment of Witness Fees (GGD-84-61)
4

Presentence Evaluations of Offenders Can Be More Responsive to the Needs of the Judiciary (GGD-85-14)
3

Improved Management Processes Would Enhance Justice's Operations (GGD-86-12)
81

INS Delivery Bonds: Stronger Internal Controls Needed (GGD-88-36)
8

Decennial Census: Minicomputer Procurement Delays and Bid Protests: Effects on the 1990 Census (GGD-88-70)
109

Defense Procurement Fraud: Justice's Overall Management Can Be Enhanced (GGD-88-96)
12

Ethics: The Department of Justice's Ethics Program (GGD-88-112BR)
79

Securities Regulation: Efforts to Detect, Investigate, and Deter Insider Trading (GGD-88-116)
110

Immigration Control: A New Role for the Social Security Card (HRD-88-4)
1

Legal Services Corporation: Benefits and Costs of Proposed Information System Improvements Not Clear (HRD-88-5)
189

Immigration Reform: Systematic Alien Verification System Could Be Improved (IMTEC-87-45BR)
7

ADP Architecture: Study Made for Immigration and Naturalization Service Needs Validation (IMTEC-88-21)
11

Internal Controls: State's Controls Over Personal Property Management Are Inadequate (NSIAD-87-156)
193

Export Controls: Assessment of Commerce Department's Foreign Policy Report to Congress (NSIAD-87-176)
195

Arms Exports: Licensing Reviews for Exporting Military Items Can Be Improved (NSIAD-87-211)
212

Overseas Support: Current U.S. Administrative Support System Is Too Complicated (NSIAD-88-84)
199

Immigration: The Future Flow of Legal Immigration to the United States (PEMD-88-7)
197

The Foreign Fishing Observer Program: Management Improvements Needed (RCED-85-110)
307

Deactivating Research Vessels: National Oceanic and Atmospheric Administration's Use of Private Ships (RCED-86-133)
308

Patent Policy: Recent Changes in Federal Law Considered Beneficial (RCED-87-44)
129

Disaster Assistance: Response to West Virginia's November 1985 Flood Shows Need for Improvements (RCED-88-5)
27

Telephone Communications: Controlling Cross-Subsidy Between Regulated and Competitive Services (RCED-88-34)
216

Telecommunications: Actions Needed for Better Management of Public Safety Spectrum (RCED-88-173)
216

Defense Subcommittee

Prompt Payment Act: Military Exchanges Had Problems in Paying on Time (AFMD-88-17)
235

Unemployment Compensation: Payments to Ineligible Former Employees (GGD-87-17)
77

Opportunities Exist To Reduce Operating Costs of the Department of Defense Overseas Dependents Schools (HRD-82-86)
226

DOD Should Adopt a New Approach To Analyze the Cost Effectiveness of Small Hospitals (HRD-85-21)
243

DOD Schools: Funding and Operating Alternatives for Education of Dependents (HRD-87-16)
29

Committees of Jurisdiction
Senate Committee on Appropriations

DOD Health Care: Better Use of Malpractice Data Could Help Improve Quality of Care (HRD-87-30) 147	DOD Acquisition: Strengthening Capabilities of Key Personnel in Systems Acquisition (NSIAD-86-45) 292	Iran Arms Sales: DOD's Transfer of Arms to the Central Intelligence Agency (NSIAD-87-114) 212
Government Contractors: Criteria Needed for Allowable Employee Health Care Costs (HRD-88-27) 290	Emergency Airlift: Responsiveness of the Civil Reserve Air Fleet Can Be Improved (NSIAD-86-47) 245	Military Airlift: Requirements for Aerial Port Personnel in Wartime Need To Be Determined (NSIAD-87-115) 252
DOD Health Care: Additional Efforts Needed to Verify Physicians' Qualifications (HRD-88-39) 157	Medical Readiness: The U.S. Army Can Improve Its Management of POMCUS Hospital Equipment in Europe (NSIAD-86-197) 231	Military Procurement: Air Force Should Terminate More Contracts for On-Order Excess Spare Parts (NSIAD-87-141) 259
ADP Systems: Department of Veterans Benefits Modernization Program (IMTEC-88-3) 380	Military Airlift: Improving Management of Aircraft Loading Operations (NSIAD-87-5) 247	Procurement: Defense Logistics Agency Implementation of the Spare Parts Initiatives (NSIAD-87-143) 284
Command and Control: Upgrades Allow Deferral of \$500 Million Computer Acquisition (IMTEC-88-10) 263	Navy Supply: Intermediate Inventories Can Be Reduced (NSIAD-87-19) 248	Procurement: Better Compliance With the Competition in Contracting Act Is Needed (NSIAD-87-145) 285
Computer Procurement: Issues Concerning Technical Specifications for Navy's CAD/CAM Acquisition (IMTEC-88-16BR) 21	Quality Assurance: Efforts To Strengthen DOD's Program (NSIAD-87-33) 282	Navy Maintenance: The P-3 Aircraft Overhaul Program Can Be Improved (NSIAD-87-157) 257
Computer Procurement: Navy CAD/CAM Acquisition Has Merit but Management Improvements Needed (IMTEC-88-22) 22	Military Logistics: Improvements Needed in Managing Air Force Special Stock Levels (NSIAD-87-34) 249	Electronic Warfare: Navy/Air Force Still Developing Separate, Costly Radar Warning Receivers (NSIAD-87-167) 258
Medical ADP Systems: Analysis of Technical Aspects of DOD's Composite Health Care System (IMTEC-88-27) 156	Weapon Performance: Operational Test and Evaluation Can Contribute More to Decisionmaking (NSIAD-87-57) 293	Inventory Management: Defense Logistics Agency Inventory Accuracy Problems (NSIAD-88-39) 260
Ensuring Retention of Essential Civilians Overseas During Hostilities (NSIAD-84-73) 241	Military Airlift: Management Controls Over Charter Airlift Need To Be Strengthened (NSIAD-87-67) 250	Defense Procurement: Work Measurement Programs at Selected Contractor Locations (NSIAD-88-43BR) 288
Opportunities To Improve the DOD Personal Property Shipping Program (NSIAD-85-10) 242	Military Airspace: Better Planning Is Needed To Meet Future Requirements (NSIAD-87-93) 251	Navy Supply: Economic Order Quantity and Item Essentiality Need More Consideration (NSIAD-88-64) 261
The Navy Can Improve Material Management at Naval Shipyards (NSIAD-85-71) 243	Navy Manpower: Squadron Manpower Program Needs Improvement (NSIAD-87-101) 253	DOD Inventory Management: Revised Policies Needed (NSIAD-88-75) 262
Routing Small Shipments of Hazardous or Sensitive Cargo (NSIAD-86-34) 245	Marine Corps Manpower: Improvements Needed in Processes for Determining Manpower Requirements (NSIAD-87-102) 254	Electronic Warfare: Multiple Developments of Costly Threat Simulators (NSIAD-88-93) 262

Committees of Jurisdiction

Senate Committee on Appropriations

Internal Controls: Air Force Can Improve Controls Over Contractor Access to DOD Supply System (NSIAD-88-99)
268

Internal Controls: Air Force Correcting Weaknesses in Its Property Disposal Practices (NSIAD-88-106)
270

Management Review: Follow-Up on the Management Review of the Defense Logistics Agency (NSIAD-88-107)
269

Navy Maintenance: Competing Vessel Overhauls and Repairs Between Public and Private Shipyards (NSIAD-88-109)
289

Federal Catalog System: Continuing Item Identification Problems (NSIAD-88-121)
271

NATO: U.S. Contributions to the Airborne Early Warning and Control Program (NSIAD-88-132)
213

Inventory Management: Air Force Inventory Accuracy Problems (NSIAD-88-133)
272

Navy Maintenance: Naval Aviation Depots' Asset Capitalization Program Needs Improvement (NSIAD-88-134)
270

Government Property: DOD's Management of the Property It Furnishes to Contractors (NSIAD-88-151)
274

Reserve Training: An Alternative to the Active Army Education Program for National Guard Technicians (NSIAD-88-164)
220

Strategic Air Command: KC-135A Crash and the Need for SAC Air Show Regulations (NSIAD-88-172)
278

Army Transportation: Alleged Overcharges on Rail Shipments to and

From Ft. Irwin, California (NSIAD-88-174)
273

Inventory Management: Receipt Confirmation Problems (NSIAD-88-179)
276

Navy Maintenance: Ship Maintenance Strategies Need Better Assessments (NSIAD-88-187)
274

Air Force Contracting: Protecting Liquid Oxygen/Nitrogen Plants From Contamination (NSIAD-88-206)
290

Army Training: Need to Strengthen Internal Controls Over Troop Schools (NSIAD-88-208)
237

Technical Risk Assessment: The Status of Current DOD Efforts (PEMD-86-5)
280

More Effective Use of Contract Airlift Could Reduce DOD Transportation Costs (PLRD-83-55)
240

District of Columbia Subcommittee

Implementation of Public Law 94-142 as It Relates to Handicapped Delinquents in the District of Columbia (GGD-86-4)
29

District of Columbia: P.L. 94-142 Compliance and Management of Youth Services Administration (GGD-86-131)
96

DC Government: Problems Have Created Delays in Constructing Educational Facilities at Lorton (GGD-88-1BR)
102

Energy and Water Development Subcommittee

Property Management: Excess and Surplus Personal Property Transfers to Nonfederal Organizations (GGD-88-68)
92

Water Quality: An Evaluation Method for the Construction Grants Program—Methodology (PEMD-87-4A)
317

Environment, Safety, and Health: Environment and Workers Could Be Better Protected at Ohio Defense Plants (RCED-86-61)
221

Nuclear Safety: Safety Analysis Reviews for DOE's Defense Facilities Can Be Improved (RCED-86-175)
222

Nuclear Energy: Environmental Issues at DOE's Nuclear Defense Facilities (RCED-86-192)
223

Nuclear Security: DOE's Reinvestigation of Employees Has Not Been Timely (RCED-87-72)
45

Nuclear Materials: Alternatives for Relocating Rocky Flats Plant's Plutonium Operations (RCED-87-93)
223

Wildlife Management: National Refuge Contamination Is Difficult To Confirm and Clean Up (RCED-87-128)
347

Energy Management: DOE Controls Over Contractor Expenditures Need Strengthening (RCED-87-166)
46

Uranium Enrichment: Congressional Action Needed To Revitalize the Program (RCED-88-18)
54

Nuclear Security: DOE Needs a More Accurate and Efficient Security Clearance Program (RCED-88-28)
47

Energy Conservation: States' Use of Interest Earned on Oil Overcharge Funds (RCED-88-51)
43

Committees of Jurisdiction
Senate Committee on Appropriations

Nuclear Regulation: Action Needed To Ensure That Utilities Monitor and Repair Pipe Damage (RCED-88-73)
49

Energy Regulation: Opportunities for Strengthening Hydropower Cumulative Impact Assessments (RCED-88-82)
49

Wetlands: The Corps of Engineers' Administration of the Section 404 Program (RCED-88-110)
305

Water Resources: Costs of the Fountain Valley Authority Pipeline (RCED-88-125)
348

Nuclear Waste: DOE Should Base Disposal Fee Assessment on Realistic Inflation Rate (RCED-88-129)
55

Nuclear Health and Safety: Oversight at DOE's Nuclear Facilities Can Be Strengthened (RCED-88-137)
51

Nuclear Health and Safety: Stronger Oversight of Asbestos Control Needed at Hanford Tank Farms (RCED-88-150)
51

Water Resources: Issues Concerning the Arkansas River Basin Operation Plan (RCED-88-166)
348

Nuclear Waste: Problems Associated With DOE's Inactive Waste Sites (RCED-88-169)
225

Nuclear Regulation: NRC's Decommissioning Cost Estimates Appear Low (RCED-88-184)
52

Foreign Operations Subcommittee

Collecting Research and Development Costs on Commercial Military Sales (NSIAD-86-44)
210

Foreign Aid: Impact of Overseas Private Investment Corporation Activities on U.S. Employment (NSIAD-87-109)
203

Liberia: Need To Improve Accountability and Control Over U.S. Assistance (NSIAD-87-173)
204

Foreign Aid: Improvement Needed in Management of Technical Services Contracts (NSIAD-87-183)
204

Drug Control: U.S.-Mexico Opium Poppy and Marijuana Aerial Eradication Program (NSIAD-88-73)
206

Sub-Saharan Africa: Factors Affecting Export Capabilities (NSIAD-88-145)
200

Foreign Aid: Improving the Impact and Control of Economic Support Funds (NSIAD-88-182)
214

Foreign Aid: Issues Concerning AID's Private-Sector Revolving Fund (NSIAD-88-185)
209

HUD-Independent Agencies Subcommittee

Financial Management: An Assessment of the Veterans Administration's Major Processes (AFMD-86-7)
131

Financial Reporting: Defense Agencies' Reports on Financial Position Need To Be Improved (AFMD-88-19)
74

Financial Reporting: NASA Can Improve Compliance With GAO Standards and Treasury Requirements (AFMD-88-21)
68

Property Management: Excess and Surplus Personal Property Transfers to Nonfederal Organizations (GGD-88-68)
92

Better Guidelines Could Reduce VA's Planned Construction of Costly Operating Rooms (HRD-81-54)
375

VA Central Office Needs To Exercise Better Oversight of Cardiac Pacemaker Recalls (HRD-84-33)
375

VA Health Care: Too Many Operating Rooms Being Planned and Built (HRD-86-78)
162

Consumer Product Safety Commission: Administrative Structure Could Benefit From Change (HRD-87-47)
100

VA Health Care: VA's Patient Injury Control Program Not Effective (HRD-87-49)
376

Veterans' Benefits: Improving the Integrity of VA's Unemployability Compensation Program (HRD-87-62)
379

Veterans Administration: VA Pensions to Medicaid Nursing Home Residents Should Be Reduced (HRD-87-111)
379

Veterans' Pensions: Verifying Income With Tax Data Can Identify Significant Payment Problems (HRD-88-24)
190

Veterans Administration: Identifying Physicians With License Sanctions—An Incomplete Process (HRD-88-47)
377

VA Health Care: Monitoring of Cardiac Surgery and Kidney Transplantation (HRD-88-70)
378

VA Health Care: Delays in Awarding Major Construction Contracts (HRD-88-74)
381

The Environmental Protection Agency Should Better Manage Its Use of Contractors (RCED-85-12)
310

Committees of Jurisdiction
Senate Committee on Appropriations

Hazardous Waste: Environmental Safeguards Jeopardized When Facilities Cease Operating (RCED-86-77) 311	Public Housing: Problems Continue To Plague the Cuyahoga Metropolitan Housing Authority (RCED-88-122) 185	Department of Energy: Allegations About the Director of the Office of Minority Economic Impact (RCED-86-95) 44
Hazardous Waste: Responsible Party Clean Up Efforts Require Improved Oversight (RCED-86-123) 315	Housing Programs: Funding Approach for HUD's Section 8 Certificate Program Needs Changing (RCED-88-136) 184	Federal Land Acquisition: Land Exchange Process Working But Can Be Improved (RCED-87-9) 299
Pesticides: EPA's Formidable Task To Assess and Regulate Their Risks (RCED-86-125) 313	Hazardous Waste: Many Enforcement Actions Do Not Meet EPA Standards (RCED-88-140) 330	Parks and Recreation: Limited Progress Made in Documenting and Mitigating Threats to the Parks (RCED-87-36) 342
Hazardous Waste: EPA Has Made Limited Progress in Determining the Wastes To Be Regulated (RCED-87-27) 318	Water Pollution: Efforts to Clean Up Michigan's Rouge River (RCED-88-164) 333	Surface Mining: Interior Department and States Could Improve Inspection Programs (RCED-87-40) 298
Internal Controls: Weaknesses in HUD's Single Family Housing Appraisal Program (RCED-87-165) 59	Superfund Contracts: EPA Needs to Control Contractor Costs (RCED-88-182) 332	Surface Mining: State Management of Abandoned Mine Land Funds (RCED-87-57) 299
Hazardous Waste: Controls Over Injection Well Disposal Operations Protect Drinking Water (RCED-87-170) 320	<hr/> Interior Subcommittee <hr/>	
Superfund: Improvements Needed in Work Force Management (RCED-88-1) 321	Are Agencies Doing Enough or Too Much for Archeological Preservation? Guidance Needed (CED-81-61) 339	Naval Petroleum Reserve-1: Data Inaccuracies Complicate Production and Ownership Issues (RCED-87-105BR) 41
Disaster Assistance: Response to West Virginia's November 1985 Flood Shows Need for Improvements (RCED-88-5) 27	Unemployment Compensation: Payments to Ineligible Former Employees (GGD-87-17) 77	Surface Mining: States Not Assessing and Collecting Monetary Penalties (RCED-87-129) 319
Internal Controls: EPA Needs To Improve Controls Over Change Orders and Claims (RCED-88-16) 60	Personnel Practices: Propriety of Selected Personnel Actions at the Bureau of Indian Affairs (GGD-88-81) 108	Surface Mining: State and Federal Use of Alternative Enforcement Techniques (RCED-87-160) 300
Hazardous Waste: Facility Inspections Are Not Thorough and Complete (RCED-88-20) 322	National Park Service Needs a Maintenance Management System (RCED-84-107) 340	Mineral Revenues: Coal Lease Readjustment Problems Remedied but Not All Revenue Is Collected (RCED-87-164) 301
Hazardous Waste: Groundwater Conditions at Many Land Disposal Facilities Remain Uncertain (RCED-88-29) 326	The Bureau of Reclamation Could Identify More Unneeded Land (RCED-85-25) 297	Cultural Resources: Problems Protecting and Preserving Federal Archeological Resources (RCED-88-3) 343
Hazardous Waste: New Approach Needed to Manage the Resource Conservation and Recovery Act (RCED-88-115) 331	More Assurance Is Needed That Strategic Petroleum Reserve Oil Can Be Withdrawn as Designed (RCED-85-104) 41	Tongass National Forest: Timber Provision of the Alaska Lands Act Needs Clarification (RCED-88-54) 302
	National Parks: Law Enforcement Capability and Cost Comparisons at Two Recreation Areas (RCED-86-40) 341	

Committees of Jurisdiction
Senate Committee on Appropriations

Parks and Recreation: Interior Did Not Comply With Legal Requirements for the Outdoors Commission (RCED-88-65)
345

Rangeland Management: More Emphasis Needed on Declining and Overstocked Grazing Allotments (RCED-88-80)
302

Cultural Resources: Implementation of Federal Historic Preservation Program Can Be Improved (RCED-88-81)
309

Parks and Recreation: Problems With Fee System for Resorts Operating on Forest Service Lands (RCED-88-94)
346

Offshore Oil and Gas: Environmental Studies Program Meets Most User Needs but Changes Needed (RCED-88-104)
310

Public Rangelands: Some Riparian Areas Restored but Widespread Improvement Will Be Slow (RCED-88-105)
304

Energy Management: States' Use and DOE Oversight of Exxon and Stripper Well Overcharge Funds (RCED-88-152)
50

Naval Petroleum Reserves-1: Data Corrections Made but More Accurate Reserve Data Needed (RCED-88-174)
55

**Labor, Health and Human Services,
and Education Subcommittee**

Debt Collection: More Aggressive Action Needed To Collect Debts Owed by Health Professionals (AFMD-88-23)
65

Social Security: Need To Improve Unit Times for Estimating Field Office Staff Budgets (GGD-86-90)
178

Prisoners Receiving Social Security and Other Federal Retirement, Disability, and Education Benefits (HRD-82-43)
174

Medicare/Medicaid Funds Can Be Better Used To Correct Deficiencies in Indian Health Service Facilities (HRD-83-22)
139

Social Security Administration Needs To Protect Against Possible Conflicts of Interest in Its Disability Programs (HRD-83-65)
175

Better Case File Monitoring of the Workers' Compensation Offset Provision by the Social Security Administration Could Save Millions (HRD-83-90)
175

Payment Rates for Ambulatory Surgery Centers Are Higher Than Intended by HCFA (HRD-84-67)
140

Need To Improve Internal Controls To Curtail Fraud and Abuse in the RRB Unemployment and Sickness Insurance Program (HRD-85-37)
192

Medicare's Policies and Prospective Payment Rates for Cardiac Pacemaker Surgeries Need Review and Revision (HRD-85-39)
141

Retirement Benefits: Discrepancies in Benefits Paid by the Railroad Retirement Board for SSA (HRD-86-3)
177

Strong Leadership Needed To Improve Management at the Department of Labor (HRD-86-12)
35

Disability Programs: SSA Consultative Medical Examination Process Improved; Some Problems Remain (HRD-86-23)
176

Medicare: Past Overuse of Intensive Care Services Inflates Hospital Payments (HRD-86-25)
141

Affirmative Action: National Institutes of Health Does Not Fully Meet Federal Requirements (HRD-86-37)
131

Medicare: Issues Raised by Florida Health Maintenance Organization Demonstrations (HRD-86-97)
142

Affirmative Action: Social Security Can Do More To Improve Blacks' Representation in Its Work Force (HRD-87-2)
97

Medicare: Need To Strengthen Home Health Care Payment Controls and Address Unmet Needs (HRD-87-9)
143

Medicaid: Lessons Learned From Arizona's Prepaid Program (HRD-87-14)
145

Medical Research: National Research Service Awards for Research in Primary Medical Care (HRD-87-20)
162

Child Support: Need To Improve Efforts To Identify Fathers and Obtain Support Orders (HRD-87-37)
186

Social Security Administration: Stable Leadership and Better Management Needed To Improve Effectiveness (HRD-87-39)
83

Medicare: More Hospital Costs Should Be Paid by Other Insurers (HRD-87-43)
144

Defaulted Student Loans: Private Lender Collection Efforts Often Inadequate (HRD-87-48)
32

Social Security: More Must Be Done To Credit Earnings to Individuals' Accounts (HRD-87-52)
178

Medical Malpractice: A Framework for Action (HRD-87-73)
146

Medicaid: Improvements Needed in Programs To Prevent Abuse (HRD-87-75)
149

Committees of Jurisdiction

Senate Committee on Appropriations

Guaranteed Student Loans: Legislative and Regulatory Changes Needed To Reduce Default Costs (HRD-87-76)
33

Medicare: Rehabilitation Service Claims Paid Without Adequate Information (HRD-87-91)
148

Compensatory Education: Chapter 1's Comparability of Services Provision (HRD-87-102)
30

Medicare and Medicaid: Stronger Enforcement of Nursing Home Requirements Needed (HRD-87-113)
149

Deaf Education: The National Mission of Gallaudet's Elementary and Secondary Schools (HRD-87-133)
31

Prenatal Care: Medicaid Recipients and Uninsured Women Obtain Insufficient Care (HRD-87-137)
150

Social Security: Effects of Budget Constraints on Disability Program (HRD-88-2)
179

Social Security: Effects of Budget Constraints on Disability Program (HRD-88-3)
179

Equal Employment Opportunity: Some Racial Imbalance in SSA Region X, Better Data and Remedies Needed (HRD-88-6)
101

Social Security: Little Success Achieved in Rehabilitating Disabled Beneficiaries (HRD-88-11)
180

Medicare: Better Controls Needed for Peer Review Organizations' Evaluations (HRD-88-13)
151

Medicare: Laboratory Fee Schedules Produced Large Beneficiary Savings but No Program Savings (HRD-88-32)
152

Medicare: Refinement of Diagnosis Related Groups Needed To Insure Payment Equity (HRD-88-41)
152

Minority Representation: Efforts of the Alcohol, Drug Abuse, and Mental Health Administration (HRD-88-49)
350

Social Security: The Notch Issue (HRD-88-62)
167

Medicare: Issues Concerning the HealthChoice Demonstration Project (HRD-88-69)
158

Biomedical Research: Issues Related to Increasing Size of NIH Grant Awards (HRD-88-90BR)
163

Controlled Substances: Medicaid Data May Be Useful for Monitoring Diversion (HRD-88-111)
159

ADP Internal Controls: Actions To Correct System Weaknesses for Federal Employees' Compensation (IMTEC-88-9)
60

Information Systems: SSA's Financial Management of Information Systems Needs Improvement (IMTEC-88-15)
181

HCFA Research: Agency Practices and Other Factors Threaten Quality of Mandated Studies (PEMD-88-9)
164

Medicare: Improving Quality of Care Assessment and Assurance (PEMD-88-10)
153

Medicare: Improved Patient Outcome Analyses Could Enhance Quality Assessment (PEMD-88-23)
155

Homeless Mentally Ill: Problems and Options in Estimating Numbers and Trends (PEMD-88-24)
159

Pesticides: Better Sampling and Enforcement Needed on Imported Food (RCED-86-219)
315

Pesticides: Need To Enhance FDA's Ability To Protect the Public From Illegal Residues (RCED-87-7)
134

OSHA's Monitoring and Evaluation of State Programs (T-HRD-88-13)
39

Legislative Branch Subcommittee

U.S. Government Printing Office: Materials Management Service's Charges for Handling Paper and Materials (GGD-88-108)
95

Military Construction Subcommittee

DOD Should Adopt a New Approach To Analyze the Cost Effectiveness of Small Hospitals (HRD-85-21)
243

Military Housing: Analyses of Overseas Housing Costs Are Misleading to Decisionmakers (NSIAD-86-82)
228

Military Construction: The Letterkenny Army Depot Retrieval System (NSIAD-87-112BR)
283

Space Shuttle: The Future of the Vandenberg Launch Site Needs to Be Determined (NSIAD-88-158)
130

Transportation Subcommittee

Panama Canal Commission's Financial Statements FY 1984 and 1983 (AFMD-86-15)
211

Inspectors General: Compliance With Professional Standards by the

Committees of Jurisdiction
Senate Committee on Appropriations

Transportation Inspector General (AFMD-87-28) 68	Aviation Safety: Commuter Airports Should Participate in the Airport Certification Program (RCED-88-41) 356	Financial Audit: Examination of GSA's Financial Statements for Fiscal Years 1986 and 1985 (AFMD-87-49) 74
Stronger Enforcement Would Help Improve Motor Carrier Safety (RCED-85-64) 366	Bridge Condition Assessment: Inaccurate Data May Cause Inequities in the Apportionment of Federal-Aid Funds (RCED-88-75) 373	IRS and SSA Can Improve the Verification and Recording of Data Provided by Self-Employed Taxpayers (GGD-85-21) 111
Airline Competition: Impact of Computerized Reservation Systems (RCED-86-74) 353	Aviation Services: Automation and Consolidation of Flight Service Stations (RCED-88-77) 358	IRS' Examination Selection System for Exempt Organizations' Unrelated Business Income (GGD-85-64) 112
Motor Vehicle Safety: Enforcement of Federal Standards Can Be Enhanced (RCED-87-2) 374	Aviation Security: Improved Controls Needed To Prevent Unauthorized Access at Key Airports (RCED-88-86) 357	Tax Administration: Administrative Changes Could Lead to Earlier Resolution of Tax Disputes (GGD-86-75) 113
Department of Transportation: Enhancing Policy and Program Effectiveness Through Improved Management (RCED-87-3) 368	Highway Safety: Monitoring Practices To Show Compliance With Speed Limits Should Be Reexamined (RCED-88-93BR) 372	Bank Secrecy Act: Treasury Can Improve Implementation of the Act (GGD-86-95) 5
Auto Safety and Emissions: No Assurance That Imported Gray Market Vehicles Meet Federal Standards (RCED-87-29) 367	Airport Noise: FAA's Enforcement of Noise Rules at National Airport (RCED-88-117) 358	Tax Administration: Tip Income Reporting Can Be Increased (GGD-86-119) 114
Aviation Safety: Needed Improvements in FAA's Airline Inspection Program Are Underway (RCED-87-62) 354	Microwave Landing Systems: Additional Systems Should Not Be Procured Unless Benefits Proven (RCED-88-118) 359	Cargo Imports: Customs Needs To Better Assure Compliance With Trade Laws and Regulations (GGD-86-136) 6
Rail Abandonments: Abandonment Activity and Shipper Views on Rail Service Loss (RCED-87-82) 371	Aircraft Noise: Implementation of FAA's Expanded East Coast Plan (RCED-88-143) 362	Presidential Inaugurations: Legislation Is Needed To Clarify Agencies' Support Roles (GGD-87-10) 99
Trucking Deregulation: Proposed Sunset of ICC's Trucking Regulatory Responsibilities (RCED-87-107) 370	Airspace Use: FAA Needs to Improve Its Management of Special Use Airspace (RCED-88-147) 363	Unemployment Compensation: Payments to Ineligible Former Employees (GGD-87-17) 77
Highway Needs: An Evaluation of DOT's Process for Assessing the Nation's Highway Needs (RCED-87-136) 371	Aviation Safety: Airlines Should Check Pilot Applicants' Safety History (RCED-88-154) 360	Blue-Collar Workers: Appraisal Systems Are in Place, But Basic Refinements Are Needed (GGD-87-72) 77
FAA Staffing: Challenges in Managing Shortages in the Maintenance Work Force (RCED-87-137) 355	<hr/> Treasury, Postal Service, and General Government Subcommittee <hr/>	
Aviation Weather: Status of FAA's New Hazardous Weather Detection and Dissemination Systems (RCED-87-208) 356	Financial Audit: Federal Financing Bank's Financial Statements for Fiscal Years 1985 and 1984 (AFMD-87-31) 26	OPM Revolving Fund: Investigation Activities During Fiscal Years 1983 Through 1986 (GGD-87-81) 89

Committees of Jurisdiction

Senate Committee on Appropriations
Senate Committee on Armed Services

Tax Administration: IRS Can Improve on the Success of Its Problem Resolution Program (GGD-88-12) 117	Data Communications: Thorough Testing and Workload Analyses Needed for IRS Processors (IMTEC-87-3BR) 115	Defense Overseas Dependents Schools (HRD-82-86) 226
Senior Executive Service: Reasons the Candidate Development Program Has Not Produced More SES Appointees (GGD-88-47) 78	Computer Capacity: IRS Must Better Estimate Its Computer Resource Needs (IMTEC-87-5BR) 115	DOD Should Adopt a New Approach To Analyze the Cost Effectiveness of Small Hospitals (HRD-85-21) 243
Tax Administration: Opportunities Exist for Improving IRS' Administration of Alien Taxpayer Programs (GGD-88-54) 118	Information Management: Leadership Needed in Managing Federal Telecommunications (IMTEC-87-9) 87	DOD Schools: Funding and Operating Alternatives for Education of Dependents (HRD-87-16) 29
Tax Administration: Investigating Illegal Income—Success Uncertain, Improvements Needed (GGD-88-61) 119	System Integrity: IRS Can Reduce Processing Errors With Better Controls and Information (IMTEC-88-25) 124	Government Contractors: Criteria Needed for Allowable Employee Health Care Costs (HRD-88-27) 290
Postal Procurement: An Assessment of Postal Purchasing Practices (GGD-88-65) 351	Internal Revenue Service: Need to Improve the Revenue Accounting Control System (IMTEC-88-41) 121	DOD Health Care: Additional Efforts Needed to Verify Physicians' Qualifications (HRD-88-39) 157
Tax Administration: IRS' Abusive Tax Shelter Efforts Need Improvement (GGD-88-69) 122	Procurement: Assessment of the Office of Federal Procurement Policy (NSIAD-88-35) 102	Air Force Computers: Development Risks of Logistics Modernization Program Can Be Reduced (IMTEC-87-19) 21
Tax Administration: IRS Could Reduce the Number of Unproductive Business Nonfiler Investigations (GGD-88-77) 120	International Banking: Supervision of Overseas Lending Is Inadequate (NSIAD-88-87) 104	Computer Systems: Navy Stock Point ADP Replacement Program Needs Better Management Controls (IMTEC-87-30) 76
Senior Executive Service: The Extent to Which SES Members Have Used the Sabbatical Program (GGD-88-90) 80	Federal Evaluation: Fewer Units, Reduced Resources, Different Studies From 1980 (PEMD-87-9) 99	Command and Control: Upgrades Allow Deferral of \$500 Million Computer Acquisition (IMTEC-88-10) 263
Tax Administration: IRS' Service Centers Need to Improve Handling of Taxpayer Correspondence (GGD-88-101) 121	Senate Committee on Armed Services	Computer Procurement: Issues Concerning Technical Specifications for Navy's CAD/CAM Acquisition (IMTEC-88-16BR) 21
Drug Interdiction: Should the Customs Command and Control Program Be Continued as Currently Evolving? (GGD-88-113) 11	Internal Controls: Defense Fuel Supply Center's Recording and Reporting of Accounts Payable (AFMD-87-30) 64	Computer Procurement: Navy CAD/CAM Acquisition Has Merit but Management Improvements Needed (IMTEC-88-22) 22
Tax Administration: Difficulties in Accurately Estimating Tax Examination Yield (GGD-88-119) 125	Naval Audit Service: Effectiveness of Navy's Internal Audit Organization Is Limited (AFMD-88-12) 219	Medical ADP Systems: Analysis of Technical Aspects of DOD's Composite Health Care System (IMTEC-88-27) 156
Insurance Reserves: Strategies for Regulating the Federal Employees Health Benefits Program (HRD-87-10) 93	Opportunities Exist To Reduce Operating Costs of the Department of	

Committees of Jurisdiction
Senate Committee on Armed Services

Ensuring Retention of Essential Civilians Overseas During Hostilities (NSIAD-84-73) 241	Quality Assurance: Efforts To Strengthen DOD's Program (NSIAD-87-33) 282	Army Deployment: Better Transportation Planning Is Needed (NSIAD-87-138) 255
Opportunities To Improve the DOD Personal Property Shipping Program (NSIAD-85-10) 242	Military Logistics: Improvements Needed in Managing Air Force Special Stock Levels (NSIAD-87-34) 249	Military Procurement: Air Force Should Terminate More Contracts for On-Order Excess Spare Parts (NSIAD-87-141) 259
The Navy Can Improve Material Management at Naval Shipyards (NSIAD-85-71) 243	Weapon Performance: Operational Test and Evaluation Can Contribute More to Decisionmaking (NSIAD-87-57) 293	Procurement: Defense Logistics Agency Implementation of the Spare Parts Initiatives (NSIAD-87-143) 284
Routing Small Shipments of Hazardous or Sensitive Cargo (NSIAD-86-34) 245	Military Airlift: Management Controls Over Charter Airlift Need To Be Strengthened (NSIAD-87-67) 250	Navy Maintenance: The P-3 Aircraft Overhaul Program Can Be Improved (NSIAD-87-157) 257
DOD Acquisition: Strengthening Capabilities of Key Personnel in Systems Acquisition (NSIAD-86-45) 292	Military Airspace: Better Planning Is Needed To Meet Future Requirements (NSIAD-87-93) 251	Polygraph Training: DOD Program Meets Standards But Expansion Requires Better Planning (NSIAD-87-161) 234
Emergency Airlift: Responsiveness of the Civil Reserve Air Fleet Can Be Improved (NSIAD-86-47) 245	Navy Manpower: Squadron Manpower Program Needs Improvement (NSIAD-87-101) 253	Electronic Warfare: Navy/Air Force Still Developing Separate, Costly Radar Warning Receivers (NSIAD-87-167) 258
Navy Manpower: Improved Ship Manpower Document Program Could Reduce Requirements (NSIAD-86-49) 246	Marine Corps Manpower: Improvements Needed in Processes for Determining Manpower Requirements (NSIAD-87-102) 254	Physical Security: Protection of Assets at U.S. Navy Bases (NSIAD-88-6) 235
Military Housing: Analyses of Overseas Housing Costs Are Misleading to Decisionmakers (NSIAD-86-82) 228	Military Construction: The Letterkenny Army Depot Retrieval System (NSIAD-87-112BR) 283	Competition: Issues on Establishing and Using Federally Funded Research and Development Centers (NSIAD-88-22) 236
DOD Tempest Protection: Better Evaluations Needed To Determine Required Countermeasures (NSIAD-86-132) 229	Iran Arms Sales: DOD's Transfer of Arms to the Central Intelligence Agency (NSIAD-87-114) 212	Inventory Management: Defense Logistics Agency Inventory Accuracy Problems (NSIAD-88-39) 260
Medical Readiness: The U.S. Army Can Improve Its Management of POMCUS Hospital Equipment in Europe (NSIAD-86-197) 231	Military Airlift: Requirements for Aerial Port Personnel in Wartime Need To Be Determined (NSIAD-87-115) 252	Defense Procurement: Work Measurement Programs at Selected Contractor Locations (NSIAD-88-43BR) 288
Military Airlift: Improving Management of Aircraft Loading Operations (NSIAD-87-5) 247	DOD Warranties: Improvements Needed in Implementation of Warranty Legislation (NSIAD-87-122) 293	Navy Supply: Economic Order Quantity and Item Essentiality Need More Consideration (NSIAD-88-64) 261
Navy Supply: Intermediate Inventories Can Be Reduced (NSIAD-87-19) 248	Air Force Manpower Program: Improvements Needed in Procedures and Controls (NSIAD-87-137) 257	Navy Inventory Management: Inventory Accuracy Problems (NSIAD-88-69) 266

Committees of Jurisdiction

Senate Committee on Armed Services

Senate Committee on Banking, Housing and Urban Affairs

DOD Inventory Management: Revised Policies Needed (NSIAD-88-75)
262

Electronic Warfare: Multiple Developments of Costly Threat Simulators (NSIAD-88-93)
262

Internal Controls: Status of Army Efforts To Control Contractor Access to the DOD Supply System (NSIAD-88-98)
267

Internal Controls: Air Force Can Improve Controls Over Contractor Access to DOD Supply System (NSIAD-88-99)
268

Internal Controls: Air Force Correcting Weaknesses in Its Property Disposal Practices (NSIAD-88-106)
270

Management Review: Follow-Up on the Management Review of the Defense Logistics Agency (NSIAD-88-107)
269

Internal Controls: Controls Over Expedited Payments to Defense Suppliers Need Improvement (NSIAD-88-113)
264

Federal Catalog System: Continuing Item Identification Problems (NSIAD-88-121)
271

Inventory Management: Air Force Inventory Accuracy Problems (NSIAD-88-133)
272

Navy Maintenance: Naval Aviation Depots' Asset Capitalization Program Needs Improvement (NSIAD-88-134)
270

Internal Controls: Controls Over Material Furnished to Navy Contractors Can Be Improved (NSIAD-88-150)
275

Space Shuttle: The Future of the Vandenberg Launch Site Needs to Be Determined (NSIAD-88-158)
130

Reserve Training: An Alternative to the Active Army Education Program for National Guard Technicians (NSIAD-88-164)
220

Strategic Air Command: KC-135A Crash and the Need for SAC Air Show Regulations (NSIAD-88-172)
278

Army Transportation: Alleged Overcharges on Rail Shipments to and From Ft. Irwin, California (NSIAD-88-174)
273

Inventory Management: Receipt Confirmation Problems (NSIAD-88-179)
276

Navy Maintenance: Ship Maintenance Strategies Need Better Assessments (NSIAD-88-187)
274

Military Manpower: Problems in Accounting for Occupational Shortfalls (NSIAD-88-188)
277

Air Force Contracting: Protecting Liquid Oxygen/Nitrogen Plants From Contamination (NSIAD-88-206)
290

Army Training: Need to Strengthen Internal Controls Over Troop Schools (NSIAD-88-208)
237

Technical Risk Assessment: The Status of Current DOD Efforts (PEMD-86-5)
280

More Effective Use of Contract Airlift Could Reduce DOD Transportation Costs (PLRD-83-55)
240

Nuclear Materials: Alternatives for Relocating Rocky Flats Plant's Plutonium Operations (RCED-87-93)
223

Naval Petroleum Reserve-1: Data Inaccuracies Complicate Production and Ownership Issues (RCED-87-105BR)
41

Naval Petroleum Reserves-1: Data Corrections Made but More Accurate Reserve Data Needed (RCED-88-174)
55

Manpower and Personnel Subcommittee

DOD Health Care: Better Use of Malpractice Data Could Help Improve Quality of Care (HRD-87-30)
147

Readiness, Sustainability, and Support Subcommittee

Prompt Payment Act: Military Exchanges Had Problems in Paying on Time (AFMD-88-17)
235

Navy Maintenance: Competing Vessel Overhauls and Repairs Between Public and Private Shipyards (NSIAD-88-109)
289

Strategic Forces and Nuclear Deterrence Subcommittee

Technical Risk Assessment: The Status of Current DOD Efforts (PEMD-86-5)
280

Senate Committee on Banking, Housing and Urban Affairs

Bank Powers: Issues Related to Repeal of the Glass-Steagall Act (GGD-88-37)
103

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7)
36

Export Controls: Assessment of Commerce Department's Foreign Policy Report to Congress (NSIAD-87-176)
195

Export Controls: Commerce's Assessment of the Foreign Availability

Committees of Jurisdiction

Senate Committee on Banking, Housing and Urban Affairs
Senate Committee on Budget
Senate Committee on Commerce, Science and Transportation

of Controlled Items Can Be More Effective (NSIAD-88-71)
198

International Banking: Supervision of Overseas Lending Is Inadequate (NSIAD-88-87)
104

Internal Controls: Weaknesses in HUD's Single Family Housing Appraisal Program (RCED-87-165)
59

Indoor Radon: Limited Federal Response To Reduce Contamination in Housing (RCED-88-103)
327

Public Housing: Problems Continue To Plague the Cuyahoga Metropolitan Housing Authority (RCED-88-122)
185

Housing and Urban Affairs Subcommittee

Housing Programs: Funding Approach for HUD's Section 8 Certificate Program Needs Changing (RCED-88-136)
184

International Finance and Monetary Policy Subcommittee

Export Promotion: Activities of the Commerce Department's District Offices (NSIAD-86-43)
194

Securities Subcommittee

Securities Regulation: Efforts to Detect, Investigate, and Deter Insider Trading (GGD-88-116)
110

Senate Committee on Budget

Are Agencies Doing Enough or Too Much for Archeological Preservation? Guidance Needed (CED-81-61)
339

Millions Could Be Saved by Improving Integrity of the Food Stamp Program's Authorization-To-Participate System (CED-82-34)
182

Tax Administration: Difficulties in Accurately Estimating Tax Examination Yield (GGD-88-119)
125

Prisoners Receiving Social Security and Other Federal Retirement, Disability, and Education Benefits (HRD-82-43)
174

Defaulted Student Loans: Private Lender Collection Efforts Often Inadequate (HRD-87-48)
32

Guaranteed Student Loans: Legislative and Regulatory Changes Needed To Reduce Default Costs (HRD-87-76)
33

Technical Risk Assessment: The Status of Current DOD Efforts (PEMD-86-5)
280

Benefit Overpayments: Recoveries Could Be Increased in the Food Stamp and AFDC Programs (RCED-86-17)
168

Naval Petroleum Reserve-1: Data Inaccuracies Complicate Production and Ownership Issues (RCED-87-105BR)
41

Energy Conservation: States' Use of Interest Earned on Oil Overcharge Funds (RCED-88-51)
43

Naval Petroleum Reserves-1: Data Corrections Made but More Accurate Reserve Data Needed (RCED-88-174)
55

Senate Committee on Commerce, Science and Transportation

Panama Canal Commission's Financial Statements FY 1984 and 1983 (AFMD-86-15)
211

Financial Audit: Panama Canal Commission's Financial Statements for 1985 and 1984 (AFMD-87-4)
72

Financial Reporting: Defense Agencies' Reports on Financial Position Need To Be Improved (AFMD-88-19)
74

Financial Reporting: NASA Can Improve Compliance With GAO Standards and Treasury Requirements (AFMD-88-21)
68

The Foreign Fishing Observer Program: Management Improvements Needed (RCED-85-110)
307

Implementing the Small Business Innovation Development Act—The First 2 Years (RCED-86-13)
128

Deactivating Research Vessels: National Oceanic and Atmospheric Administration's Use of Private Ships (RCED-86-133)
308

Nuclear Safety: Safety Analysis Reviews for DOE's Defense Facilities Can Be Improved (RCED-86-175)
222

Auto Safety and Emissions: No Assurance That Imported Gray Market Vehicles Meet Federal Standards (RCED-87-29)
367

Highway Needs: An Evaluation of DOT's Process for Assessing the Nation's Highway Needs (RCED-87-136)
371

Committees of Jurisdiction

Senate Committee on Commerce, Science and Transportation
Senate Committee on Energy and Natural Resources

Aviation Weather: Status of FAA's New Hazardous Weather Detection and Dissemination Systems (RCED-87-208)
356

Telephone Communications: Controlling Cross-Subsidy Between Regulated and Competitive Services (RCED-88-34)
216

Bridge Condition Assessment: Inaccurate Data May Cause Inequities in the Apportionment of Federal-Aid Funds (RCED-88-75)
373

Aviation Services: Automation and Consolidation of Flight Service Stations (RCED-88-77)
358

Highway Safety: Monitoring Practices To Show Compliance With Speed Limits Should Be Reexamined (RCED-88-93BR)
372

Aircraft Noise: Implementation of FAA's Expanded East Coast Plan (RCED-88-143)
362

Aviation Safety: Airlines Should Check Pilot Applicants' Safety History (RCED-88-154)
360

Telecommunications: Actions Needed for Better Management of Public Safety Spectrum (RCED-88-173)
216

Aviation Subcommittee

Airline Competition: Impact of Computerized Reservation Systems (RCED-86-74)
353

Aviation Safety: Needed Improvements in FAA's Airline Inspection Program Are Underway (RCED-87-62)
354

Aviation Safety: Commuter Airports Should Participate in the Airport Certification Program (RCED-88-41)
356

Aviation Security: Improved Controls Needed To Prevent Unauthorized Access at Key Airports (RCED-88-86)
357

Airport Noise: FAA's Enforcement of Noise Rules at National Airport (RCED-88-117)
358

Microwave Landing Systems: Additional Systems Should Not Be Procured Unless Benefits Proven (RCED-88-118)
359

Airspace Use: FAA Needs to Improve Its Management of Special Use Airspace (RCED-88-147)
363

Consumer Subcommittee

Consumer Product Safety Commission: Administrative Structure Could Benefit From Change (HRD-87-47)
100

Motor Vehicle Safety: Enforcement of Federal Standards Can Be Enhanced (RCED-87-2)
374

Food Marketing: Frozen Pizza Cheese—Representative of Broader Food Labeling Issues (RCED-88-70)
13

Science, Technology, and Space Subcommittee

Technical Risk Assessment: The Status of Current DOD Efforts (PEMD-86-5)
280

Surface Transportation Subcommittee

Stronger Enforcement Would Help Improve Motor Carrier Safety (RCED-85-64)
366

Rail Abandonments: Abandonment Activity and Shipper Views on Rail Service Loss (RCED-87-82)
371

Trucking Deregulation: Proposed Sunset of ICC's Trucking Regulatory Responsibilities (RCED-87-107)
370

FAA Staffing: Challenges in Managing Shortages in the Maintenance Work Force (RCED-87-137)
355

Senate Committee on Energy and Natural Resources

Are Agencies Doing Enough or Too Much for Archeological Preservation? Guidance Needed (CED-81-61)
339

Welfare and Taxes: Extending Benefits and Taxes to Puerto Rico, Virgin Islands, Guam, and American Samoa (HRD-87-60)
188

The Bureau of Reclamation Could Identify More Unneeded Land (RCED-85-25)
297

More Assurance Is Needed That Strategic Petroleum Reserve Oil Can Be Withdrawn as Designed (RCED-85-104)
41

National Parks: Law Enforcement Capability and Cost Comparisons at Two Recreation Areas (RCED-86-40)
341

Department of Energy: Allegations About the Director of the Office of Minority Economic Impact (RCED-86-95)
44

Federal Land Acquisition: Land Exchange Process Working But Can Be Improved (RCED-87-9)
299

Surface Mining: Interior Department and States Could Improve Inspection Programs (RCED-87-40)
298

Committees of Jurisdiction

Senate Committee on Energy and Natural Resources
Senate Committee on Environment and Public Works

Surface Mining: State Management of Abandoned Mine Land Funds (RCED-87-57)
299

Nuclear Security: DOE's Reinvestigation of Employees Has Not Been Timely (RCED-87-72)
45

Nuclear Materials: Alternatives for Relocating Rocky Flats Plant's Plutonium Operations (RCED-87-93)
223

Surface Mining: States Not Assessing and Collecting Monetary Penalties (RCED-87-129)
319

Surface Mining: State and Federal Use of Alternative Enforcement Techniques (RCED-87-160)
300

Mineral Revenues: Coal Lease Readjustment Problems Remedied but Not All Revenue Is Collected (RCED-87-164)
301

Energy Management: DOE Controls Over Contractor Expenditures Need Strengthening (RCED-87-166)
46

Uranium Enrichment: Congressional Action Needed To Revitalize the Program (RCED-88-18)
54

Nuclear Security: DOE Needs a More Accurate and Efficient Security Clearance Program (RCED-88-28)
47

Energy Conservation: States' Use of Interest Earned on Oil Overcharge Funds (RCED-88-51)
43

Parks and Recreation: Interior Did Not Comply With Legal Requirements for the Outdoors Commission (RCED-88-65)
345

Nuclear Regulation: Action Needed To Ensure That Utilities Monitor and Repair Pipe Damage (RCED-88-73)
49

Rangeland Management: More Emphasis Needed on Declining and Overstocked Grazing Allotments (RCED-88-80)
302

Cultural Resources: Implementation of Federal Historic Preservation Program Can Be Improved (RCED-88-81)
309

Energy Regulation: Opportunities for Strengthening Hydropower Cumulative Impact Assessments (RCED-88-82)
49

Indoor Radon: Limited Federal Response To Reduce Contamination in Housing (RCED-88-103)
327

Offshore Oil and Gas: Environmental Studies Program Meets Most User Needs but Changes Needed (RCED-88-104)
310

Public Rangelands: Some Riparian Areas Restored but Widespread Improvement Will Be Slow (RCED-88-105)
304

Water Resources: Costs of the Fountain Valley Authority Pipeline (RCED-88-125)
348

Nuclear Waste: DOE Should Base Disposal Fee Assessment on Realistic Inflation Rate (RCED-88-129)
55

Nuclear Health and Safety: Stronger Oversight of Asbestos Control Needed at Hanford Tank Farms (RCED-88-150)
51

Energy Management: States' Use and DOE Oversight of Exxon and Stripper Well Overcharge Funds (RCED-88-152)
50

Energy Research and Development Subcommittee

Environment, Safety, and Health: Environment and Workers Could Be Better Protected at Ohio Defense Plants (RCED-86-61)
221

Nuclear Health and Safety: Oversight at DOE's Nuclear Facilities Can Be Strengthened (RCED-88-137)
51

Nuclear Waste: Problems Associated With DOE's Inactive Waste Sites (RCED-88-169)
225

Public Lands, National Parks and Forests Subcommittee

National Park Service Needs a Maintenance Management System (RCED-84-107)
340

Parks and Recreation: Limited Progress Made in Documenting and Mitigating Threats to the Parks (RCED-87-36)
342

Cultural Resources: Problems Protecting and Preserving Federal Archeological Resources (RCED-88-3)
343

Parks and Recreation: Problems With Fee System for Resorts Operating on Forest Service Lands (RCED-88-94)
346

Senate Committee on Environment and Public Works

Financial Audit: Examination of GSA's Financial Statements for Fiscal Years 1986 and 1985 (AFMD-87-49)
74

Chet Holifield Federal Building: GSA's Decision To Renovate and Retain Appears Appropriate (GGD-87-47)
92

Water Quality: An Evaluation Method for the Construction Grants Program—Methodology (PEMD-87-4A)
317

Committees of Jurisdiction

Senate Committee on Environment and Public Works
Senate Committee on Finance

The Environmental Protection Agency Should Better Manage Its Use of Contractors (RCED-85-12)
310

Nonagricultural Pesticides: Risks and Regulation (RCED-86-97)
312

Hazardous Waste: Responsible Party Clean Up Efforts Require Improved Oversight (RCED-86-123)
315

Pesticides: EPA's Formidable Task To Assess and Regulate Their Risks (RCED-86-125)
313

Pesticides: Need To Enhance FDA's Ability To Protect the Public From Illegal Residues (RCED-87-7)
134

Air Quality Standards: EPA's Standard Setting Process Should Be More Timely and Better Planned (RCED-87-23)
316

Wildlife Management: National Refuge Contamination Is Difficult To Confirm and Clean Up (RCED-87-128)
347

Superfund: Improvements Needed in Work Force Management (RCED-88-1)
321

Hazardous Waste: Issues Surrounding Insurance Availability (RCED-88-2)
321

Internal Controls: EPA Needs To Improve Controls Over Change Orders and Claims (RCED-88-16)
60

Hazardous Waste: Facility Inspections Are Not Thorough and Complete (RCED-88-20)
322

Hazardous Waste: Groundwater Conditions at Many Land Disposal Facilities Remain Uncertain (RCED-88-29)
326

Air Pollution: Ozone Attainment Requires Long-Term Solutions To Solve Complex Problems (RCED-88-40)
326

Bridge Condition Assessment: Inaccurate Data May Cause Inequities in the Apportionment of Federal-Aid Funds (RCED-88-75)
373

Indoor Radon: Limited Federal Response To Reduce Contamination in Housing (RCED-88-103)
327

Wetlands: The Corps of Engineers' Administration of the Section 404 Program (RCED-88-110)
305

Hazardous Waste: New Approach Needed to Manage the Resource Conservation and Recovery Act (RCED-88-115)
331

Hazardous Waste: Many Enforcement Actions Do Not Meet EPA Standards (RCED-88-140)
330

Water Pollution: Efforts to Clean Up Michigan's Rouge River (RCED-88-164)
333

Water Resources: Issues Concerning the Arkansas River Basin Operation Plan (RCED-88-166)
348

Superfund Contracts: EPA Needs to Control Contractor Costs (RCED-88-182)
332

Hazardous Waste and Toxic Substances Subcommittee

Hazardous Waste: Environmental Safeguards Jeopardized When Facilities Cease Operating (RCED-86-77)
311

Hazardous Waste: EPA Has Made Limited Progress in Determining the Wastes To Be Regulated (RCED-87-27)
318

Nuclear Regulation Subcommittee

Nuclear Regulation: Action Needed To Ensure That Utilities Monitor and Repair Pipe Damage (RCED-88-73)
49

Nuclear Regulation: NRC's Decommissioning Cost Estimates Appear Low (RCED-88-184)
52

Superfund and Environmental Oversight Subcommittee

Pesticides: EPA's Formidable Task To Assess and Regulate Their Risks (RCED-86-125)
313

Pesticides: Better Sampling and Enforcement Needed on Imported Food (RCED-86-219)
315

Water Resources, Transportation, and Infrastructure Subcommittee

Disaster Assistance: Response to West Virginia's November 1985 Flood Shows Need for Improvements (RCED-88-5)
27

Senate Committee on Finance

Debt Collection: More Aggressive Action Needed To Collect Debts Owed by Health Professionals (AFMD-88-23)
65

IRS and SSA Can Improve the Verification and Recording of Data Provided by Self-Employed Taxpayers (GGD-85-21)
111

Tax Administration: Administrative Changes Could Lead to Earlier Resolution of Tax Disputes (GGD-86-75)
113

Committees of Jurisdiction

Senate Committee on Finance

Tax Administration: Tip Income Reporting Can Be Increased (GGD-86-119) 114	Surgeries Need Review and Revision (HRD-85-39) 141	Medicaid: Improvements Needed in Programs To Prevent Abuse (HRD-87-75) 149
Unemployment Compensation: Payments to Ineligible Former Employees (GGD-87-17) 77	Strong Leadership Needed To Improve Management at the Department of Labor (HRD-86-12) 35	Medicare: Rehabilitation Service Claims Paid Without Adequate Information (HRD-87-91) 148
Tax Administration: IRS Can Improve on the Success of Its Problem Resolution Program (GGD-88-12) 117	Disability Programs: SSA Consultative Medical Examination Process Improved; Some Problems Remain (HRD-86-23) 176	Veterans Administration: VA Pensions to Medicaid Nursing Home Residents Should Be Reduced (HRD-87-111) 379
Tax Administration: Investigating Illegal Income—Success Uncertain, Improvements Needed (GGD-88-61) 119	Medicare: Past Overuse of Intensive Care Services Inflates Hospital Payments (HRD-86-25) 141	Medicare and Medicaid: Stronger Enforcement of Nursing Home Requirements Needed (HRD-87-113) 149
Tax Administration: IRS' Abusive Tax Shelter Efforts Need Improvement (GGD-88-69) 122	Medicare: Issues Raised by Florida Health Maintenance Organization Demonstrations (HRD-86-97) 142	Prenatal Care: Medicaid Recipients and Uninsured Women Obtain Insufficient Care (HRD-87-137) 150
Tax Administration: IRS Could Reduce the Number of Unproductive Business Nonfiler Investigations (GGD-88-77) 120	Affirmative Action: Social Security Can Do More To Improve Blacks' Representation in Its Work Force (HRD-87-2) 97	Equal Employment Opportunity: Some Racial Imbalance in SSA Region X, Better Data and Remedies Needed (HRD-88-6) 101
Drug Interdiction: Should the Customs Command and Control Program Be Continued as Currently Evolving? (GGD-88-113) 11	Medicare: Need To Strengthen Home Health Care Payment Controls and Address Unmet Needs (HRD-87-9) 143	Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7) 36
Medicare/Medicaid Funds Can Be Better Used To Correct Deficiencies in Indian Health Service Facilities (HRD-83-22) 139	Medicaid: Lessons Learned From Arizona's Prepaid Program (HRD-87-14) 145	Medicare: Better Controls Needed for Peer Review Organizations' Evaluations (HRD-88-13) 151
Social Security Administration Needs To Protect Against Possible Conflicts of Interest in Its Disability Programs (HRD-83-65) 175	Child Support: Need To Improve Efforts To Identify Fathers and Obtain Support Orders (HRD-87-37) 186	Veterans' Pensions: Verifying Income With Tax Data Can Identify Significant Payment Problems (HRD-88-24) 190
Payment Rates for Ambulatory Surgery Centers Are Higher Than Intended by HCFA (HRD-84-67) 140	Social Security Administration: Stable Leadership and Better Management Needed To Improve Effectiveness (HRD-87-39) 83	Medicare: Laboratory Fee Schedules Produced Large Beneficiary Savings but No Program Savings (HRD-88-32) 152
Need To Improve Internal Controls To Curtail Fraud and Abuse in the RRB Unemployment and Sickness Insurance Program (HRD-85-37) 192	Medicare: More Hospital Costs Should Be Paid by Other Insurers (HRD-87-43) 144	Welfare Eligibility: Programs Treat Indian Tribal Trust Fund Payments Inconsistently (HRD-88-38) 191
Medicare's Policies and Prospective Payment Rates for Cardiac Pacemaker	Social Security: More Must Be Done To Credit Earnings to Individuals' Accounts (HRD-87-52) 178	Medicare: Refinement of Diagnosis Related Groups Needed To Insure Payment Equity (HRD-88-41) 152

Committees of JurisdictionSenate Committee on Finance
Senate Committee on Foreign Relations

Medicare: Issues Concerning the HealthChoice Demonstration Project (HRD-88-69)
158

Controlled Substances: Medicaid Data May Be Useful for Monitoring Diversion (HRD-88-111)
159

System Integrity: IRS Can Reduce Processing Errors With Better Controls and Information (IMTEC-88-25)
124

Medicare: Improving Quality of Care Assessment and Assurance (PEMD-88-10)
153

Social Security Funds: Additional Measures Could More Fully Indicate the System's Financial Condition (PEMD-88-11)
180

Medicare: Improved Patient Outcome Analyses Could Enhance Quality Assessment (PEMD-88-23)
155

Home Ownership: Mortgage Bonds Are Costly and Provide Little Assistance to Those in Need (RCED-88-111)
184

Health Subcommittee

Welfare and Taxes: Extending Benefits and Taxes to Puerto Rico, Virgin Islands, Guam, and American Samoa (HRD-87-60)
188

HCFA Research: Agency Practices and Other Factors Threaten Quality of Mandated Studies (PEMD-88-9)
164

International Trade Subcommittee

Bank Secrecy Act: Treasury Can Improve Implementation of the Act (GGD-86-95)
5

Cargo Imports: Customs Needs To Better Assure Compliance With Trade Laws and Regulations (GGD-86-136)
6

Private Retirement Plans and Oversight of the Internal Revenue Service Subcommittee

Tax Administration: IRS Can Improve Its Collection Procedures for Taxpayers Living Overseas (GGD-87-14)
116

Tax Administration: Opportunities Exist for Improving IRS' Administration of Alien Taxpayer Programs (GGD-88-54)
118

Tax Administration: IRS' Service Centers Need to Improve Handling of Taxpayer Correspondence (GGD-88-101)
121

Tax Administration: Difficulties in Accurately Estimating Tax Examination Yield (GGD-88-119)
125

Computer Security: Contingency Plans and Risk Analyses Needed for IRS Computer Centers (IMTEC-86-10)
112

Internal Revenue Service: Need to Improve the Revenue Accounting Control System (IMTEC-88-41)
121

Social Security and Family Policy Subcommittee

Social Security: Need To Improve Unit Times for Estimating Field Office Staff Budgets (GGD-86-90)
178

Prisoners Receiving Social Security and Other Federal Retirement, Disability, and Education Benefits (HRD-82-43)
174

Better Case File Monitoring of the Workers' Compensation Offset Provision by the Social Security Administration Could Save Millions (HRD-83-90)
175

Welfare and Taxes: Extending Benefits and Taxes to Puerto Rico, Virgin Islands, Guam, and American Samoa (HRD-87-60)
188

Social Security: Effects of Budget Constraints on Disability Program (HRD-88-2)
179

Social Security: Effects of Budget Constraints on Disability Program (HRD-88-3)
179

Social Security: Little Success Achieved in Rehabilitating Disabled Beneficiaries (HRD-88-11)
180

Social Security: The Notch Issue (HRD-88-62)
167

Food Stamp Program: Evaluation of Improper Denial or Termination Error Rates (RCED-88-12)
172

Taxation and Debt Management Subcommittee

Welfare and Taxes: Extending Benefits and Taxes to Puerto Rico, Virgin Islands, Guam, and American Samoa (HRD-87-60)
188

Senate Committee on Foreign Relations

Foreign Aid: Impact of Overseas Private Investment Corporation Activities on U.S. Employment (NSIAD-87-109)
203

Iran Arms Sales: DOD's Transfer of Arms to the Central Intelligence Agency (NSIAD-87-114)
212

Committees of Jurisdiction

Senate Committee on Foreign Relations
Senate Committee on Governmental Affairs

Internal Controls: State's Controls Over Personal Property Management Are Inadequate (NSIAD-87-156)
193

Liberia: Need To Improve Accountability and Control Over U.S. Assistance (NSIAD-87-173)
204

Foreign Aid: Improvement Needed in Management of Technical Services Contracts (NSIAD-87-183)
204

Drug Control: U.S.-Mexico Opium Poppy and Marijuana Aerial Eradication Program (NSIAD-88-73)
206

Overseas Support: Current U.S. Administrative Support System Is Too Complicated (NSIAD-88-84)
199

NATO: U.S. Contributions to the Airborne Early Warning and Control Program (NSIAD-88-132)
213

Foreign Aid: Improving the Impact and Control of Economic Support Funds (NSIAD-88-182)
214

Foreign Aid: Issues Concerning AID's Private-Sector Revolving Fund (NSIAD-88-185)
209

Nuclear Nonproliferation: Department of Energy Needs Tighter Controls Over Reprocessing Information (RCED-87-150)
45

Senate Committee on Governmental Affairs

Loan Asset Sales: OMB Policies Will Result in Program Objectives Not Being Fully Achieved (AFMD-86-78)
63

Loan Asset Sales: OMB Policies Will Result in Program Objectives Not Being Fully Achieved (AFMD-86-79)
64

Inspectors General: Compliance With Professional Standards by the Transportation Inspector General (AFMD-87-28)
68

Financial Audit: Veterans Administration's Financial Statements for Fiscal Year 1986 (AFMD-87-38)
73

CPA Audit Quality: Improved Controls Are Needed To Ensure Quality Audits of Federal Loan Programs (AFMD-88-3)
69

Congressional Reports: Efforts To Eliminate or Modify Reporting Requirements Need To Be Improved (AFMD-88-4)
94

Financial Audit: Commodity Credit Corporation's Financial Statements for 1987 and 1986 (AFMD-88-47)
75

Improved Management Processes Would Enhance Justice's Operations (GGD-86-12)
81

Presidential Inaugurations: Legislation Is Needed To Clarify Agencies' Support Roles (GGD-87-10)
99

Unemployment Compensation: Payments to Ineligible Former Employees (GGD-87-17)
77

Chet Holifield Federal Building: GSA's Decision To Renovate and Retain Appears Appropriate (GGD-87-47)
92

OPM Revolving Fund: Investigation Activities During Fiscal Years 1983 Through 1986 (GGD-87-81)
89

Senior Executive Service: Reasons the Candidate Development Program Has Not Produced More SES Appointees (GGD-88-47)
78

Property Management: Excess and Surplus Personal Property Transfers to Nonfederal Organizations (GGD-88-68)
92

Senior Executive Service: The Extent to Which SES Members Have Used the Sabbatical Program (GGD-88-90)
80

Retirement Benefits: Discrepancies in Benefits Paid by the Railroad Retirement Board for SSA (HRD-86-3)
177

Strong Leadership Needed To Improve Management at the Department of Labor (HRD-86-12)
35

DOD Schools: Funding and Operating Alternatives for Education of Dependents (HRD-87-16)
29

Computer Security: Contingency Plans and Risk Analyses Needed for IRS Computer Centers (IMTEC-86-10)
112

Information Systems: SSA's Financial Management of Information Systems Needs Improvement (IMTEC-88-15)
181

DOD Acquisition: Strengthening Capabilities of Key Personnel in Systems Acquisition (NSIAD-86-45)
292

Stars and Stripes: Appropriated-Fund Support Should Be Reduced (NSIAD-86-104)
227

Quality Assurance: Efforts To Strengthen DOD's Program (NSIAD-87-33)
282

Weapon Performance: Operational Test and Evaluation Can Contribute More to Decisionmaking (NSIAD-87-57)
293

International Trade: Review of Effectiveness of FAS Cooperator Market Development Program (NSIAD-87-89)
194

Committees of Jurisdiction

Senate Committee on Governmental Affairs

Procurement: Defense Logistics Agency Implementation of the Spare Parts Initiatives (NSIAD-87-143) 284	Access to DOD Supply System (NSIAD-88-99) 268	Nuclear Energy: Environmental Issues at DOE's Nuclear Defense Facilities (RCED-86-192) 223
Procurement: Better Compliance With the Competition in Contracting Act Is Needed (NSIAD-87-145) 285	Management Review: Follow-Up on the Management Review of the Defense Logistics Agency (NSIAD-88-107) 269	Food Stamp Program: Refinements Needed To Improve Accuracy of Quality Control Error Rates (RCED-86-195) 169
International Trade: Commodity Credit Corporation's Refunds of Export Guarantee Fees (NSIAD-87-185) 196	Internal Controls: Controls Over Expedited Payments to Defense Suppliers Need Improvement (NSIAD-88-113) 264	Department of Transportation: Enhancing Policy and Program Effectiveness Through Improved Management (RCED-87-3) 368
Army Inventory Management: Inventory and Physical Security Problems Continue (NSIAD-88-11) 219	Federal Catalog System: Continuing Item Identification Problems (NSIAD-88-121) 271	Auto Safety and Emissions: No Assurance That Imported Gray Market Vehicles Meet Federal Standards (RCED-87-29) 367
Competition: Issues on Establishing and Using Federally Funded Research and Development Centers (NSIAD-88-22) 236	Internal Controls: Controls Over Material Furnished to Navy Contractors Can Be Improved (NSIAD-88-150) 275	Imported Meat and Livestock: Chemical Residue Detection and the Issue of Labeling (RCED-87-142) 19
International Trade: FAS Management of Livestock Cooperator Program (NSIAD-88-24) 197	Government Property: DOD's Management of the Property It Furnishes to Contractors (NSIAD-88-151) 274	Nuclear Nonproliferation: Department of Energy Needs Tighter Controls Over Reprocessing Information (RCED-87-150) 45
Procurement: Assessment of the Office of Federal Procurement Policy (NSIAD-88-35) 102	Inventory Management: Receipt Confirmation Problems (NSIAD-88-179) 276	Uranium Enrichment: Congressional Action Needed To Revitalize the Program (RCED-88-18) 54
Inventory Management: Defense Logistics Agency Inventory Accuracy Problems (NSIAD-88-39) 260	Agricultural Trade: Review of Targeted Export Assistance Program (NSIAD-88-183) 207	Hazardous Waste: Groundwater Conditions at Many Land Disposal Facilities Remain Uncertain (RCED-88-29) 326
Navy Inventory Management: Inventory Accuracy Problems (NSIAD-88-69) 266	International Trade: Commodity Credit Corporation's Export Credit Guarantee Programs (NSIAD-88-194) 208	Superfund: Insuring Underground Petroleum Tanks (RCED-88-39) 325
DOD Inventory Management: Revised Policies Needed (NSIAD-88-75) 262	Technical Risk Assessment: The Status of Current DOD Efforts (PEMD-86-5) 280	Hazardous Waste: New Approach Needed to Manage the Resource Conservation and Recovery Act (RCED-88-115) 331
Overseas Support: Current U.S. Administrative Support System Is Too Complicated (NSIAD-88-84) 199	Federal Evaluation: Fewer Units, Reduced Resources, Different Studies From 1980 (PEMD-87-9) 99	Nuclear Waste: DOE Should Base Disposal Fee Assessment on Realistic Inflation Rate (RCED-88-129) 55
Internal Controls: Status of Army Efforts To Control Contractor Access to the DOD Supply System (NSIAD-88-98) 267	Immigration: The Future Flow of Legal Immigration to the United States (PEMD-88-7) 197	
Internal Controls: Air Force Can Improve Controls Over Contractor		

Committees of Jurisdiction

Senate Committee on Governmental Affairs
Senate Committee on the Judiciary
Senate Committee on Labor and Human Resources

Hazardous Waste: Many Enforcement Actions Do Not Meet EPA Standards (RCED-88-140)

330

Nuclear Regulation: NRC's Decommissioning Cost Estimates Appear Low (RCED-88-184)

52

Federal Services, Post Office and Civil Service Subcommittee

Blue-Collar Workers: Appraisal Systems Are in Place, But Basic Refinements Are Needed (GGD-87-72)

77

Postal Procurement: An Assessment of Postal Purchasing Practices (GGD-88-65)

351

Decennial Census: Minicomputer Procurement Delays and Bid Protests: Effects on the 1990 Census (GGD-88-70)

109

Affirmative Action: National Institutes of Health Does Not Fully Meet Federal Requirements (HRD-86-37)

131

Insurance Reserves: Strategies for Regulating the Federal Employees Health Benefits Program (HRD-87-10)

93

Information Management: Leadership Needed in Managing Federal Telecommunications (IMTEC-87-9)

87

ADP Internal Controls: Actions To Correct System Weaknesses for Federal Employees' Compensation (IMTEC-88-9)

60

Arms Exports: Licensing Reviews for Exporting Military Items Can Be Improved (NSIAD-87-211)

212

Federal Workforce: A Framework for Studying Its Quality Over Time (PEMD-88-27)

79

Government Efficiency, Federalism and the District of Columbia Subcommittee

Implementation of Public Law 94-142 as It Relates to Handicapped Delinquents in the District of Columbia (GGD-86-4)

29

District of Columbia: P.L. 94-142 Compliance and Management of Youth Services Administration (GGD-86-131)

96

DC Government: Problems Have Created Delays in Constructing Educational Facilities at Lorton (GGD-88-1BR)

102

Permanent Subcommittee on Investigations

Bank Secrecy Act: Treasury Can Improve Implementation of the Act (GGD-86-95)

5

Cargo Imports: Customs Needs To Better Assure Compliance With Trade Laws and Regulations (GGD-86-136)

6

ADP Internal Controls: Actions To Correct System Weaknesses for Federal Employees' Compensation (IMTEC-88-9)

60

Senate Committee on the Judiciary

Improved Management Processes Would Enhance Justice's Operations (GGD-86-12)

81

INS Delivery Bonds: Stronger Internal Controls Needed (GGD-88-36)

8

Medical Malpractice: A Framework for Action (HRD-87-73)

146

Immigration Control: A New Role for the Social Security Card (HRD-88-4)

1

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7)

36

Constitution Subcommittee

Justice Needs Better Controls Over Payment of Witness Fees (GGD-84-61)

4

Presentence Evaluations of Offenders Can Be More Responsive to the Needs of the Judiciary (GGD-85-14)

3

Courts and Administrative Practice Subcommittee

Defense Procurement Fraud: Justice's Overall Management Can Be Enhanced (GGD-88-96)

12

Immigration and Refugee Affairs Subcommittee

Immigration Reform: Systematic Alien Verification System Could Be Improved (IMTEC-87-45BR)

7

Immigration: The Future Flow of Legal Immigration to the United States (PEMD-88-7)

197

Patents, Copyrights and Trademarks Subcommittee

Patent Policy: Recent Changes in Federal Law Considered Beneficial (RCED-87-44)

129

Senate Committee on Labor and Human Resources

Need To Improve Internal Controls To Curtail Fraud and Abuse in the RRB

Committees of Jurisdiction

Senate Committee on Labor and Human Resources
Senate Committee on Small Business
Senate Committee on Veterans' Affairs

Unemployment and Sickness Insurance Program (HRD-85-37)
192

Food Inspections: FDA Should Rely More on State Agencies (HRD-86-2)
133

Strong Leadership Needed To Improve Management at the Department of Labor (HRD-86-12)
35

Affirmative Action: National Institutes of Health Does Not Fully Meet Federal Requirements (HRD-86-37)
131

Affirmative Action: Social Security Can Do More To Improve Blacks' Representation in Its Work Force (HRD-87-2)
97

Medical Research: National Research Service Awards for Research in Primary Medical Care (HRD-87-20)
162

Medical Malpractice: A Framework for Action (HRD-87-73)
146

Legal Services Corporation: Benefits and Costs of Proposed Information System Improvements Not Clear (HRD-88-5)
189

Immigration Reform: Verifying the Status of Aliens Applying for Federal Benefits (HRD-88-7)
36

Food and Drug Administration: HHS Inspector General Should Be Involved in Criminal Investigations (HRD-88-8)
136

Minority Representation: Efforts of the Alcohol, Drug Abuse, and Mental Health Administration (HRD-88-49)
350

Biomedical Research: Issues Related to Increasing Size of NIH Grant Awards (HRD-88-90BR)
163

Homeless Mentally Ill: Problems and Options in Estimating Numbers and Trends (PEMD-88-24)
159

Pesticides: Better Sampling and Enforcement Needed on Imported Food (RCED-86-219)
315

Pesticides: Need To Enhance FDA's Ability To Protect the Public From Illegal Residues (RCED-87-7)
134

Food Stamp Program: Evaluation of Improper Denial or Termination Error Rates (RCED-88-12)
172

Education, Arts, and the Humanities Subcommittee

Defaulted Student Loans: Private Lender Collection Efforts Often Inadequate (HRD-87-48)
32

Guaranteed Student Loans: Legislative and Regulatory Changes Needed To Reduce Default Costs (HRD-87-76)
33

Compensatory Education: Chapter 1's Comparability of Services Provision (HRD-87-102)
30

Employment and Productivity Subcommittee

Emergency Jobs Act of 1983: Funds Spent Slowly, Few Jobs Created (HRD-87-1)
38

OSHA's Monitoring and Evaluation of State Programs (T-HRD-88-13)
39

Handicapped Subcommittee

Implementation of Public Law 94-142 as It Relates to Handicapped Delinquents in the District of Columbia (GGD-86-4)
29

Deaf Education: The National Mission of Gallaudet's Elementary and Secondary Schools (HRD-87-133)
31

Labor Subcommittee

Retirement Benefits: Discrepancies in Benefits Paid by the Railroad Retirement Board for SSA (HRD-86-3)
177

Senate Committee on Small Business

Procurement: Better Compliance With the Competition in Contracting Act Is Needed (NSIAD-87-145)
285

Implementing the Small Business Innovation Development Act—The First 2 Years (RCED-86-13)
128

Senate Committee on Veterans' Affairs

Financial Management: An Assessment of the Veterans Administration's Major Processes (AFMD-86-7)
131

Better Guidelines Could Reduce VA's Planned Construction of Costly Operating Rooms (HRD-81-54)
375

VA Central Office Needs To Exercise Better Oversight of Cardiac Pacemaker Recalls (HRD-84-33)
375

VA Health Care: Too Many Operating Rooms Being Planned and Built (HRD-86-78)
162

VA Health Care: VA's Patient Injury Control Program Not Effective (HRD-87-49)
376

Committees of Jurisdiction

Senate Committee on Veterans' Affairs
Senate Select Committee on Indian Affairs
Senate Select Committee on Intelligence
Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan
Opposition
Senate Special Committee on Aging

Veterans' Benefits: Improving the Integrity of VA's Unemployability Compensation Program (HRD-87-62)
379

Veterans Administration: VA Pensions to Medicaid Nursing Home Residents Should Be Reduced (HRD-87-111)
379

Veterans' Pensions: Verifying Income With Tax Data Can Identify Significant Payment Problems (HRD-88-24)
190

Veterans Administration: Identifying Physicians With License Sanctions—An Incomplete Process (HRD-88-47)
377

ADP Systems: Department of Veterans Benefits Modernization Program (IMTEC-88-3)
380

Senate Select Committee on Indian Affairs

Personnel Practices: Propriety of Selected Personnel Actions at the Bureau of Indian Affairs (GGD-88-81)
108

Welfare Eligibility: Programs Treat Indian Tribal Trust Fund Payments Inconsistently (HRD-88-38)
191

Senate Select Committee on Intelligence

Iran Arms Sales: DOD's Transfer of Arms to the Central Intelligence Agency (NSIAD-87-114)
212

Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition

Iran Arms Sales: DOD's Transfer of Arms to the Central Intelligence Agency (NSIAD-87-114)
212

Senate Special Committee on Aging

Medicare: Need To Strengthen Home Health Care Payment Controls and Address Unmet Needs (HRD-87-9)
143

Social Security Administration: Stable Leadership and Better Management Needed To Improve Effectiveness (HRD-87-39)
83

Social Security: More Must Be Done To Credit Earnings to Individuals' Accounts (HRD-87-52)
178

Medicare and Medicaid: Stronger Enforcement of Nursing Home Requirements Needed (HRD-87-113)
149

Social Security: The Notch Issue (HRD-88-62)
167

Information Systems: SSA's Financial Management of Information Systems Needs Improvement (IMTEC-88-15)
181

Medicare: Improving Quality of Care Assessment and Assurance (PEMD-88-10)
153

Social Security Funds: Additional Measures Could More Fully Indicate the System's Financial Condition (PEMD-88-11)
180

Medicare: Improved Patient Outcome Analyses Could Enhance Quality Assessment (PEMD-88-23)
155

Requests for copies of GAO reports should be sent to:

**U.S. General Accounting Office
Post Office Box 6015
Gaithersburg, Maryland 20877**

Telephone 202-275-6241

The first five copies of each report are free. Additional copies are \$2.00 each.

There is a 25% discount on orders for 100 or more copies mailed to a single address.

Orders must be prepaid by cash or by check or money order made out to the Superintendent of Documents.

age 383

Recommendation Addressee Index

age 401

Committee of Jurisdiction Index