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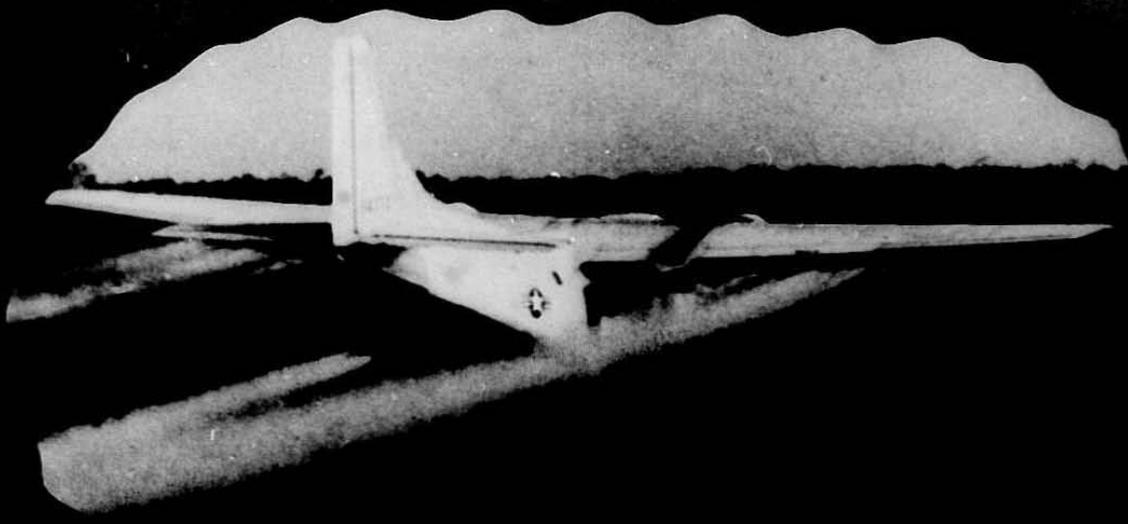


Spring 1981

# REVIEW

Reflections on 15 Years  
By Elmer R. Steals

**THE VIETNAM VETERAN VS.  
AGENT ORANGE: THE WAR THAT LINGERS**



Elmer B. Staats  
Comptroller General  
of the United States  
1966-1981





COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

A MESSAGE TO GAO STAFF

When I assumed the position of Comptroller General, I used these pages to greet GAO staff, and mentioned that I looked forward to working with you to make GAO an even greater factor in improved management in the Federal Government and enhanced assistance to the Congress. As my term ends, I am not disappointed in what we were able to accomplish together.

There are a great many things I could say on an occasion like this, but most of all I simply want to thank you from the bottom of my heart for all of the support that you have given me over this 15-year period. Because what you represent as an institution, long after I have departed, is the confidence of the Congress.

I wish all GAO staff could have been present the morning of March 3 when we met with the House Budget Committee. They had many nice things to say about the organization, which clearly showed the great respect the members hold for the General Accounting Office. Therein lies a great trust; it's a trust that does not go to any other agency of the Government. And I say that advisedly, having been around this Government now for almost 42 years. Even more important is the confidence and trust that the American people place in this Office. I think that's a great responsibility and a challenge for GAO as an institution.

I leave with a great deal of sadness, to be quite honest with you, and not only because of the friendships and the loyalty which you've given to me but also because there's a lot of unfinished business. That will always be the case; we've made a lot of progress, and you can all feel that you've had a part in it. The GAO will always be a living institution. I keep reminding the top people in GAO that no organization ever stands still: it either goes backward or forward. So I hope that will be the continuing challenge of the person who succeeds me.

I again simply want to say thank you for your support, and for the many good memories of the past 15 years. I thank you very much.

Sincerely,

A handwritten signature in black ink, appearing to read "James B. Atchafalana".

Former Comptroller General  
of the United States

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# From Our Briefcase

## Common Cause Assesses GAO

In a recent reversal of roles, GAO found itself the subject of a report by Common Cause, the well-known public interest organization. GAO's *Management News* summarized the report in an article reprinted here (Vol. 8, No. 19, 1/13/81):

Congress, the Office of Management and Budget, and executive agencies have failed to make effective use of GAO as a resource for improving Government performance, the public interest group Common Cause charged last week. Failure to follow up on GAO's recommendations may be costing the Government billions of dollars, according to a study released December 31 by Common Cause.

"Common Cause believes that 1981 is a critical year for strengthening GAO as a resource to help meet the widespread public, congressional and executive branch interest in improving Government performance and cutting back on Federal spending," the report said.

The Common Cause study, "Adding Bite to the Bark," focused on what happens to GAO reports after they are issued. Its findings are based on case studies of twelve reports issued during fiscal year 1979 and interviews with key officials from GAO, congressional committees, and executive agencies.

"Follow-up on GAO reports, hampered by sporadic executive branch and congressional interest, is clearly inadequate," the study said. "Members of Congress tend to view oversight as a tedious task with few political payoffs. Consequently, congressional oversight is a largely haphazard process with few committees regularly looking back to see if Federal programs are accomplishing their goals.

"Without the impetus of regular congressional oversight or strong OMB leadership, few Federal agencies pay sufficient attention to independent evaluations by GAO or others," Common Cause observed. As evidence, the public interest group cited the lack of compliance with the "Section 236" requirement for agencies to inform Congress of their actions on GAO recommendations. Of the 35 Federal agencies that were the subject of more than one GAO audit in fiscal year 1979,



26—or 74 percent—were late in filing written comments more than half the time.

"Over the past fifteen years, Comptroller General Staats has initiated an expansion of GAO activities, upgraded its policy analysis capability, and improved its service to Congress. But the GAO has not yet reached its full potential," Common Cause concluded. "GAO has a reputation for thoroughness, sometimes at the expense of timeliness, but GAO itself lacks adequate resources to track the hundreds of legislative and administrative recommendations it makes each year," according to the study.

Common Cause's study includes four recommendations, designed to "add bite to the bark of the Federal watchdog."

- *The Office of Management and Budget should devote more resources to program evaluation and should take explicit responsibility for ensuring agency responsiveness to the work of GAO.* The chief finding of this study is that the executive and legislative branches do not have adequate mechanisms to ensuring prompt and thorough review of GAO reports. Strengthening OMB's program evaluation capabilities and responsibilities was a key recommendation of a recent National Academy of Public Administration Panel report.

- *Congress should make more effective use of GAO by improving its tracking system of GAO reports and establishing closer cooperation with GAO as part of a comprehensive Sunset review process of Federal spending and tax programs.* A Sunset law would establish a process for Congress to identify priority programs for GAO review, a clear timetable for congressional action, and an incentive—the threat of termination of programs not meeting their intended objectives—for

Congress to act on GAO's recommendations.

- *President-elect Ronald Reagan and the 97th Congress should place a high priority on finding a new Comptroller General who will carry on the tradition of Elmer Staats.* Staats' fifteen year term will expire in March of 1981. President-elect Reagan will have few, if any, appointments that will have such long-lasting implications for the future of sound Government performance. Comptroller General Staats has established a standard of excellence against which his successor will be judged.

- *The new Comptroller General should continue to develop GAO's program evaluation capacity, upgrade GAO's tracking system and follow-up previous reports, and place special emphasis on improving GAO's responsiveness to the needs of Congress and the executive branch.* The new Comptroller General's highest priority should be to improve the effective use of GAO's impressive resources. GAO should provide a wider range of evaluations—for example, producing shorter, more timely reports—designed to meet the needs of the executive branch and Congress.

"The GAO is a natural ally for President-elect Reagan—who challenged Government fraud and waste in his campaign for the presidency. His selection of a new Comptroller General to succeed Elmer Staats . . . will be one of his most significant appointments," Common Cause observed. "The challenge for the new Comptroller General will be to improve the quality of the GAO's reports by building on the foundation established by Comptroller General Staats. The challenge for the new Administration, the new Senate leadership, and the House will be to institutionalize practices that ensure consideration of GAO's reports."

## Common Cause's Case Studies

In selecting its case studies, Common Cause focused on fiscal year 1979 reports in four subject areas:

- Energy, General Government, and National Defense, because they were the three areas where GAO had issued the greatest number of reports, and
- Agriculture, because it is a major

and representative area of domestic policy.

From the 465 reports issued in these four subject areas, Common Cause singled out the 47 audits which made legislative recommendations. Although reports making direct legislative recommendations comprise only a fraction of GAO's assistance to Congress, they target specific changes which GAO deems important enough to call to the attention of Congress as recommended legislative remedies. Common Cause then randomly selected every fourth report from its list for its case studies of congressional and agency response. The reports analyzed include:

1. Projected Timber Scarcities in the Pacific Northwest (EMD-79-5, 12/12/78).
2. Legislation Needed to Establish Specific Loan Guarantee Limits for the Economic Development Administration (FGMSD-78-62, 1/5/79).
3. Cleaning Up Commingled Uranium Mill Tailings: Is Federal Assistance Necessary? (EMD-79-29, 2/5/79).
4. Changes Needed in U.S. Valuation System for Imported Merchandise (GGD-79-29, 3/23/79).
5. AWOL in the Military: A Serious and Costly Problem (FPCD-78-52, 3/30/79).
6. The Mandatory Small Business Subcontracting Test: Considerations for Public Law 95-507's New Subcontracting Program (PSAD-79-66, 5/11/79).
7. S. 414—The University and Small Business Patent Procedures Act (Testimony—5/16/79).
8. Annual Adjustments—The Key to Federal Executive Pay (FPCD-79-31, 5/17/79).
9. Opportunities to Improve Decisionmaking and Oversight of Arms Sales (ID-79-22, 5/21/79).
10. After Six Years, Legal Obstacles Continue to Restrict Government Use of the Standard Statistical Establishment List (GGD-79-17, 5/25/79).
11. Policy Needed to Guide Natural Gas Regulation on Federal Lands (EMD-78-86, 6/15/79).
12. Alternatives for Achieving Greater Equities in Federal Land Payment Programs (PAD-79-64, 9/25/79).

Each case study summarizes GAO's findings, conclusions, and recommendations, and reports what has happened since then, including congressional hearings, new legislation, administra-

tive or regulatory actions, and GAO follow-up.

Copies of Common Cause's 60-page report have been distributed to heads of GAO's divisions, offices, regions, and the GAO library. Individual copies may be purchased for \$3 each from Common Cause, Issue Development Office, 2030 M St., N.W., Washington, D.C. 20036.

## GAO Continues to Press for Budget Reform

The title of a recent speech Mr. Staats gave to the Association for Budget and Program Analysis ("The Continuing Need for Budget Reform") was deliberately chosen to underscore his conviction that we can never be satisfied for long with existing budget concepts and practices. He noted that the one certainty about the budget system over time is its changing nature. This is inevitable because budgeting lies at the heart of the political process and is subject to the pressures of the political arena and requirements of a changing society.

However, several relatively recent changes have strained the capacity of existing budget concepts and procedures to serve the budget information and control needs of the Congress, the executive branch, and the public. Mr. Staats noted it is crucial that problem-solvers be careful to adopt measures that, taken together, do not further complicate the budget process. Some of the problems and solutions he identified are discussed here.

Not only have Federal programs increased and become more complex, but also the ways for dealing with them have evoked new kinds of Federal responses. The growth in Federal credit activities, such as the Chrysler loan guarantee and the Synthetic Fuels Corporation loan guarantee programs, raises new issues. For example, should budget totals include budget authority for the estimated future expenses to the Government of current credit aids (such as interest subsidy expenses on direct loans, or default expenses on guaranteed loans)? The current "credit budget" package in the 1981 budget package addresses some of the problems, but is outside the regular budget authority and adds to the confusion about the meaning of the budget's totals. Recording limitations on direct lending as

budget authority amounts, and including these amounts in the regular budget totals would address this problem, but would also add \$15 billion (according to one estimate) to the budget's totals.

Another problem is the removal of certain Federal programs from the budget's totals or establishing new organizations as off-budget entities. Treating these activities (which include the Rural Electrification Administration and the Federal Financing Bank) in this manner could reduce reported budget outlay totals for fiscal year 1981 by about \$18 billion.

There have been increasing proposals to develop special budgets for capital, regulatory, paperwork, and tax expenditure budgets. Mr. Staats believed these would fragment or unnecessarily complicate the budget and lessen overall understanding of it. Before looking to special budgets as control mechanisms or a means of information disclosure, he recommended studying ways of revising the existing structure of budget functions, accounts, etc., to accomplish this.

The budget's amounts are now categorized many different ways: by object class categories such as travel, personnel, compensation, and so forth, and by assorted programmatic, functional, and zero-based budgeting categories. Furthermore, categories used by authorizing committees are often different from the other categories, and they are becoming increasingly relevant as the Congress moves toward more specific and timed authorizations. The many and often dissimilar categories complicate budget reporting and actions, making oversight difficult. Mr. Staats noted it would be desirable to have standard program entities to be used as the basic reporting and accountable entities in congressional authorization and appropriations actions and in executive branch budget actions. This would provide a clearer focus on what the Federal Government perceives the policy needs to be and how it is allocating resources for them. GAO's work in developing a possible mission budget structure for the Department of Agriculture illustrates the kind of reordering that may be required (PAD-80-08).

There are also problems associated with measuring budget resources and spending levels, and Mr. Staats discussed a number of these. He cited the need to develop more realistic budget estimates, rather than ones which do

not fully account for inflation factors or clearly state assumptions underlying projections. Among the many other technical measurement problems cited was the reporting of program activity spending in terms of obligations instead of costs. All the examples cited pointed to the need to streamline and simplify budget processes.

A major development straining budget procedures is the growth in the "relatively uncontrollable" portion of the budget. Defined as that part of the budget that cannot be significantly controlled in the annual appropriations process without prior changes in the authorizing legislation, the figure has risen from 59 percent of budget outlays in fiscal year 1967, to 77 percent estimated for 1981. This growth largely reflects the growth of Federal entitlement programs and long-term population trends. Practically, more than 77 percent of the budget is relatively uncontrollable, in that things such as operations and maintenance programs for public works, defense facilities, etc., cannot be drastically reduced without unacceptable consequences. This can be better recorded by additional or alternate classifications of programs to better delineate controllable and uncontrollable amounts, but the critical need is for the Congress and the executive branch to take budget actions with a longer time horizon in mind. Some efforts to enhance multiyear planning and budget actions are underway, but it is too early to determine their effectiveness.

In Mr. Staats' opinion, options to streamline the budget process should reduce unnecessary timing and workload pressures to permit more focus on and sustained analysis of important policy and related budget issues. This would lead to clearer statements of objectives and improved accountability of officials for their actions.

Mr. Staats also cited the need to determine whether the impoundment and deferral reporting requirements of the 1974 Congressional Budget and Impoundment Act create disincentives to curtailing wasteful spending. Do closer executive branch controls over spending raise new questions in this area? If so, new procedures are needed to eliminate these disincentives while safeguarding essential congressional control over spending levels.

A final point Mr. Staats raised was the need to determine whether current budget information is the kind that will

be needed to make decisions in the 1980's and beyond. Is more trend analysis needed or should there be strengthened special analyses of cross-cutting policies?

Recognizing that budgeting is only one way to increase overall Government effectiveness, Mr. Staats supported the idea of establishing another Hoover-type commission. The idea is contained in H.R. 6380, sponsored by Congressman Richard Bolling. Certain budget reforms can be undertaken without waiting for action by such a study commission. GAO is identifying issues that can be acted upon now and those which require further study.

A basic issue is whether the current system, largely put in place in a simpler era in which most of the budget was controllable through the appropriations process, is suitable in today's more complicated and broadly participative environment. Mr. Staats expects the next few years to be challenging and exciting ones for those concerned with the budget process.

*Editor's note: Changes to the budget process appear to be a topic of considerable interest to the 97th Congress. As this Review went to press (mid-January), Mr. Staats had already been invited to provide testimony to the Senate Appropriations Committee.*

## Transition and GAO

GAO is unique among Federal agencies in Washington in that the term *transition* has two meanings. For most public servants it means preparing for President Reagan and his appointees, who were about to take office as this issue went to press. Its second meaning at GAO refers to the transition to a new Comptroller General, who will take office sometime after Mr. Staats retires on March 7, 1981. At this point, with the congressional nominating committee not yet in session, there is little one can do except speculate on the GAO process.

The presidential transition is very current, and GAO does have somewhat of a role in that process. While the President does not control GAO as he does the executive agencies, he is very aware of GAO's role in the Government process and anxious to make use of the information GAO has published. Readers may remember that he quoted a GAO report in the pre-election debate with President Carter.

GAO has provided information on

topics including executive pay, budget reform, and combating fraud in Government. The transition team also received copies of the summaries of conclusions and recommendations for fiscal year 1980. In addition, some of our own bosses, in the form of incoming committee chairs in the Senate, have requested briefings and information on the subjects with which they deal. So while its involvement has not been as hectic, GAO has been recognized as an information source and is pleased to see that the new administration recognizes the value of its evaluations.

## Streamlining Defense Audit Work

To enhance the contribution made to congressional decisionmaking by GAO's reviews in the defense area, Comptroller General Staats announced some organizational changes in late 1980. These changes grew out of recommendations made by studies prepared by consultant Robert Moot and Special Assistant to the Comptroller General Thomas Morris. The two studies gave generally good marks to the quality and scope of work performed, but revealed the importance of providing more subject matter training to staff working in the area and attracting more staff.

The Procurement and Systems Acquisition Division (PSAD) was replaced by the Mission Analysis and Systems Acquisitions Division (MASAD). The Procurement, Logistics, and Readiness Division (PLRD) replaced the Logistics and Communications Division (LCD). As the title of the second division implies, it gained the general procurement from the former PSAD. Simultaneously, MASAD gained the communications and information work from the former LCD.

Sound confusing? It really is not too complicated. Essentially, MASAD consists of three subdivisions:

- **Systems Development and Acquisition** staff is to handle acquisition management, and research and development.
- **Mission Analysis** staff will undertake that work which assesses whether the Department of Defense's (DOD's) new systems acquisitions do deal with deficiencies perceived in the U.S. defense arsenal.
- **Communications, Command, Control, and Intelligence** is a fairly self-

explanatory category, which will include among its activities defense-related automatic data processing work.

PLRD has four subdivisions:

- **General Procurement** deals with military and civil procurement other than major weapons systems.
- **Supply, Maintenance, and Distribution** staff will address the subjects implicit in its title, and will handle strategic mobility of supplies.
- **Facilities Acquisition and Management** group will add responsibility for studies of procurement and contracting which relate to facilities and will propose (along with the Community and Economic Development Division) reviews of military family housing. The decision as to which division will perform specific assignments will be made jointly by PLRD and CEDD, with assistance of the Defense Programs Planning and Analysis staff, which is described later.
- **Readiness** staff will continue to address military preparedness, mobilization planning, and civil preparedness. It will also keep abreast of readiness reviews in all other divisions and will analyze periodic reports issued to the Congress by DOD and prepare GAO overview assessments of these reports.

The new kid on the block, so to speak, is the Defense Programs Planning and Analysis Staff (DPPA), a small but very senior unit which will study defense issues and delineate problems warranting greater coordination, especially those which could be better addressed by forming teams with members from two or more GAO divisions. The staff will also maintain awareness with the views and concerns of appropriate congressional staff and defense officials and key experts within GAO's sister agencies, the Congressional Budget Office, Congressional Research Service, and the Office of Technology Assessment.

In line with GAO's efforts to stress results orientation of its work, the DPPA staff will keep abreast of DOD actions on key GAO recommendations and suggest GAO strategies to highlight problems which inhibit timely accomplishment of improvements. The staff will also (with assistance from GAO's Personnel Office) monitor and guide staff recruitment, training, and development in defense subjects. DPPA will encourage audit teams to use experts whose special knowledge would contribute to their work.

What are some of the reasons for the new combinations? Take the combination of general procurement with logistics management. By relating these efforts more closely, greater emphasis can be placed on obtaining competition in procurement based on firm requirements for the wide range of supplies, parts, commodities, and services required by DOD and civilian agencies. In highlighting the mission analysis work in the new MASAD, the Comptroller General hopes to further enhance GAO's ability to perform these longer-term capability analyses, a capability which has been growing in recent years.

While the revised divisions will be separate entities and function as do other GAO divisions, Mr. Staats believed that their size and scope merited having a Special Assistant for Defense and Materiel Management Studies in the Office of the Comptroller General. Tom Morris will serve in this capacity, exercising direction and oversight for Mr. Staats.

As a further opportunity to broaden GAO's perspective in the defense area, Mr. Staats established a Comptroller General's Consultants Panel on Defense Programs, scheduled to meet for the first time in late February 1981. The group, whose members have experience in DOD management and policy issues, would consult with GAO periodically in planning work in any of these areas.

### Organizing to Better Assist GAO Staff

Another recent reorganization brought GAO one step closer to an integrated human resource management system. Believing that a special unit charged with this responsibility would give this goal the level of visibility it deserved, Mr. Staats established the Office of Organization and Human Development. The new unit brought together Personnel's research and analysis, training and counseling and career development, and outplacement groups, and the organization development staff from the General Services and Controller's office.

In his memo announcing the unit, Comptroller General Staats noted the GAO Personnel Act of 1980 presented the opportunity to develop programs which are specifically tailored to meet GAO's needs. Since the broad guidelines for implementing the independent personnel system are in place, he

sees GAO concentrating on developing the specific programs to support effective human resource management. (Editor's note: An article in this issue, "An Integrated Approach to Human Resource Management," by Robert Pernick, provides a good discussion of the issues involved in designing such a system.)

### Finding That GAO Report

GAO reports are often cited by the news media, in the *Congressional Record* or in other publications, leading readers to look for them. Finding a report when you do not have its number or exact title can be difficult, not only for the professor or business person who wants to obtain one but for GAO staff as well.

GAO has developed several indexing schemes and published various indexes which catalog its work, and other organizations include GAO publications in their indexes or computerized data bases. To help the novice and pro wade through the maze of information, GAO's Technical Information Sources and Services Branch researched the information available and published its new *Guide to Sources for Identifying General Accounting Office Reports*.

With its analysis of 18 different sources, the *Guide* is a good starting place for those researching a topic. It also explores the many different numbering systems used to identify GAO reports, explaining the origin and meaning of B-numbers and (remembering this will date a GAO staffer) the A-numbers and I-numbers which preceded them.

Copies are available in GAO's Audit Reference Services Library (room 6536), the Law Library (room 7056), and through the GAO Document Handling and Information Services Facility (room 1518, phone 202-275-3691). The GAO accession number is 113457.

### Economic Assessment of Regulatory Legislation

Senate Rule 27.6 requires that each Senate committee include a regulatory impact evaluation with each public bill or joint resolution reported by the committee. These evaluations must address paperwork, privacy, and economic impacts. There is no short and

## From Our Briefcase

easy approach to such an assessment, and GAO's Program Analysis Division (PAD) has prepared *A Technical Guide to Assessing and Preparing Economic Impact Analysis of Regulatory Legislation* (PAD-81-03).

The *Guide* has two audiences, those who must prepare the analyses and those who must assess them. The latter category is generally congressional staffs, and chapter 2 of the *Guide* provides a list and description of the kind of information that should be contained in a complete economic analysis. Evaluating an analysis against the questions presented in this chapter cannot be the only indicator of quality, but it will allow an appraisal of whether the analysis addresses the relevant economic issues. The chapter provides an orderly way for users of an analysis to examine the assumptions and data presented in it.

The technical nature of chapters 3 and 4, which are geared to impact analysis preparers, makes it clear such an analysis will most likely require the assistance of economists. With or without such assistance, the chapters will be useful in providing a step-by-step approach to preparing a high quality economic analysis.

Copies of the *Guide* are available from GAO's Document Handling unit in room 1518 of the GAO Building, or by calling (202) 275-6241. Prepared as a tool to assist in a complicated evaluation, the *Guide* may be revised, if appropriate. Its foreword notes that comments or suggestions may be sent to PAD director Mort Myers, whose address is provided therein.

## GAO Review Goes to Congress

While articles from the *GAO Review* frequently are reprinted in publications, it is rare that they are brought to the attention of the Congress. This is what happened to "The Inspectors General—On-the-Spot Watchdogs," by Judy Kopff, which appeared in the Spring 1980 issue.

Citing it as a "valuable perspective on the Offices of Inspectors General," Senator Thomas Eagleton inserted it in the December 5, 1980, issue of the *Congressional Record*. If you missed this thoughtful article when it originally appeared, it is worth finding last year's Spring issue for some interesting history of the legislation leading to establishing the "IG's," as they are commonly known.

# On Location

## Public Administration Community Honors Mr. Staats

The National Capital Area Chapter of the American Society for Public Administration (ASPA) used its 11th annual conference as an opportunity to recognize Mr. Staats' achievements as a leading administrator in the legislative and executive branches of the U.S. Government. As one of ASPA's founders in 1939 and a past president of the local chapter and the national organization, Mr. Staats has been in a unique leadership position in the public administration arena.

The December 2, 1980, special tribute included the presentation of Senate and House Resolutions approved by the Congress in October 1980 and given to Mr. Staats by representatives of both Houses of Congress. There to offer congratulations and present the Resolutions were Senator Thomas Eagleton and Representatives Jack Brooks and Frank Horton, all of whom had praise for Mr. Staats' public service accomplishments. Senior OMB official Harrison Wellford represented President Carter.

While he had been told of the luncheon in advance, Mr. Staats was not aware of its elaborate nature or the number of long-time friends who

would attend. Joining the nearly 600 conference participants in wishing him well were members of his family, friends dating back over 40 years to the Bureau of the Budget, many past presidents of ASPA, countless current and retired GAO employees and many others from various aspects of his professional past. ASPA chapter president Dona Wolf noted the problem in preparing the guest list was in getting it down to a manageable size.

In briefly addressing the guests, Mr. Staats noted he and Mrs. Staats were pleased that so many fine friends had been able to attend the event, and he would remember it with great pleasure.

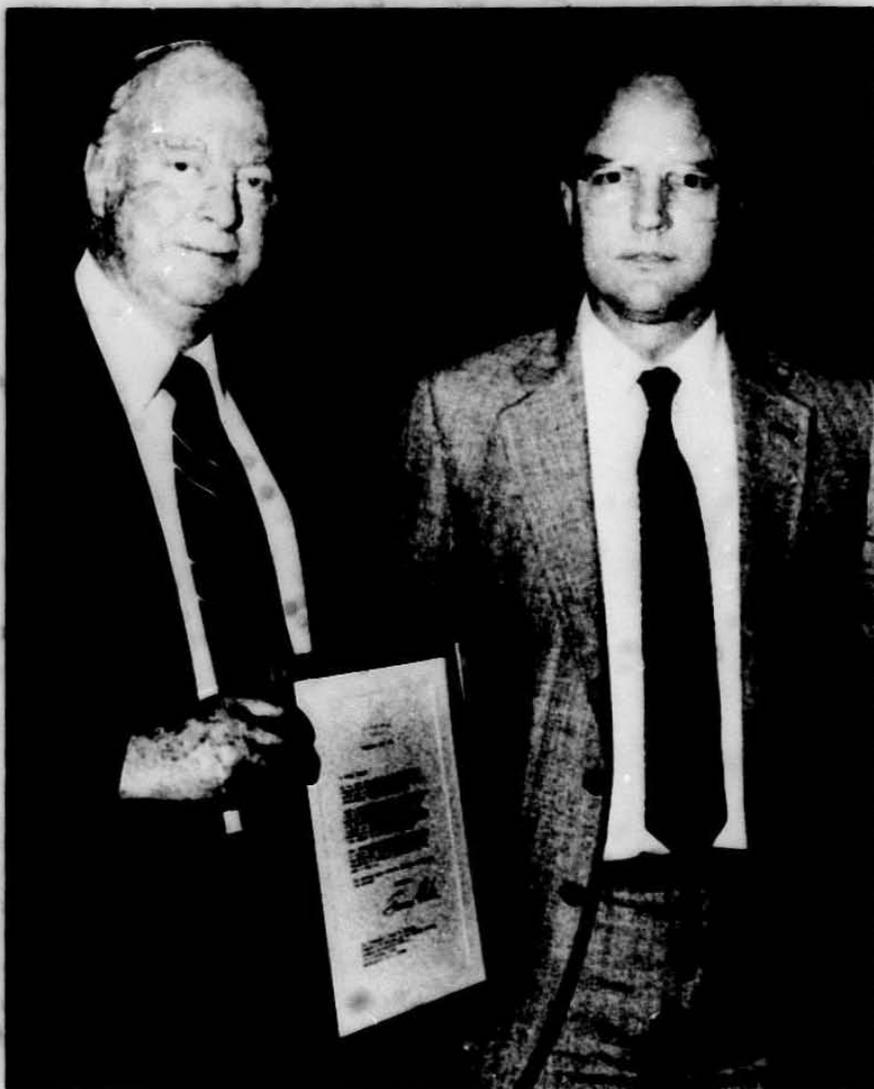
## Evaluation Research Society Gives Federal Executive Award

The Evaluation Research Society awarded its 1980 Federal Executive Award for recognition of contributions to evaluation research to Comptroller General Staats. In accepting, Mr. Staats noted that he regarded it as an award to the General Accounting Office for its efforts in evaluating Government programs.

The awards ceremony was held in conjunction with the Society's annual conference in Arlington, Virginia, on November 21, 1980. In briefly address-



Mr. Staats is shown receiving the House Resolution commending his career. Presenting it are Congressmen Frank Horton (l.) and Jack Brooks. Senator Thomas Eagleton presented a Senate Resolution on behalf of that body.



Harrison Wellford of the Executive Office of the President presents Mr. Staats with a letter from President Jimmy Carter.

ing the attendees, Mr. Staats cited the need to focus on evaluation as a means of enhancing the effectiveness and operations of Government programs. He referred to the recent establishment of the Institute for Program Evaluation within GAO as one of the ways GAO was attempting to do this.

After its merger earlier in 1980 with the Council for Applied Social Research, the Evaluation Research Society agreed to assume responsibility for selecting winners of awards the Council formerly conferred. Winner of the Paul Lazarsfeld Award for distinguished evaluation research was Professor Harold Watts of Columbia University. The Society again bestowed its Myrdal Awards for Human Services, Government, and Science. Winners were Professor Jack Rothman of the

University of Michigan for Human Services, Dr. Elliot Liebow of the National Institute of Mental Health for Government, and Dr. Carol Weiss of Harvard University for Science.

### **Behind the Scenes in the Office of Publishing Services**

How is it that those scribbled draft reports, GAO *Review* articles and various documents convert into the professional publications which present a good image of GAO to their recipients throughout the United States and the world? Most GAO staff do not have the occasion to spend time in the Office of Publishing Services (OPS), and those who do venture to the center of the 4th

floor often do so only to present a requisition for services and impatiently wait for a product to roll off the presses, so to speak.

To better familiarize the rest of the organization with the myriad of functions performed in their shop, director Julius Brown and staff invited the rest of GAO to an Open House on November 20th. With explanations provided by enthusiastic guides, tourers viewed the computerized typesetting equipment and watched artists at work in the Graphic Section and marveled at the advanced word processing equipment in the Writing Resources Branch that allows its users (several GAO divisions and regional offices using it on a test basis) to communicate across country nearly as easily as across town. With a chance to go beyond the "no entry" sign into the Printing Unit, it became easier to understand how such a large volume of GAO reports can be put together in a relatively short time.

Did you know there are two distribution units, one for initial distribution of audit reports and another which handles other publications such as this *Review*, updates to the Comprehensive Audit Manual and the *Annual Report*? It is also not likely that very many tour participants were aware that GAO's Mail and Messenger Section annually handles 2 million pieces of mail per year from the Postal Service and internally 12 million pieces.

For those in GAO who have not worked much or often with OPS staff, it is enlightening to see how these various units work together to take a group of typed pages and turn them into clearly presented publications. As with other services (such as the libraries, perhaps) an evaluator's awareness of how to tap resources (and to do so early in the reporting process) can make quite a difference in a publication. Looking ahead to the visual communication element of a report or other product can permit, for example, a graphics artist to suggest ideas for a graph which summarizes several pages of text, or a situation in which a photograph would give the reader an impression that the most well-worded paragraph could never convey.

Interested? You're welcome to contact the Office of Publishing Services at any time. You will also find that the editors in the divisions and regions will probably be able to give some guidance or suggestions.



Ken Pairs (l.) and Tina Devine (back to camera) explain functions of the Graphics Section to visitors during GS&C Day.



Herb Green, assistant foreman of GAO's printing plant, demonstrates equipment during the GS&C Day tour.  
GAO Review/Spring 1981

# Reflections on 15 Years

**Elmer B. Staats**  
Comptroller General of  
the United States, retired



Mr. Staats is shown thanking GAO staff for their years of dedicated service.

As my term as Comptroller General drew to a close, I found myself reflecting on many aspects of those 15 years. I am struck by the relationship between the changes in GAO and the types of change that have occurred around us. Would the 1970 Legislative Reorganization Act and the 1974 Budget and Impoundment Control Act (which considerably broadened the scope of our work) have been passed in a different environment? A post-Vietnam and -Watergate Congress, with heightened sensitivity to executive powers and a desire to strengthen congressional impact on the budget process, passed those acts. To be sure, as Great Society programs were implemented, defense spending rose, and deficit budgeting began to look harder to overcome, the Congress would have wanted more input on the results of the legislation it passed. Essentially, a number of events combined to form the catalyst which catapulted GAO from a 1966 organization best known for its audits of Government contracts

to the 1981 entity which analyzes the economic impact of a development program or advises the Congress on the need to develop a more focused policy on the role of the liquid metal fast breeder reactor in U.S. energy policy.

I would like to take this opportunity to share with you some of my thoughts and perceptions on GAO's evolution during this period.

My first efforts in March 1966 were to get better acquainted with the staff and the operations of the General Accounting Office. I remember taking a tour of the building, floor by floor, to have a chance to meet members of our staff. Subsequently, I visited the various regional offices and eventually, in 1968, I visited the GAO offices overseas. During these visits, I heard many suggestions as to how GAO's operations might be improved: better program planning, better communication, the need to improve our relationships with the Congress, and so on. It took a while to sort all these ideas out and

have a chance to discuss alternatives with key members of our staff.

Among the concerns which I recognized was the possible impact of the hearings held by the House Government Operations Committee, better known as the Holifield hearings, with respect to GAO's role in auditing defense contracts. While these hearings were held prior to my nomination as Comptroller General, my main concern was to avoid the impression among members of our staff concerned with defense programs that these hearings represented a "vote of lack of confidence" in GAO's ability to deal with difficult and sensitive defense issues. I learned that the staff that were devoted to defense contract audits had been decreased, and I took steps to restore the previous level of effort.

I also recognized that some of the concerns which had resulted in the Holifield hearings stemmed from pricing reviews on cost type contracts which had had a major bearing upon

the enactment of the Truth in Negotiations legislation. I therefore concluded that one way we could have a constructive role with respect to defense contracting was to undertake a detailed review of the adequacy of implementation of the Truth in Negotiations statute. I believe this review, together with follow-up reviews, did much to improve the integrity of the contracting process. Separately, I came to agree with one of the committee's recommendations that GAO's reports should not become headline hunters, that both the titles of GAO reports and the narrative should be descriptive of the content of the report although the reports themselves should in no sense lose their force, nor should individual contractors be excused from being mentioned in our reports should there be abuse by the contractor rather than by the contracting agency. I concluded that, in the long run, reporting our work in a more even-handed tone would probably encourage adoption of more of our recommendations. I believed then and continue to believe that GAO's principal contribution is to evaluate management performance, procurement systems, and to provide the Congress information with respect to deficiencies in individual systems and procurement methods. Furthermore, individual contractors, like any other private organization which was singled out for comment or criticism in GAO reports, should have an opportunity to review the factual statements in our reports which relate to that organization.

As its primary oversight agency, it is quite basic to ask the question "how can we provide better service" to the Congress. Given the changing nature of the Congress' information/analysis needs, I have found we can hardly raise this question too often. In visiting many of the House and Senate committees during my first year in office, I found few negative assessments of GAO's work, but not much use of it, either. About 6 percent of GAO's work was the result of direct requests from the Congress for assistance. This can be compared to roughly 38 percent in 1980. While numbers do not tell the entire story (particularly since I think the work planned under GAO's basic legislative authority is also well-g geared to needs of the Congress), they are an indication of GAO's increased usefulness in congressional decisionmaking.

As a former budget official, many of the changes I made in organizational

focus and operations were designed to permit GAO's work to be more pertinent to the congressional budget process. If assessments of results aren't plugged into the fund approval process, I would maintain we are missing the boat.

GAO staff who have been here since 1966 have seen the organization change from one with four divisions—civil, defense, field operations, and international—to one with 11 organized along functional lines. While there are many accountants and lawyers contributing significantly to our work, there are almost too many other disciplines to name. I can remember when we thought it somewhat daring to hire a few business administration majors and engineers for our audit work rather than only accountants! While some of these and other changes would have been made had the scope of our work not broadened, it was the need to meet new work challenges which brought about many changes. Obviously, many of these alterations were prompted by the world around us. In 1966, there was relatively little awareness of environmental issues, few would have questioned U.S. military strength, and the War on Poverty was a primary focus of domestic policy. Since then, GAO has assessed such varied subjects as environmental policies and programs, nuclear waste disposal, indoor air pollution, as well as examining defense issues ranging from the efficacy of the F-16 program to the structure of the all volunteer force, and studied social programs from Head Start to Medicare.

Our methods for approaching our work now versus how it was done in the late sixties are naturally quite different. While we have borrowed somewhat from techniques of research organizations, the focus of our work and its use is so different from that of others that many of the practices GAO evaluators employ today have been developed within our own organization. The combined need to take the best from the outside world and merge it with what we have developed inhouse led me to create our Institute for Program Evaluation in 1980. Working with the rest of the organization, I am confident that the Institute will contribute significantly to GAO's development and that of the evaluation field, generally.

Whenever an organization undergoes the drastic metamorphosis GAO has experienced, there is a clear need

to restructure the human resource components. Although there is much to be done (for instance, in tying the new performance appraisal system to the pay for performance concept and continuing to improve GAO's EEO profile), I think real strides have been made. Establishing GAO's Office for Organization and Human Development in late 1980 permitted an enhanced focus on the activities which pertain to an integrated human resource approach: counseling, career development, training, organization development, and personnel research.

Throughout these 15 years I have met individuals from other Federal agencies, U.S. organizations, the private sector, and many countries. I have grown used to seeing worldwide awareness of and admiration for GAO's work, and it has given me a keen sense of our responsibility to work with others. I mean this in more than the technical, information-sharing sense. The outreach efforts our staff continually make include interactions with agency inspector general and audit staffs, intergovernmental audit forum members, professional societies, and other nation's audit offices, to name a few. All of these groups are working to enhance governmental efficiency and effectiveness, and it is only by working together that this goal can become more attainable.

I have been asked often in the last few months how it feels to look back on a 40-year career, and particularly how it feels to be leaving GAO after 15 of those years. One person thought I should be delighted not to have to continually read work that was critical of Government operations—surely, he said, it must get depressing. While I may not miss the volume of reading, it is not Government inefficiencies or misdirections which I remember most. Rather, it is the caliber of people with whom I worked. The degree of professionalism with which GAO staff and the many others with whom I've interacted approach their careers is a constant reward. Perhaps the epitome of this was the late Deputy Comptroller General, Bob Keller.

I would like to close by encouraging GAO to look ahead with the same degree of enthusiasm and competence which has characterized its past activities. It has been my pleasure to work with you, and my successor will surely find the experience equally stimulating.



Joan Scott of GAO's General Government Division presents Mr. Staats with a silver tray, one of the traditional gifts retirees receive.



Among the many already-retired GAO staff who wished Mr. Staats well was Frank Weitzel, who served as Assistant Comptroller General for the first three years of Mr. Staats' term. Is he perhaps giving some advice on how to truly retire?



Mr. Staats shook hundreds of hands at the Pension Building retirement gathering, to which all GAO staff were invited. Here Mr. and Mrs. Staats and Karen Gray, who coordinated reception activities, greet Frank Fee, Director of the Field Operations Division and Clerio Pin, Assistant Comptroller General for Administration.



President Reagan honored Mr. Staats by presenting him with the Presidential Citizens Medal. The award was presented at the White House at a March 23 ceremony. This marked only the third time such a medal had been given.

*(Photo by Mary Anne Fackelman, White House.)*





One of GAO's most vocal admirers, Senator Charles Percy of Illinois, congratulates Mr. Staats on his upcoming retirement.



Mr. and Mrs. Staats examine the graphic display of Mr. Staats' 15 year term.



In later remarks at the Capitol Hill reception held in Mr. Staats' honor, Senator Strom Thurmond of South Carolina noted that it would be difficult to imagine Washington without Elmer Staats. Here he is shown with Mr. and Mrs. Staats.

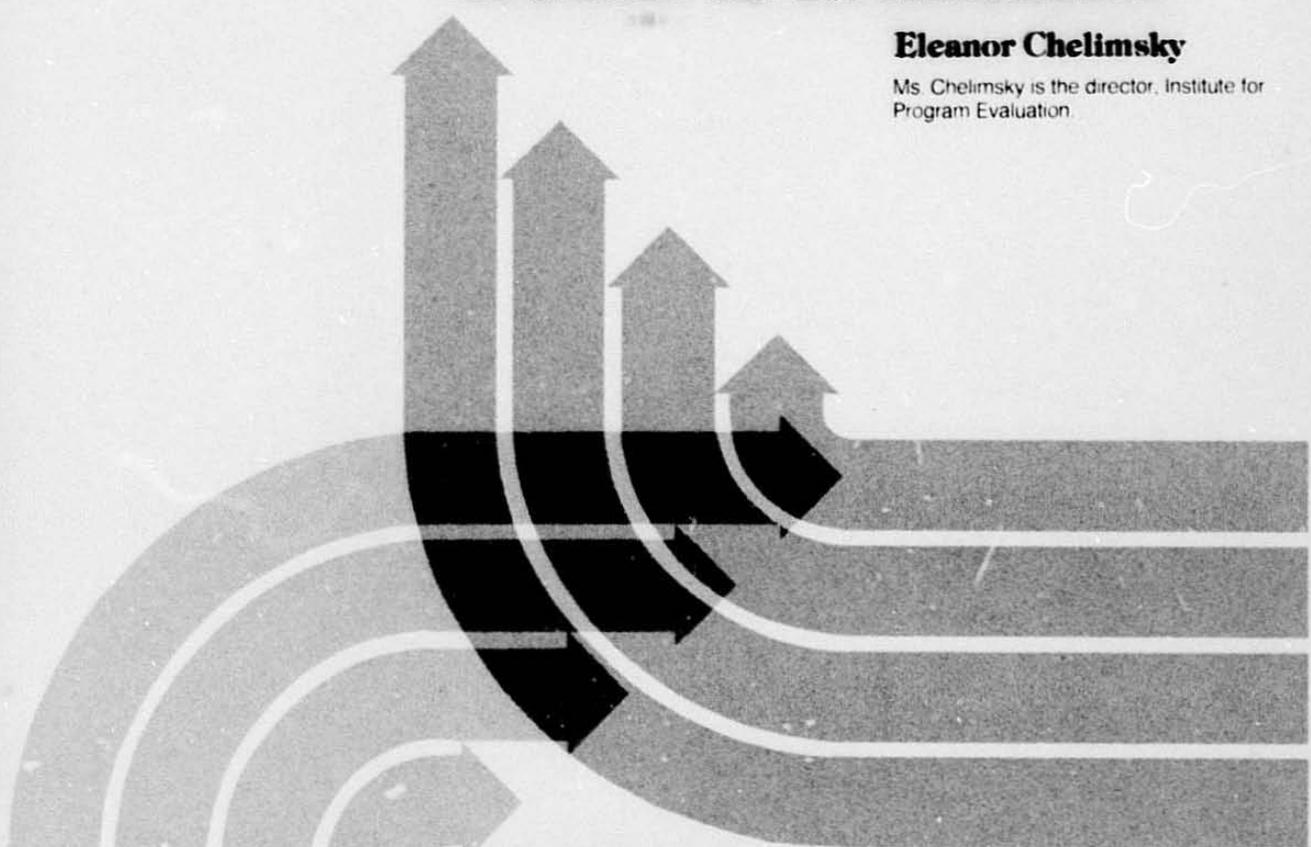


Fifteen years of papers and files are difficult to organize. Much of the responsibility for sifting through history went to Mrs. Gladys Rigsby, who served as Mr. Staats' secretary for the last years of his term.

# Trends in Evaluation

**Eleanor Chelimsky**

Ms. Chelimsky is the director, Institute for Program Evaluation.



## **Networking and Teleconferencing: IPE Will Test Two Approaches**

A common theme that has appeared in previous issues of this column is that of the institutionalization of evaluation. Although this is certainly a heartening development in that it increases the legitimacy of evaluation, institutionalization does present some dangers. The most significant threat derives from the possibility that the lines of activity and responsibility established during the institutionalization process may be overformalized and become barriers to the communication of evaluation results. Such a consequence would be especially harmful to the field of evaluation whose usefulness depends, first of all, on the effective communication of the findings to decisionmakers and other audiences.

With the goal of minimizing barriers to such communication, a number of efforts are underway to establish net-

works of individuals interested in evaluation, networks which cut across organizational and hierarchical affiliations. Some of these networks are national in scope (The Evaluation Network) while others are more localized (The Pennsylvania Evaluation Network); some are well known (The Evaluation Research Society) while others enjoy relative anonymity (Youth Network). Despite these differences, all of these networks share the common characteristic of reliance on well-established modes of communication (telephone and mail).

The idea of a network to promote the communication of evaluative information is certainly not new and, in fact, networks can be said to have existed since humans first learned to communicate. The nature of these associations, however, is heavily dependent on available technologies. The advent of new technologies (such as the stone tablet, the printing press, the telephone) greatly affect how broad and responsive networks can be.

In its current planning, GAO's Institute for Program Evaluation (IPE) is thinking of testing two different net-

working approaches to assist GAO staff, outside evaluators, and various types of evaluation users in their efforts to

- stay abreast of developments in the evaluative state-of-the-art,
- increase the resources generally available to get counsel and advice on difficult problems,
- ensure that the existence of prior work (such as validated scales or other data collection instruments and data bases already developed) can be rapidly queried and determined, and
- improve the likelihood of building on the common experience in conducting and using evaluations to develop better approaches and more sensitive measures along with more decision-relevant and timely information.

Both of these networking approaches will enlist members with interest in evaluation issues, but they are designed to test different things. A primary difference is that one network is regional in scope while the other is national.

The regional network being tested out of the Atlanta regional office is designed to learn the common interests of evaluators in many different departments of universities and in various State and local governments in the region. An expected result is to identify the kind of information different evaluators need to communicate to one another. Second, the test will evaluate the usefulness to members of various systematically planned methods such as conferences, monographs, and newsletter, as well as the telephone.

The national effort will enable IPE to test whether and to what extent the common interests of evaluators on a national scope coincide with regional interests. Also in this effort IPE is thinking of how to test various networking techniques; for example, a technique which might be adapted to evaluation interest is computer based teleconferencing (CBT).

CBT works in the following manner: all members maintain accounts at a common computer facility. Using one of the national computer linking services (TELENET, TYMNET, etc.), individuals can access their accounts from anywhere in the country with a local telephone call. Once they are on the system, members can perform one of four tasks: (1) they can send a private message to any other member of the network; (2) they can send a public

message to all other members; (3) they can respond to any private or public broadcast; and (4) they can see all the responses to any public broadcast.

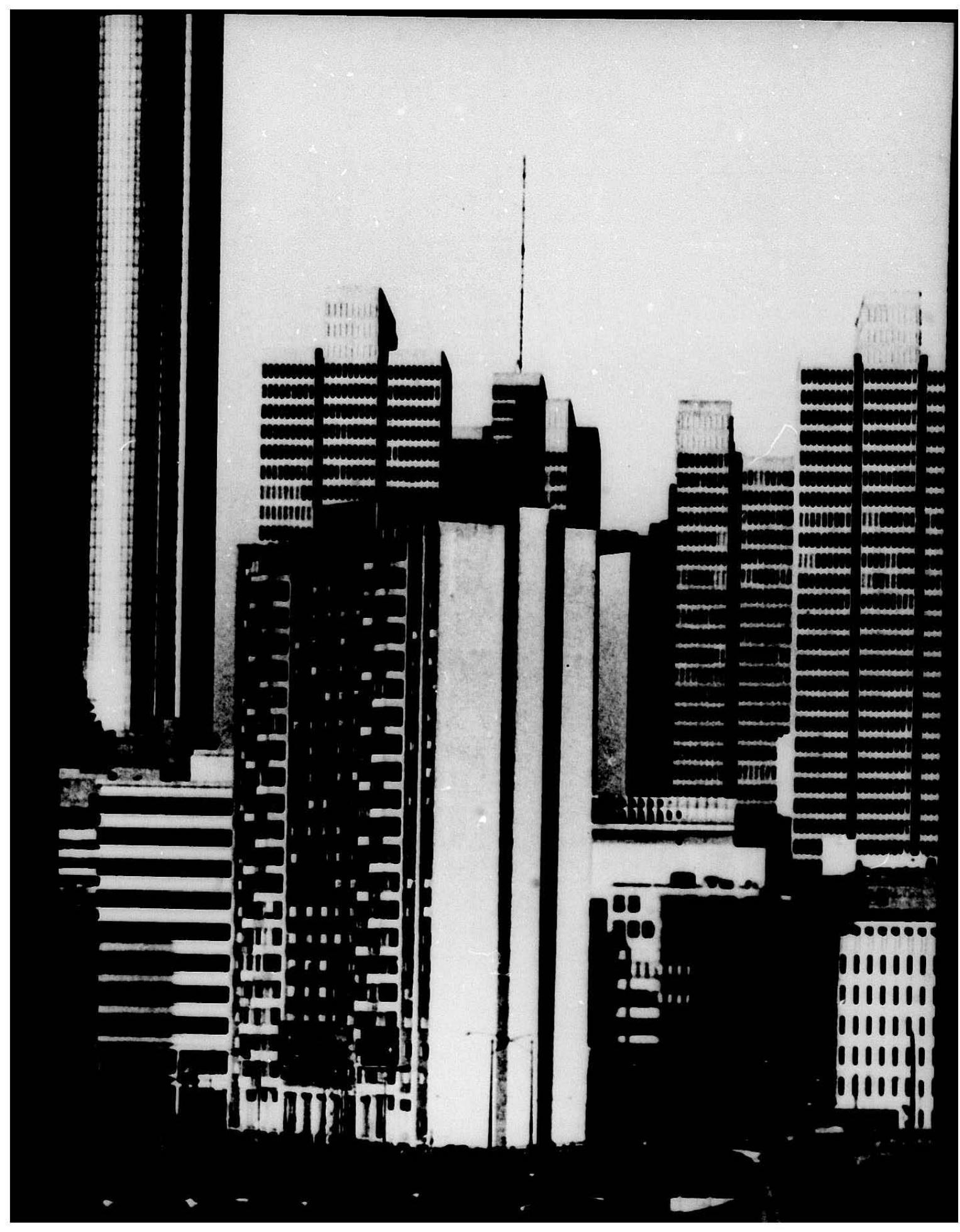
Examples of what can be provided with these capabilities include

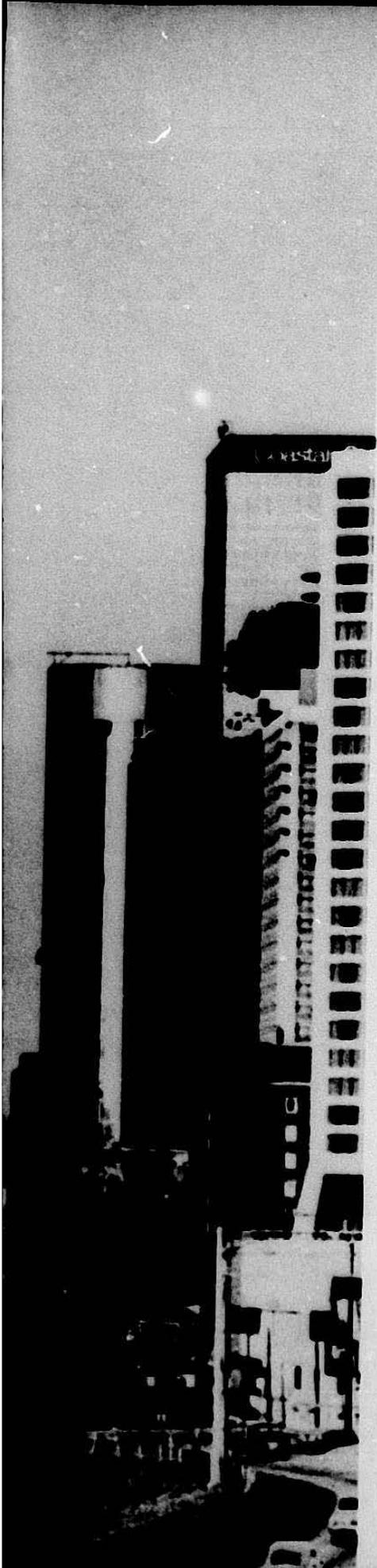
- *Listing of meetings and events* (e.g., the Evaluation Research Society or the Los Angeles regional office of GAO intends to hold a special conference, say, on implementation analysis. Papers are requested and suggestions for future special sessions are invited.);
- *Inquiries regarding availability of data* (e.g., a hypothetical University Center for Policy Studies is currently evaluating programs for runaway youth and would be interested in any data sets with the following characteristics ...);
- *Listing of evaluation designs for outside comment* (e.g., the Community and Economic Development Division of GAO will be evaluating the School Lunch Program and has adopted the following sampling procedures ...);
- *Requests for validated measures* (e.g., as part of an evaluation by Health and Human Services Department we need a scale to measure economic deprivation among immigrant populations. If someone knows of such a scale, please contact ...); and
- *Requests for new or alternative methods* (e.g., a local evaluation team has a data set with the following characteristics and needs an algorithm which can discern any patterns that exist in that data. Please respond to ...).

Two points to bear in mind regarding the teleconferencing approach are efficiency and timeliness. The efficiency is its ability to reach a large audience with a single notice, which eliminates the need for massive mailings. The timeliness is that the service is open 24 hours a day, 7 days a week, and one need not wait for the next quarterly issue of some periodical, but rather can get immediate answers to pressing questions.

Even in light of all the capabilities and benefits of techniques such as CBT, however, it must be recognized that the eventual success or failure of any evaluation network will be primarily dependent on the commitment of network members to the approach used. That is why we need to think of IPE's efforts in this area as "tests." Eventually, we would hope that the tests would help to select the most use-

ful networking approach for either a national or a regional network and necessary linkages among them. Whether or not networking can aid, through improved communication, the development of an effective evaluation community is a question to which we hope soon to provide an answer.



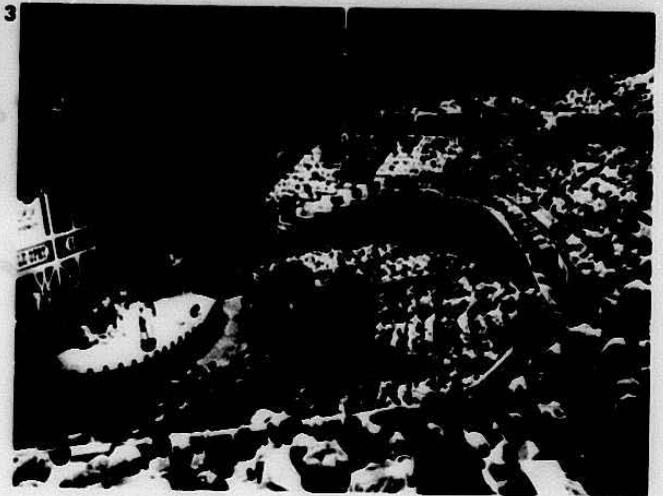
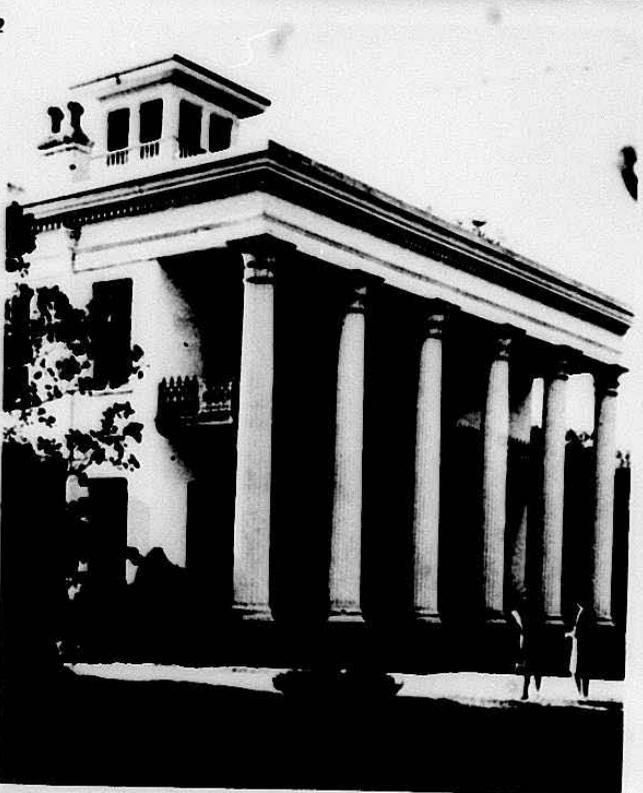
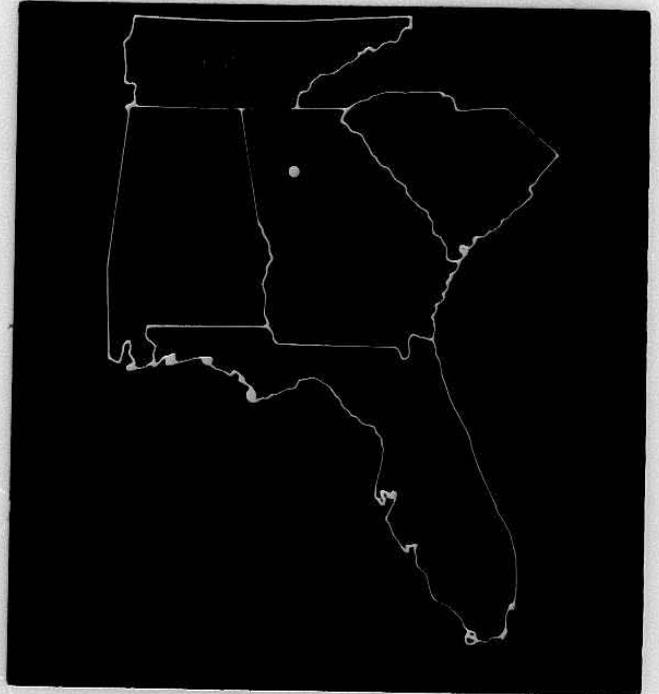


# Welcome To The Now South!

“It's the South  
Black-eyed peas and hush yo' mouth  
Good ole boys and a rebel shout  
Can't get in and you don't want out  
It's the South”

Frankie Fulton, aided and abetted by a committee composed of Elaine Asher, Kathy Chenault, Bill Curtis, Jennifer Dickinson, Susan Johnson, David Lampe, Jim Nobles, and Terrie Slaton, wrote this article. Like other contributors to the *Review*, Frankie and his helpers have earned numerous academic degrees and can point to many notable achievements with pride. In the interest of brevity, they are sparing you a listing of both the former and the latter. In the interest of justice, however, they want to thank several colleagues in ARO for helping to make this article possible.

# Atlanta Regional Office



1 The Cherokees called these Tennessee mountains the "Land of the Great Smoke."

2 Sturdivant Hall in Selma, Alabama, is a typical antebellum mansion. (Photo courtesy State of Alabama, Bureau of Publicity and Information.)

3 Nashville's Grand Ole Opry has been a center for country music since 1925. (Photo courtesy Tennessee Tourist Development.)

4 Cotton is still a major Alabama crop. (Photo courtesy State of Alabama Bureau of Publicity and Information.)

5 Peaches from the real "Peach State," South Carolina. (Photo courtesy South Carolina Dept. of Parks, Recreation, and Tourism.)

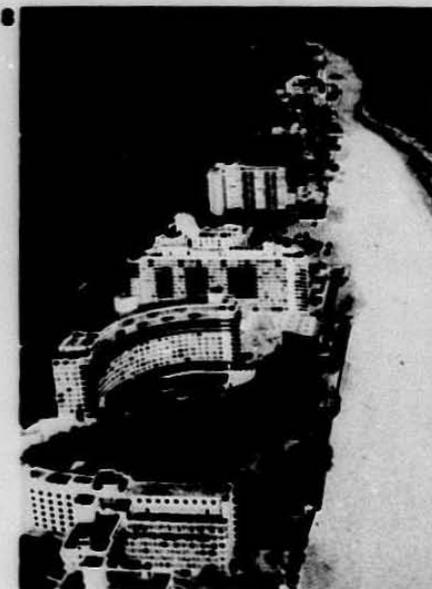
6 Much of Southern folklore is written about Georgia's beautiful and mysterious Okefenokee Swamp. (Photo courtesy of the Tourist Division, Georgia Dept. of Industry and Trade.)

7 Georgia loves those goober peas! (Photo courtesy Tourist Division, Georgia Dept. of Industry and Trade.)

8 The coastline of Miami Beach. (Photo courtesy of Florida News Bureau, Division of Tourism.)

9 Orange blossoms are the delicate beginning of Florida's citrus crop. (Photo courtesy of Florida Dept. of Commerce, News Bureau.)

10 Tobacco harvesters in Conway, S.C. (Photo courtesy of South Carolina Dept. of Parks, Recreation, and Tourism.)



## This is eleventh in a series of articles on GAO's regional offices.

The Deep South. Dixie. The Bible Belt. The Land of Cotton. What's in a name? Maybe nothing, maybe everything, probably only part of the story. Few areas of the country have been so prodded, observed, examined, evaluated, and labeled as the Southeastern States. Yet we remain undefined, a region of tremendous change and growth, looking toward the future, but fiercely loyal to our storied past. We're neither the Old South nor the New South but the NOW South, and we're proud of it.

GAO has located its Atlanta regional office (ARO) in the five-State area that includes Alabama, Florida, Georgia, South Carolina, and much of Tennessee. As that of the region we serve, ours is a story of change and growth against a solid backdrop of tradition. We have come to be GAO's second largest regional office, with a workload almost as diverse as the agency's own. To better understand why we've grown and why we do what we do, come with us a few minutes while we tell you a little about ourselves.

### *It's the South*

*Black-eyed peas and hush yo'mouth  
Good ole boys and a rebel shout  
Can't get in and you don't want out  
It's the South*

## The Land

If you like variety, our region has it all. To begin with, it's big. From the Kentucky-Tennessee border, the region reaches down more than 1,000 miles to Key West, Florida, the Nation's southernmost city. At its widest point, the region stretches more than 500 miles across Alabama, Georgia, and South Carolina, the South's heartland. In all, the five-State region covers over 230,000 square miles and is home to about 23 million people.

You like the ocean, you say? Then you've definitely come to the right place. South Carolina, Georgia, Florida, and Alabama have more than 14,000 miles of tidal coastline on the Atlantic Ocean and Gulf of Mexico. With their sparkling white beaches, high sand dunes, sand bars, and offshore islands, these coasts attract literally millions of sports enthusiasts and sun worshipers each year.

Traveling inland, visitors can find the coastal plains region, a broad expanse

given to marshes, fresh water lakes, thick forests of pine and various hardwoods, and rich agricultural lands. The area is famous for its flowering plants, with more than 3,000 species in Florida alone. It contains the Everglades and Okefenokee Swamp, habitats for a great variety of fish, birds, and mammals, including the alligator.

Perhaps you prefer the cool serenity of the mountains? You can find that here, too. Across eastern Tennessee and into northern Georgia, the Blue Ridge Mountains extend the Appalachian chain. These mountains are named for their forested slopes, which appear to be a blue haze from a distance. The highest point in the region—Clingman's Dome, Tennessee, at 6,643 feet—is here, as is the Great Smokey Mountains National Park, for years the most visited national park in the country. Mountains, gorges, and valleys are all part of the terrain of the "Smokies," and more than 130 species of trees grow on its slopes. Wildlife is abundant, with the black bear probably the most famous resident. In the warmer months, hikers traverse the Blue Ridge along the Appalachian Trail. In the winter, skiers flock to the slopes in search of one of our region's rarer commodities, snow.

To the west of the mountains is the Piedmont, an area of low hills, upland plateaus, and swift streams. It is the land of the Tennessee Valley Authority, and abundant energy has made it the industrial center of the region. The Piedmont also harbors large deposits of marble and huge stands of timber and is one of the South's most densely populated areas.

Climate continues to be one of the South's major drawing cards. Mild and humid weather prevails, although temperatures can vary considerably within the region. During the summer months the thermometer usually reads 80 degrees or above; however, average winter temperatures range from the chilly 30's in Nashville to the pleasant 60's in Miami. The mild climate helps farmers raise a wide variety of crops and is a definite plus for a burgeoning tourist industry, as freezing Yankees abandon their icy streets and snow-bound homes for the sunny Southland.

## Our Heritage

The area now comprising the Southeastern States has been home to the Cherokee, Creek, and Seminole Indian tribes since prehistoric times. The first

European explorers did not begin arriving until the 1500's. Their leaders included Hernando de Soto, who came in search of gold, and Juan Ponce de Leon, on a quest for the elusive "Fountain of Youth." Over the years, the Spanish, the French, and the English settled and ruled various parts of the region, and many of our black citizens trace their origins back to Africa.

Two States of our five—South Carolina and Georgia—were among the original 13 colonies. Following them into statehood were Tennessee in 1796, Alabama in 1819, and Florida in 1845. All five States elected to join the Confederacy in 1861 and seceded from the Union. The Civil War that followed left a permanent blot on the history of the region. Much of the war was fought on southern soil and a good portion of the South was left devastated. Tennessee alone was the site of over 450 battles, and Georgia was the major victim of Sherman's famous march to the sea.

History surrounds us in the South. St. Augustine, Florida, for example, founded by the Spanish in 1565, is the Nation's oldest city. The port cities of Charleston, South Carolina, and Savannah, Georgia, have preserved and restored much of their early graciousness and elegance. Battlefield sites, cemeteries, and important cities of the Confederacy, such as Atlanta, Georgia, and Montgomery, Alabama, contain numerous reminders of the Civil War. The many historical sites are another major reason the region draws millions of tourists each year.

## The Economy

The economy of the NOW South is a model of growth and diversity. Drawing on vast resources of labor, raw materials, and abundant power, we have become the country's premier region for increased economic activity. During the 1970's our overall economic growth and average gross personal income outpaced that of the Nation as a whole. The future promises to be even better.

But it hasn't always been this way. Long considered an economically deprived area, the South has only recently experienced prosperity. In an economy inextricably linked to agriculture, cotton was indeed king. Wealth was the prerogative of a privileged few, economic deprivation the lot for many. Large plantation owners

were the exception. More common were small, one-horse farmers and sharecroppers who barely eked out a living from the land. Life in the cities and small towns often wasn't much better.

This situation began to change in the late 1800's when New England industrialists started moving their textile mills closer to the cotton fields, favorable climate, water power, and cheap and abundant labor of the South. From this point on, the region began depending less on agriculture and more on manufacturing and related service industries. Private, non-farm sources today generate about three-fourths of the region's income.

Manufacturing and processing industries have been a key factor in the South's economic growth. Though the textile and apparel industries have played a lesser role in recent years, they nevertheless remain a staple of our economy. Textile mills were long the major employer in many small towns and continue to dominate in some areas. Dalton, Georgia, for example, bills itself as the carpet capital of the world. The Greenville-Spartanburg area of South Carolina is also a center for textile and textile-related industries, such as chemicals and machinery. Small clothing factories, with an emphasis on making work and sport clothes, shirts, and children's garments, still dot the South. Other industries of great economic significance to our region include chemical production, food processing, furniture, wood products, and transportation equipment.

Mining and the production of primary metals also contribute greatly to the South's economy. Tennessee and Alabama have valuable coal deposits. Birmingham, Alabama, is the only place in the world where coal, limestone, and iron ore—the three ingredients necessary for steel production—are found in such close proximity. The city is now one of the Nation's largest steel producers. Georgia is a leader in the production of kaolin, a clay used in making pottery and granite. Tennessee and Florida produce much of the Nation's phosphate.

Agriculture, though lacking the influence it once had, is still vital to the South's economy. Cotton, though no longer king, is a major crop, as is tobacco. Georgia, still dubbed the "Peach State," actually trails South Carolina as a producer of peaches, but continues to lead the Nation in produc-

tion of peanuts. Soybeans are also an important source of income for southern farmers. Florida is a major producer of citrus, and almost all the Southern States are known for their beef, dairy, and broiler chicken production.

Transportation has been another material factor in the South's economic vitality. Natural harbors on the Atlantic and Gulf Coasts serve passenger and freight liners throughout the world. Railroads and interstate highways link the major markets and centers of commerce. Atlanta itself is the air crossroads of the entire region. As experienced travelers know well, whether you're on your way to heaven or hell, you'll have to change planes in Atlanta.

Many of those who take advantage of the South's excellent transportation network are tourists. Lured by our beaches, our vibrant new cities, and our historical sites, tourists have become a major industry for all five States in the region. Florida alone draws more than 35 million visitors annually.

Not to be overlooked is the role of government in the South's economy. Almost two million people in our region work for State, local, or Federal agencies. Many others work for industries heavily dependent on Federal contracts, such as the mammoth Lockheed-Georgia Corporation in Marietta.

But while the overall economic outlook is promising, many people exist at only subsistence levels and unemployment problems persist. As a rule, income levels are still below the national average, a situation that is particularly acute among minorities. The deprivation that affects many in the South is a major reason for the high level of Federal activity here and generates much of GAO's work.

## The People

As in any area of the country, it's the people that set us apart. Traditionally a hard-working, loyal, and honorable people, southerners take great pride in customs and traditions and are very much attached to the land. People from other parts of the country tend to see us as a homogeneous group, but southerners are quick to point out the subtle differences among States and locales.

In recent years, the South has seen an influx of people from other parts of

the country. They come in search of the sun and the new jobs afforded by our growing economy. For the most part, they are quickly assimilated into the local culture. In downtown Atlanta on a busy day, you can run into people who've come to the city from all over the Nation. You might be hard pressed, however, to find a native Atlantan; they definitely seem to be in the minority.

The dialect of the people is perhaps the region's most distinctive feature. Of course we think everyone else talks funny. We don't understand why Yankees say, "A storm's approaching" when it's "coming up a cloud." What possible synonym for "unfashionable" could surpass the word "tacky"? Or how about "nome"? In Alaska, it's a city, but in the South, it's a polite, negative response to a female, as in "Nome, I don't believe I want another helping of peas."

As with most stereotypes, the "typical" southerner portrayed so much in story and song has always been more fiction than fact. Good ole boys in their pickup trucks raising hell on Saturday night ... Rhett Butler and Scarlett O'Hara ... fat sheriffs behind reflective sunglasses growling "You in a heap o' trouble, boy" ... half-naked kids with their half-starved coonhounds sitting on the porch of a broken-down Appalachian shack. These are all part of our culture, but they have never been typical. In fact, southerners are much like folks in other parts of the country. We just seem to have more fun being who we are.

## Atlanta

At the geographic, economic, and cultural hub of our region is the city of Atlanta, symbol of the New South. Located among the gently rolling hills of north Georgia, the city is the gateway to the entire Southeast. Almost two million people live in the 15-county metropolitan area, and more are coming every day.

Despite a rather inauspicious beginning as the terminus of the Western and Atlantic Railroad, Atlanta grew rapidly after the Civil War. Following a 117-day siege and 2-month occupation in 1864, Sherman's Union troops burned the city in their march to the sea. Their action ultimately may have been the city's salvation, as it paved the way for the metropolis of today. With the help of its plucky residents and an influx of northerners, Atlanta

literally rose from the ashes. The city's emblem, the phoenix, and its motto, "Resurgens!", are testimony to the achievement.

In the 1960's, Atlanta burst into the age of concrete and glass but did not forget her past. The city today is an exciting mixture of Old South charm and New South energy. Peachtree Street is 26 miles of churches, historic dwellings, and businesses, and, each July, the scene of the Peachtree Road Race, the Nation's largest 10-kilometer footrace. John Portman's architecture is well-represented in downtown hotels and office buildings that feature soaring atrium lobbies, revolving rooftop restaurants, and glass-enclosed aerial walkways.

Just to the northeast of the city is Stone Mountain, the world's largest outcropping of granite with its massive figures of Jefferson Davis, Stonewall Jackson, and Robert E. Lee, carved in relief on one side. Downtown is Auburn Avenue, the economic heart of black Atlanta, closely associated with civil rights leader and Nobel Peace Prize winner Dr. Martin Luther King, Jr., one of the city's most renowned citizens. The recently completed Atlanta-Hartsfield International Airport includes the world's largest passenger terminal, serving more than 55 million passengers a year.

Atlanta is definitely the business capital of the region. Some 439 of *Fortune* magazine's 500 largest U.S. corporations have headquarters or offices here. The two most famous are the Coca-Cola Company, the corporate giant which grew out of an experiment by druggist John Pemberton, and Delta Airlines, the Nation's fifth largest air carrier. Drawn by Atlanta's excellent hotels, meeting centers, and exhibition halls, almost a million conventioners visited the city in 1980, making it one of the Nation's leading convention centers. One of the showcase facilities is the giant World Congress Center, among the largest single-level exhibition halls in the country. Government is also big business in Atlanta; the city is both the capital of Georgia and a regional center for the Federal Government.

Atlanta's cultural attractions range from historic homes, museums, and battlefields to Six Flags over Georgia, a mammoth family amusement park. The Atlanta Symphony is internationally acclaimed, and the city has become a regular stop for touring companies, exhibits, and big-name



Frankie Fulton center was a participant in this year's Peachtree Road Race.



The tomb of Dr. Martin Luther King, Jr. (Photo by Charles and Joann Jordan, courtesy Martin Luther King, Jr. Center for Social Change.)

performers. The sports-inclined can cheer on the baseball Braves, the football Falcons, the basketball Hawks, and the soccer Chiefs. Avid fans follow these professional teams as well as the many college and university teams in the area. In addition, nearby Augusta hosts the Master's Tournament, which commands the attention of golf enthusiasts each spring.

Throughout the city is an abundance of parks, quiet neighborhoods, and what seems like a monopoly on shade trees. Here, spring is an especially beautiful and sensuous time of year. Dogwoods and azaleas bloom in profusion, the former giving rise to Atlanta's nickname, the Dogwood City. Add to these the sweet smells of wisteria, June-blooming magnolias, and roses, and Atlanta is indeed a heady place to be.

### GAO In Atlanta

In 1942, GAO established a zone headquarters in Atlanta and made it responsible for much of the agency's work in the Eastern United States. Following our designation as a regional office in 1952, Federal activities in Florida, Georgia, Alabama, South Carolina, and all but the extreme western portions of Tennessee became the focus of our work. Most of us operate out of the regional office in Atlanta. However, we also have staff permanently assigned to Huntsville, Ala-

bama; Warner Robins, Georgia; Knoxville, Tennessee; and Fort Walton Beach and Cocoa Beach, Florida.

Because of heavy Federal involvement in the Southeast, it is difficult to review a national program without including the Atlanta region. We do a considerable amount of work for each GAO operating division. This is not to say that some areas have not provided a greater workload than others. For example, the majority of key military facilities in the region, responsible for some \$30 billion in major weapons systems, frequently involves Atlanta staff in defense-related assignments. During the past 5 years, our work in this area alone has resulted in savings of more than a billion dollars. Also, the relatively low income levels and high ratio of disadvantaged persons in our region have contributed to a heavy commitment to assignments in health, education, and welfare programs.

The largest single area of work for the Atlanta region relates to reviews of the Government's acquisition of major defense and civil systems. Our staff of 22 in Huntsville does much of this work. The Army's Missile Command, located on Redstone Arsenal in Huntsville, receives annual appropriations of about \$1.5 billion for procurement and \$1 billion for research, development, testing, and evaluation Army missiles. These include such sophisticated weapons as the Patriot,

Stinger, Dragon, and Hawk missiles and the ballistic missile defense system.

The Air Force's Armament Development and Test Center, located at Eglin Air Force Base near Fort Walton Beach, Florida, also does much procurement and systems acquisition work. Our permanent staff at Eglin monitors activities at the facility which is responsible for developing and testing air-to-air and air-to-ground weapons such as the Sidewinder and Sparrow missiles.

Although the bulk of our systems acquisition work is defense-related, NASA activities and projects such as construction of Atlanta's mass transit system contribute to ARO's workload in this area, too. Our five-State region includes two large NASA facilities. Kennedy Space Center in Cocoa Beach, Florida, was the launching site for U.S. manned space flights, and Marshall Space Flight Center in Huntsville, a major research and design facility for NASA, recently had a role in developing the space shuttle.

Most reviews of major systems acquisition, whether defense or civil, are large and require considerable expertise. One of our more significant PSAD assignments involved a review of the Army's ballistic missile defense program, following which we reported on our Nation's capability to both mount and defend against a nuclear attack.



The Army's ground-to-air Lance missile. (Photo courtesy U.S. Army.)

**The Atlanta Region: Welcome to the Now South!**

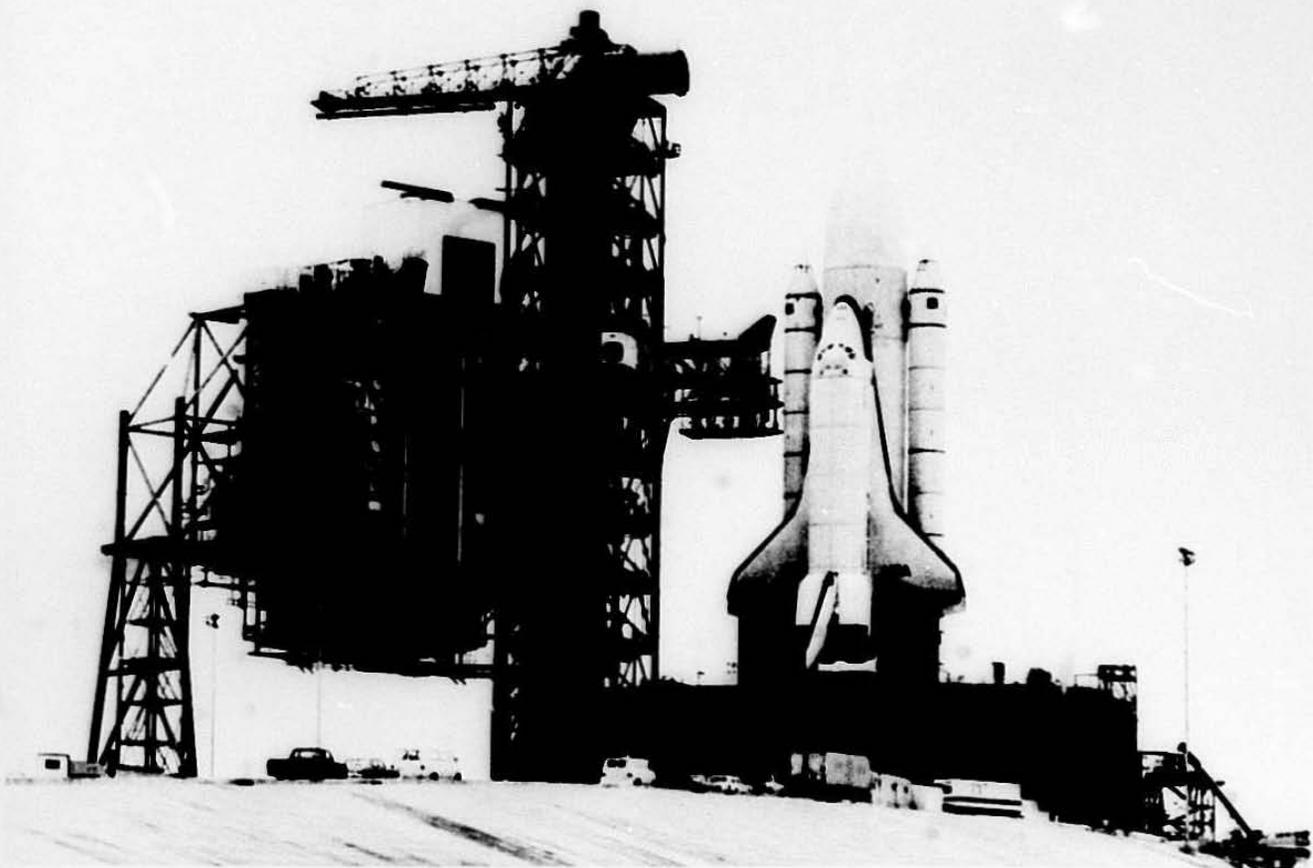
On another assignment, we questioned the advantages of planned improvements to the Vulcan Air Defense Gun. Based on our work, the Congress decided not to fund the project, which saved \$110 million.

We also conduct a sizable number of defense-related reviews in the logistics and communications area, largely because of the more than 60 military installations in the five-State region. Among them are the Air Force's Air Logistics Center at Warner Robins, Georgia; the Charleston Naval Shipyards in South Carolina; and the Marine Corps Supply Center in Albany, Georgia. The Army's Forces Command, headquartered at Fort McPherson in Atlanta, is responsible for all strategic Army forces in the United States.

Reviews of health, education, and welfare programs constitute another major segment of ARO's work. For several reasons, work in these areas accounts for about one-fourth of our total workload. First, the programs involved are "people" programs, and our region, because of its size, has a lot



Atlanta's rapid rail system, MARTA, was the subject of a recent ARO review. (Photo courtesy Georgia Dept. of Industry and Trade.)



The space shuttle at the Kennedy Space Center in Florida. (Photo courtesy of NASA.)

of people. Second, large portions of the population are disadvantaged. The Southeast has a high percentage of minorities, its income levels are lower than most other parts of the country, and major pockets of poverty persist. Health programs are particularly evident. For example, Federal region IV, headquartered in Atlanta, has extremely large Medicaid and Medicare populations. Six of the 20 States having the largest Medicaid populations are in region IV, and Florida has one of the largest Medicare populations in the Nation. The region also ranks at or near the top in numbers of nursing homes, home health agencies, hospital management firms, proprietary and nonprofit hospitals and clinics, and various other providers of health services.

Like defense-related work, assignments in the health area can result in significant savings. Recently, for example, Atlanta staff led a review to determine whether States were identifying and recovering Medicaid overpayments and returning the Federal portion of funds recovered. Conducted

in five States by three GAO regions, the review identified some \$222.6 million in uncollected overpayments and about \$18.7 million in overpayments collected but not shared with the Federal Government. While the review was in progress, the staff alerted the Health Care Financing Administration (HCFA) to problems being identified so that the agency could take action immediately. HCFA officials even adopted GAO's approach to initiate their own investigation into this area. At the time we completed our work, the agency had recovered \$41.9 million and begun action to collect an additional \$61.5 million.

Another reason for the region's heavy commitment to health-related assignments is the Center for Disease Control (CDC), headquartered in Atlanta. This agency administers national and international programs for the prevention and control of communicable diseases and other preventable conditions. ARO now has underway a unique analysis of CDC's mission and ability to meet its goals. The unusual feature of this review is

that we are working with the agency to make improvements during the course of our work, which will probably take up to 2 years to complete. CDC officials have already acted on several of our suggestions.

Atlanta has also been a leader in reviews of federally assisted programs of higher education. Our region is a natural for this work because of its numerous colleges and universities, many of which serve large numbers of disadvantaged students. An especially important review was our study of Federal efforts to support developing institutions, many of which were struggling to stay open. In response to our concerns, the Congress completely revamped the program. More recently, we did a survey of the entire higher education area that identified a number of issues with potential for future GAO work.

Housing and community development are becoming of greater interest to Atlanta, as Federal funding for such projects increases in the Southeast. Region IV is now among the top three regions in the country in funding. An



TVA's Tellico Dam. (Photo courtesy TVA.)

estimated 15 to 20 percent of the \$16.5 billion to be spent on housing and community development during the current year will go to programs in region IV. We anticipate an even greater workload if the current trend toward population migration to the South and rural areas continues.

Most of our work in energy involves the Tennessee Valley Authority (TVA), the Nation's largest electric utility. TVA produces more electricity and uses more coal than any other utility, public or private, in the country. It also has a "bellwether" role in developing new and better ways of generating electricity. TVA is a Federal agency whose business affects the cost of living for millions of people; consequently, congressional interest in its activities has been high and is likely to contribute to a substantial workload in the future. We recently established a permanent staff in Knoxville, Tennessee, to head our efforts at TVA.

While TVA is our principal source of energy related work, other sources include the Oak Ridge National Laboratory, also located in Tennessee, and the Savannah River Plant in South Carolina. The former operates the Nation's only uranium enrichment facilities and the latter our country's only nuclear fuel reprocessing facility.

ARO's reviews of automated data processing systems have also been extensive in recent years. The presence of 12.5 percent of the Government's computers is one reason for the amount of ADP work we do. Another is the Air Force's Software Design Center, located at Gunter Air Force Base in Montgomery, Alabama. One of our most significant accomplishments resulted from a review of Air Force plans to replace its ADP equipment on a one-to-one basis at a cost of up to \$5 billion. Based on our finding that the Air Force actually did not need much of this equipment, the Government was able to save \$800 million. A noteworthy feature of this review was that we conducted our work while decisions were still being made rather than after the fact.

Crime and law enforcement reviews are another area in which we have been increasing our efforts of late. Again, the location of key facilities in our region has been largely responsible. The old Glynnco Naval Center in east Georgia is now the site of the Law Enforcement Training Center, and we have Federal prisons in Atlanta, Tallahassee, and Montgomery. Florida State University has one of the most sophisticated criminology schools in the Nation, and Florida itself has provided the model for State laws on racketeering. We have also had to do more crime and law enforcement reviews because, unfortunately, the States in our region are at or near the top in major crime statistics.

Finally, the presence of major Federal financial regulatory institutions in the region makes Atlanta a logical choice for work in the banking area. We are one of only three GAO regions to have all six such institutions, led by the Sixth District Federal Reserve Bank in Atlanta. This area is a popular one with the staff, because it is new, complex, and challenging. For example, as a part of a recent review of the Bank Secrecy Act, we studied the patterns of currency transactions as they relate to narcotics traffic. A review now underway is looking at check clearing operations and the effects of the Omnibus Banking Bill of 1980.

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## **GAO's People In Atlanta**

The real story of the Atlanta regional office is the people who make it work. The work we have been describing requires a talented and dedicated staff, and we believe we have one of the best around. This is true not only of our evaluators, but also of the often overlooked technical support and administrative personnel who make everything fit together.

As might be expected from the size of the region and the types of work we are asked to do, Atlanta's staff of 171 is the largest of any region outside Washington. While many are native-born southerners, we have people from all parts of the country. As within the city itself, however, it's difficult to find a native Atlantan among us.

Diversity in educational background and experience is a hallmark of our staff. Though many of us are still accountants by training, we also have people with degrees in religion, zoology, engineering, criminal justice, recreation, and industrial relations, to mention a few. We even have a Doctor of Jurisprudence. All told, we have earned 225 degrees from colleges and universities throughout the country. About 40 percent of the staff have advanced degrees, including 4 doctorates. Twenty-nine have attained professional certification, and many

others are actively pursuing graduate studies, no mean feat considering the amount of time we spend traveling.

We are also fortunate to have a staff that brings a great deal of practical experience to their work. About half of our evaluators have been in the armed services, and their familiarity with military matters is of particular benefit given our heavy workload in defense-related areas. For example, we were able to assign a helicopter pilot who had served in Vietnam to work on our review of the Army's helicopter-launched Hellfire missile system. Other ARO staff have backgrounds in public accounting, education, sales, State and local government, and farming. Our most valuable experience, of course, is that attained on the job, which averages about 9 years per staff member.

Besides being experienced and well-educated, ours is a young staff; the average age is 34. We are also product-oriented and proud of our role in promoting economy and efficiency and of our accomplishments. During the past year, we contributed to assignments which saved the Government over \$1.3 billion. In addition, we were influential in improving Government operations in many ways that just can't be measured in dollars and cents.

Our pride extends to our traditions and to the stability that has made our achievements possible. We have had only two regional managers since we began operations. R.J. Madison headed the region until mid-1972, and Marv Colbs has been the regional manager since then. This continuity in leadership, coupled with a role in relationship to our region that has evolved gradually and steadily, have given direction to our growth.

At the same time, Atlanta is a progressive region. Our staff has willingly taken on new challenges and welcomes the opportunity to accept leadership roles both on program evaluation and on projects for improving the internal operations of the Office. For instance, Atlanta staff was extensively involved in developing the automated management information system now being used throughout GAO. We have also promoted equal employment opportunities by stepping up our efforts to recruit minorities and women. As a result, our staff today is more representative of the population we serve, and we're much better for it.

No discussion of the Atlanta office would be complete without mention-

ing the travel. In fact, that's all some people in other parts of GAO seem to know about us. Well, for the most part, it's true; we do stay on the road a lot. You can't evaluate a health program in Florida or powerplants in Tennessee while sitting in Atlanta. As one of our auditors once remarked, "They don't build any missiles on Peachtree Street."

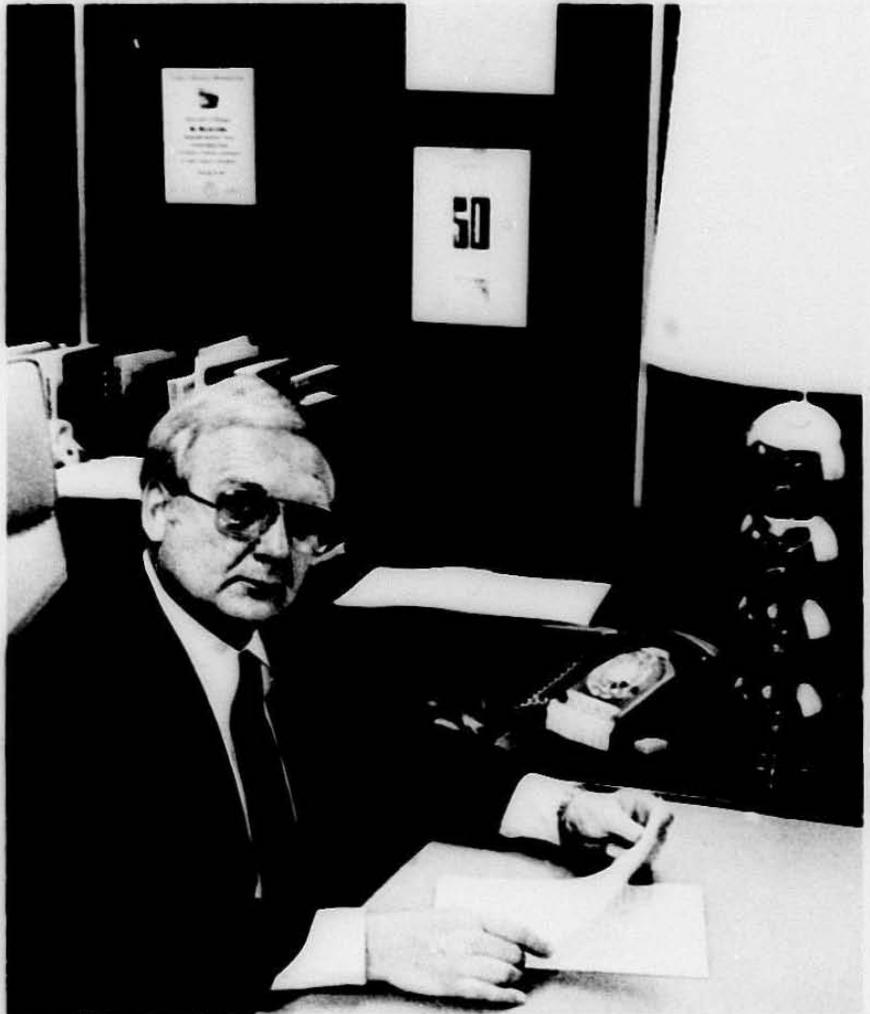
In fiscal year 1979, our staff traveled more than 1.7 million miles. Some 500,000 of these were the "hard" kind—driving miles. Our work carries us to all areas of the region and often to other parts of the country as well. Travel to Washington alone, for example, accounts for about 15 percent of our travel.

While we take our work seriously, the Atlanta staff also participates widely in community activities. On an office level, we field teams in softball, basketball, and tennis. Individually, we are active in church, youth athletics, school, and civic affairs. Our involvement reflects longstanding southern traditions that attach great importance to family and civic responsibilities. We while away our remaining free time with hobbies as diverse as motorcycle racing and gourmet cooking.

On the job and off, our schedules and our lives are full, and we wouldn't have it any other way. The NOW South is a world removed from pillared verandahs and belles and their beaux sipping mint juleps. Though we cherish our southern heritage, we are also proud of our region's growth and vibrancy as it heads into the twenty-first century. Its vitality and enterprising spirit should mean better lives for many of our citizens. By working to improve Government and its role in our region and the Nation, we're trying to help shape the future for the better, too. We hope you've enjoyed this brief glimpse of the Atlanta regional office and the five-State region that we call home. One tradition of the Old South that we definitely try to preserve is southern hospitality. So when you get the chance, "Ya'll come to see us now, y'heah!"

## Interview with Marv Colbs

Marv Colbs became the Atlanta regional office's second regional manager in 1972 and has served in that capacity ever since. Among incumbent regional managers, he is longest in place in his current position—a fact



Marvin Colbs, ARO's regional manager. (Photo courtesy Susan Johnson.)

he's not too anxious to have publicized. Questioned concerning the growth and development of ARO and prospects for the future, Mr. Colbs offered the following observations:

- Q:** In what significant ways has the Atlanta regional office changed since the early 1970's?
- A:** We've had major changes in our most important resource, our staff. Though we're no longer hiring 25 or 30 new people a year, the staff has grown in size and has come to be more nearly representative of American society at large. Moreover, we no longer have a staff made up almost exclusively of accountants; our evaluators bring a healthy diversity of backgrounds and academic disciplines to their work. With the addition of an ADP group, a technical information specialist, and a writer-editor, they also have a greater variety of pro-

fessional skills to draw from in carrying out assignments. Their life styles have changed as well. When I first came to Atlanta, many auditors preferred to and in fact did travel constantly. Often they didn't even maintain a permanent residence. While we still travel frequently, staff members always on the road are a rarity; most now prefer to take advantage of the weekend return policy as often as they can. However, despite closer ties to a home base, the staff has developed an admirable maturity in its perspective on ARO's work. They increasingly think of it in terms that go beyond the bounds of the region and have taken the lead on several nationwide reviews.

- Q:** What do you think are the strengths of the Atlanta regional office?

- A:** The region itself is virtually a microcosm of the country in terms of the Federal activities present here. As a result, Atlanta is able to take on work in almost any issue area and is in fact heavily involved in the full range of GAO's work. But I think that the knowledge, skills, and abilities of the staff would definitely head any list of ARO's strengths. Top-notch people who bring diverse backgrounds and experience to their jobs give us the flexibility we need to handle our varied workload. Also, GAO has been undergoing a great deal of organizational change recently, and the staff's strong work ethic has been a great advantage during this period. Their seriousness of purpose enables ARO to carry out its mission despite the many temptations to distraction that ongoing change brings.
- Q:** What areas do you see as likely candidates for special management attention or emphasis in the future?
- A:** We definitely need to become

more adept at managing information. The sheer volume of information and paper we generate is already a problem; we have to find more economical and efficient ways to document and record data. The prospects are for a continued "no growth" hiring situation, and as our current staff matures, we will have fewer people available to handle the less challenging tasks associated with recording and storing data. Dealing with this situation will require that we maintain an open, receptive attitude to new ways of looking at programs, gathering and storing data, and providing useful information to decisionmakers.

- Q:** Finally, Mr. Colbs, how would you characterize a regional manager's role?
- A:** Regional managers do many things. They determine which jobs the region will do and which staff will carry them out. They decide the degree of technical direction and responsibility required for each job, provide for evaluation of staff performance and feedback

to the staff concerning the results of those evaluations, and make training opportunities available—both on-the-job and in the classroom—to foster staff development. Above all, they are responsible for quality control, for ensuring that the region's work consistently meets high standards. But with 60 to 70 jobs going on in a region at a time and more than 150 people doing that work, regional managers obviously can't discharge all of their responsibilities alone. What the regional manager needs to do, therefore, is create a work environment that will motivate people to be productive and do their very best. Such a motivational environment includes not only pleasant physical surroundings but also proper support systems and procedures. Motivation takes many forms and they're all important, because without a highly motivated staff, managing a regional office becomes a chore rather than a demanding, but rewarding challenge.

## ARO at work...



# at play





**John C. Hansen**

Mr. Hansen is a senior evaluator recently reassigned from the Federal Personnel and Compensation Division to the Veterans Administration audit site of the Human Resources Division where he is continuing his work on Agent Orange. He joined GAO in 1974 after receiving a B.S. degree in finance and a M.B.A. from the University of Rhode Island. Mr. Hansen is a past member of GAO's Career Level Council and is a member of the American Society for Public Administration.

# The Vietnam Veteran vs. Agent Orange: The War That Lingers



Almost 10 years after the end of the Vietnam War many veterans believe they are still fighting the enemy in a life or death struggle. That enemy is not the Viet Cong, but the toxic defoliant known as Agent Orange.

Since 1977, the emotionally charged Agent Orange issue has grown into a national controversy. Thousands of Vietnam veterans claim that exposure to Agent Orange has made them sick and deformed their children, and they are frustrated at the slow pace of Government efforts to find answers to their questions.

There are many emotional issues in the public forum today which are rooted in debate over Government's responsibility to the public and its influence on our lives. However, none is more fundamental than the question: What does the Government owe veterans who have served the country in battle? Vietnam veterans concerned about Agent Orange believe the Government is not fulfilling its obligation on this complex issue. GAO has contributed to the ongoing debate through several reports.

## What Is Agent Orange?

From 1965 to 1970, the Department of Defense (DOD) sprayed almost 11 million gallons of Agent Orange over millions of acres of Vietnam to prevent the enemy from hiding in the jungle, thereby enhancing security and improving observation, and to destroy the enemy's food supply. Since the 1940's, the two chemicals which made

up this herbicide, 2,4-D and 2,4,5-T, were widely used in the United States by farmers and foresters to kill unwanted vegetation. In fact, you could buy them off the shelf of your neighborhood hardware store to kill weeds in your lawn or garden.

The military began using several herbicides in Vietnam in early 1962. The herbicides were identified by code names which referred to the color of bands painted on the chemical containers. Thus, they were given names like Agent Orange, Agent Blue, and Agent White. These herbicides were applied by cargo planes, helicopters, trucks, riverboats, and from backpacks. About 90 percent of the Agent Orange used in Vietnam was for forest or jungle defoliation. Crop destruction missions accounted for 8 percent of the Agent Orange applied. The remaining 2 percent was used around base perimeters, cache sites, waterways, and communication lines.

By the late 1960's, Vietnamese newspapers and various scientists began to attribute certain health problems found in the civilian Vietnamese population, such as birth defects, cancers, and skin problems, to herbicide exposure. About the same time, the National Institutes of Health reported that 2,4,5-T, one of the chemicals in Agent Orange, could cause malformations and stillbirths in mice. In April 1970, DOD suspended all use of Agent Orange in Vietnam largely as a result of the Department of Agriculture's restriction of certain domestic uses of 2,4,5-T because of its possible health hazards. These health hazards were attributed to the inevitable by-product of the manufacture of 2,4,5-T. The by-product is TCDD, a shorthand for 2,3,7,8-tetrachlorodibenzoparadioxin, simply called dioxin, which many scientists consider the deadliest of all manmade poisons.



## The Veterans' Outcry Begins

In late 1977, veterans began approaching the Veterans Administration (VA) with various health problems they believed were related to herbicide exposure in Vietnam. Extensive media coverage of the purported adverse health effects of 2,4,5-T and its dioxin contaminant also raised concerns among many Vietnam veterans. Illnesses which these veterans believed were caused by exposure to Agent Orange included skin conditions, cancer, birth defects in offspring, nervous disorders, numbness in extremities, miscarriages, reduced libido, impotency, vision and/or hearing impairment, and gastrointestinal tract disturbances.

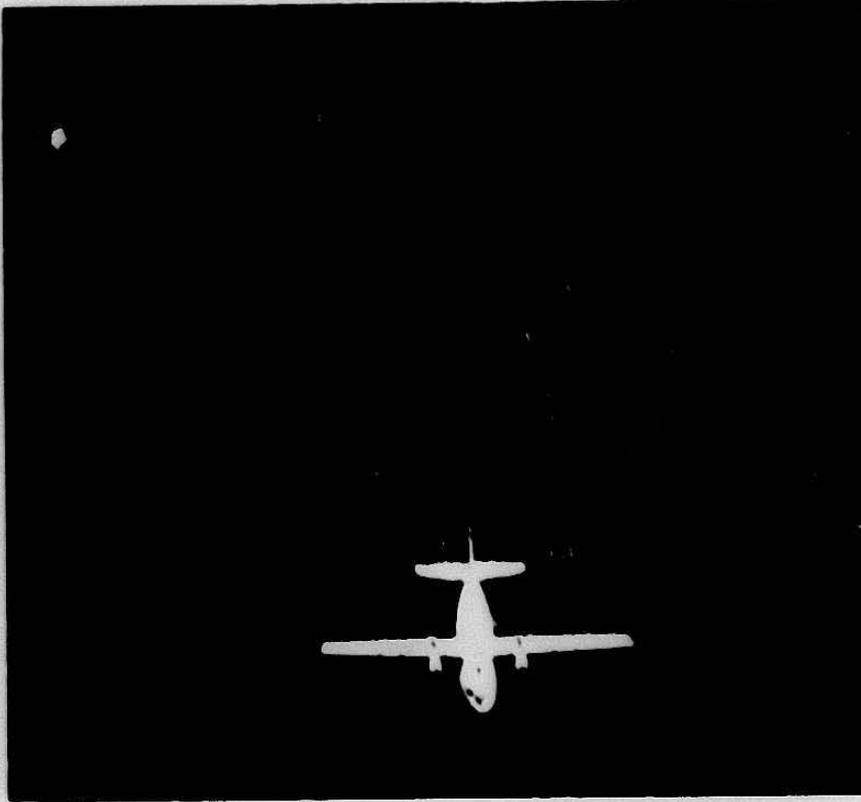
In April 1978, the late Congressman Ralph H. Metcalfe expressed his concern about possible long-range adverse health effects of exposure to Agent Orange. He asked GAO to examine DOD's use of the herbicide in Vietnam and the VA's handling of herbicide-exposure disability claims submitted by Vietnam veterans.



Air Force C-123B on a defoliation mission. (U.S. Air Force photo.)



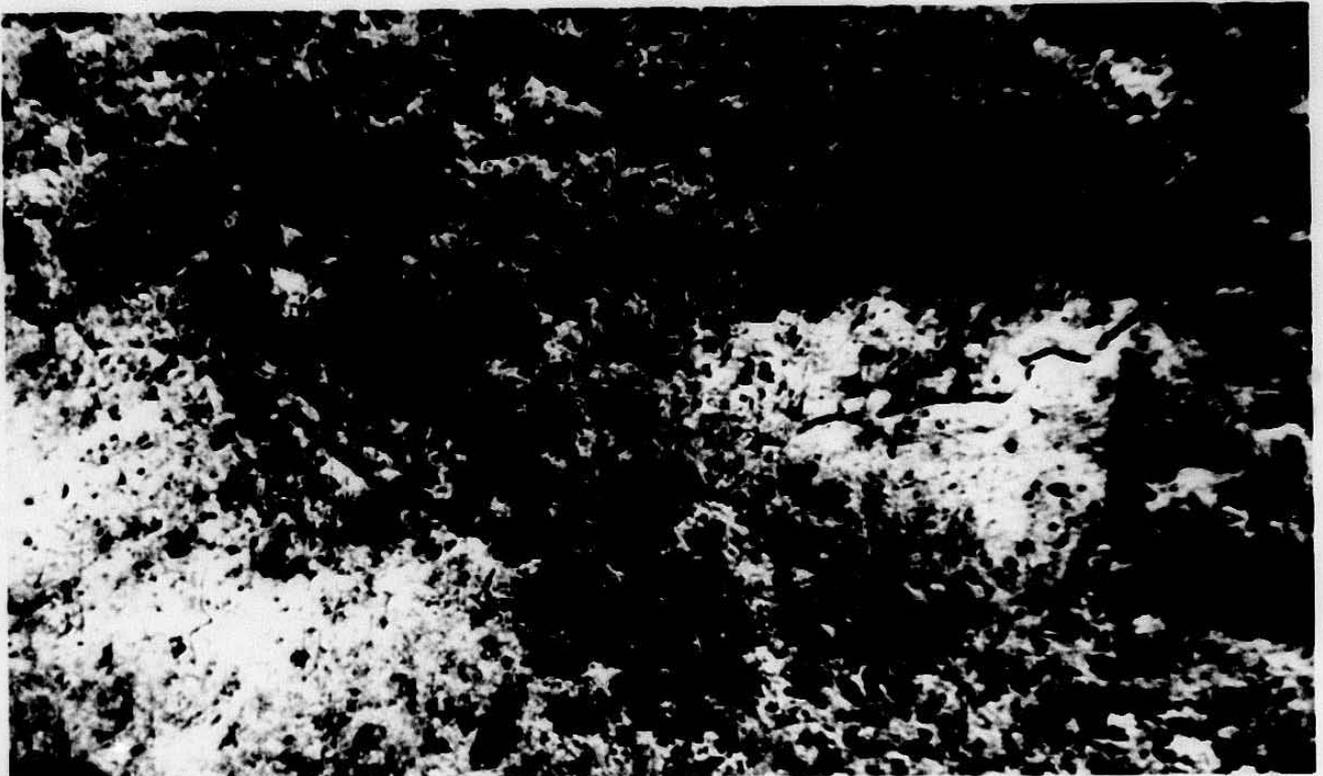
Three Air Force C-123 "Ranch Hand" aircraft dispense defoliant over Vietnam jungles. (Photo by Sgt. W. A. Betts, U.S. Air Force photo.)



The use of defoliants in Vietnam deprived the enemy of jungle cover. (U.S. Air Force photo.)

An interim report (CED-78-158, Aug. 16, 1978) to Congressman Metcalfe addressed the (1) extent of DOD's use of herbicides and other chemicals in South Vietnam, (2) number of military and civilian personnel exposed to these chemicals, and (3) DOD-funded studies of these chemicals' effect on health. A second report, "Health Effects of Exposure to Herbicide Orange in South Vietnam Should be Resolved" (CED-79-22, Apr. 6, 1979), focused on VA's response to veterans' concerns on herbicide exposure and health effects studies of dioxin and other chemicals used in Vietnam.

In these early reports GAO concluded that VA needed a better basis for evaluating the nature of veterans' concerns about the herbicide. GAO recommended that, in evaluating herbicide-related disability compensation claims, VA obtain all military records pertaining to a veteran's possible exposure to herbicides in Vietnam and that all veterans submitting such claims be encouraged to contact VA health care facilities. GAO also recommended that DOD study, with the assistance and guidance of an appropriate interagency group, the



After defoliation, this Viet Cong trench was discovered 22 miles outside of Saigon. Note craters from earlier B-52 bombing. (U.S. Air Force photo.)

health risks involved by its personnel exposed to herbicides in Vietnam.

In response to those recommendations and the mounting public and congressional concern, VA started a registry of all Vietnam veterans examined at VA medical facilities for herbicide-related health problems. Also, the Air Force initiated a health effects study of Air Force personnel involved in operation "Ranch Hand" who sprayed Agent Orange in Vietnam. DOD believed these individuals had the greatest potential for exposure.

By the spring of 1979, veterans' complaints were flooding congressional offices. Many complaints were from ground troops in Vietnam who believed they were sprayed and had drunk from water contaminated with Agent Orange. They disagreed with DOD's contention that only "Ranch Hand" personnel had been exposed.

In May 1979, Senator Charles Percy, acting on the growing complaints of ground-troop exposure, requested GAO to determine what precautions were taken to prevent ground troops and others from exposure and whether military units were in or near areas sprayed with Agent Orange.

## Used With Few Precautions

At the time DOD started using herbicides in Vietnam, they considered Agent Orange to be "relatively non-toxic to man or animals." As a result, few precautions were taken to prevent exposure. Personnel handling the herbicide were merely instructed to use safety equipment, such as gloves and face shields, and were advised to shower and change clothes if they came in contact with the herbicide. Defense officials did not prescribe additional precautions because they believed exposure of ground troops was unlikely since they did not enter sprayed areas until 4 to 6 weeks after a mission when defoliation was completed and the herbicide had biodegraded or photodegraded. However, there was no evidence of any written regulation restricting troops from recently sprayed areas.

## Innovative Approaches To Determine Who Was Exposed

After an initial review of Army and  
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Marine Corps unit records, it was obvious that they did not contain conclusive proof of ground personnel reporting that they were sprayed by aircraft on Agent Orange missions. Thus, another approach to analyzing available data had to be developed to show whether ground troops were in or near areas sprayed with Agent Orange. An FPCD auditor who had been an Army helicopter pilot in Vietnam, a member of FPCD's systems analysis staff, and I formed a team to focus on this difficult problem.

DOD had developed a computer data base on herbicide spraying missions conducted between August 1965 and February 1971. This data base included the date, number of planes, amount of herbicide sprayed, and the location for approximately 86 percent of all herbicide operations in South Vietnam. What was missing was a data base of troop locations and strengths which could be compared with the spraying missions to estimate the number and proximity of troops to the areas sprayed with Agent Orange.

Unfortunately, Army troop records from the Vietnam conflict were neither complete nor well organized because of the Army's rapid pullout from Vietnam. Thus, a thorough reconstruction of these records was necessary to determine the locations of Army personnel who made up the majority of roughly 2.6 million people who served in Vietnam. However, a review of 31 quarterly operational reports from 13 major Army combat units located throughout Vietnam showed that 10 of the 13 units reported using Agent Orange on base camp perimeters, roads or crops, or aircraft missions in areas of operation. Undoubtedly, Army troops were close to areas sprayed with Agent Orange.

Marine Corps unit records from Vietnam proved more encouraging. Monthly Marine Corps battalion reports contained detailed information on location, strength, and personnel turnover necessary to develop a data base to compare with Agent Orange spraying missions. A random sample of monthly reports from the 24 Marine infantry battalions stationed in the I Corps, or northern section of South Vietnam, between January 1966 and December 1969 was used to compile the data base. During these 4 years, 2.18 million gallons of Agent Orange, or about 20 percent of the herbicide used in Vietnam, was sprayed in I Corps.

Using average strength and turnover figures for the sample, GAO estimated that 218,000 personnel were assigned to the 24 battalions in I Corps between 1966 and 1969.

Ground troop locations were compared with Agent Orange missions, taking into account the time and geographic proximity of battalion locations to spraying sites. Various time and distance combinations were analyzed because many variables affected an individual's potential for exposure. Different estimates exist on the life of dioxin and the drift of Agent Orange from target areas.

The four time periods used were the day the mission was conducted (day 1) and within 7, 14, and 28 days after the mission. The 28th day was significant because DOD had consistently stated that ground troops' exposure to Agent Orange was unlikely because they did not enter sprayed areas until 4 to 6 weeks afterward.

The distance criteria used were .5, 1.5, and 2.5 kilometers, or about .3, .9, and 1.6 miles from a sprayed area. (A kilometer is 0.62 miles, almost 2/3 of a mile.) Distance from a sprayed area was important because the Agent Orange sprayed from a plane often drifted beyond the target area. Drift was affected by the altitude and speed of the aircraft, the terrain of the area to be sprayed, and the climate. DOD studies showed that drift was generally less than 1 kilometer when the aircraft sprayed Agent Orange at an altitude of 150 feet, an airspeed of 130 to 140 knots, and windspeed of less than 10 knots. However, the National Academy of Sciences reported that drift had caused widespread crop damage. In fact, its study showed that crop damage resulting from drift on missions designated as defoliation was greater than that caused by crop destruction missions. Herbicide mission commanders confirmed that drift was a common problem and could extend from 1 to 2 kilometers.

Table 1 shows the estimated number of marines assigned to Marine Corps infantry battalions in I Corps from January 1, 1966, to December 31, 1969, within the various time and distance criteria from sprayed areas.

About 5,900 marines were assigned to units within .5 kilometers of areas sprayed with Agent Orange on the same day. Some of the units were directly in the path of Agent Orange spraying missions. The number of marines within .5 kilometers of sprayed

**Table 1**  
**Estimated Number of Marines Near Areas Where Agent Orange Was Used**

Within kilometers of sprayed area	Within days of spraying mission	Estimated no. of marines
.5	1	5,900
	7	7,800
	14	9,100
	28	16,100
1.5	1	16,500
	7	21,500
	14	25,800
	28	30,100
2.5	1	17,400
	7	23,900
	14	29,900
	28	39,400

areas before the 4-week reentry period established by DOD was about 16,100.

Thus, DOD's contention that ground troops did not enter sprayed areas until 4 to 6 weeks afterward was inaccurate, and the chances that ground troops were exposed to Agent Orange were higher than DOD previously acknowledged. Since ground troops were not included in the ongoing health effects studies, GAO recommended that the Congress determine the need for a study of the health effects of Agent Orange on ground troops likely to have been exposed, on the basis of its feasibility and value in resolving veterans' concerns over alleged health risks.

### Government Tackles Agent Orange Issue

Within one month after Senator Percy released GAO's report, "U.S. Ground Troops in South Vietnam Were In Areas Sprayed With Herbicide Orange" (FPCD-80-23, Nov. 16, 1979), the President and the Congress took steps toward resolving concerns about the long-term health effects of exposure to Agent Orange.

The President appointed an Inter-agency Work Group to coordinate the Government's efforts to study the effects of Agent Orange and other herbicides. The Work Group consists of representatives of agencies already involved in this issue—DOD, VA, the Environmental Protection Agency (EPA), the Department of Agriculture, and the Department of Health and Human Services (HHS). The Work

Group has focused its attention on initiating and monitoring studies concerning whether exposure to dioxin or Agent Orange causes cancer or birth defects in children and whether exposure to Agent Orange has adversely affected the health of Vietnam veterans.

About the same time the President established the Work Group, the Congress mandated the VA to conduct an epidemiology study of veterans who were likely to have been exposed to Agent Orange in Vietnam. GAO's method of determining the proximity of troops to sprayed areas is being used by DOD to develop a population for VA's study. VA is currently contracting for the design of this study.

### Conclusive Scientific Evidence of Human Health Effects Remains Elusive

There is a growing frustration among Vietnam veterans, Members of Congress, and Government officials about the Agent Orange issue. Does exposure to Agent Orange's dioxin contaminant increase one's risk of cancer, birth defects in children, and other ailments? Even the experts have trouble answering this question. The President's Work Group summarized their view on the status of scientific evaluation of Agent Orange in an August 1, 1980, report. The report stated:

*Current scientific knowledge does not permit unequivocal judgments as to the health risk associated with*

*each of the wide spectrum of health effects alleged to have resulted from these phenoxy acids or their dioxin contaminants.*

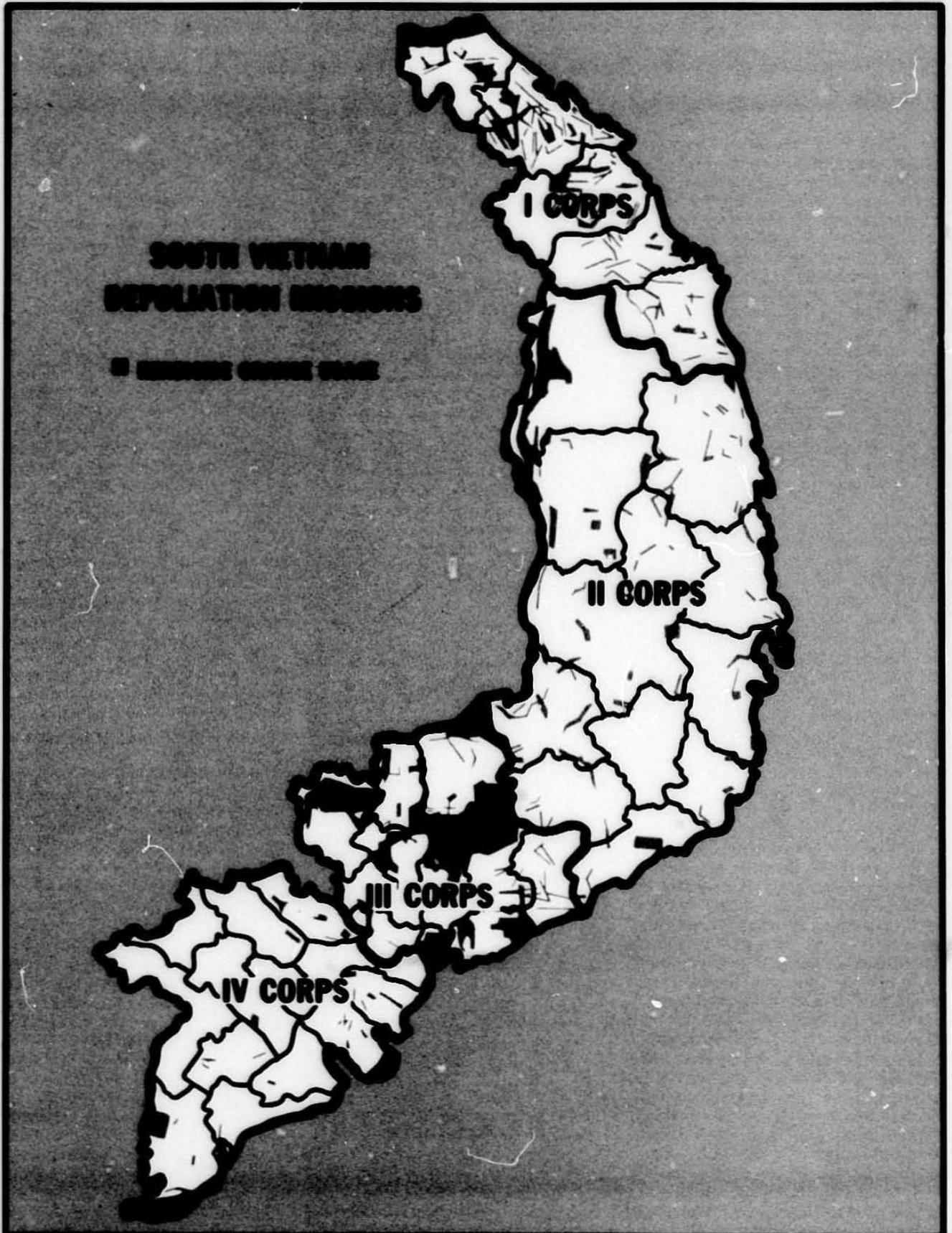
For years scientists have examined the physiological effects of chemicals, including those in Agent Orange, on animals. Most believe animal studies are helpful in suggesting the potential for toxic actions of chemicals in humans. The Food and Drug Administration and EPA make extensive use of animal studies in assessing the risks of chemicals on human health.

Animal studies of the effects of 2,4-D, 2,4,5-T and TCDD (dioxin) have shown a variety of health problems. In mice, rats, rabbits, and hamsters, small doses of dioxin cause cancer, birth defects, liver malfunctions, skin rashes, immune system failure, and enzyme changes.

However, many scientists and Government officials believe that the only way to reach definite conclusions about the effects of Agent Orange on humans is through studies of exposed human populations. These types of studies, known as epidemiology studies, deal with the relationships of the various factors which determine the frequency and distribution of illness and diseases. Although epidemiology studies of Vietnam veterans exposed to Agent Orange are just getting underway, there are completed studies of workers exposed to the chemicals in Agent Orange during their manufacture or use. However, results of these studies conflict.

A study funded by the Monsanto Company on the mortality rates of workers exposed to TCDD in an accident at its Nitro, West Virginia plant in 1949 showed that there were fewer deaths among exposed workers than in individuals of the same age and sex in the U.S. population. Also, worker death rates from cancer were not increased.

However, more recently several European studies of railroad workers exposed to constituents of Agent Orange show a correlation between exposure and an increased risk of cancer. Also, Dr. Ton-That Tung, a Vietnamese physician and scientist, has reported a higher incidence of liver cancer among exposed Vietnamese populations, and a higher incidence of abortions and birth defects among exposed women. Unfortunately, the validity of this data cannot be confirmed due to lack of access to Vietnam.



Although most attention has been focused on Agent Orange, some scientists now believe that it may be only one of a variety of potentially toxic chemicals to which American servicemen were exposed. In its April 1979 report, GAO acknowledged that other chemicals used in Vietnam may pose health problems. While the toxic potential of some of these substances is known, no studies have been done of the synergistic or combined effects of the so-called "toxicological cocktail" which existed in Vietnam. Some of these chemicals were

- *Cacodylic acid*: An arsenic-based component of Agent Blue used on base camp perimeters is under renewed EPA investigation because of its potential for causing cancer.
- *2,4-D*: A herbicide used in Agent Orange and Agent White has been linked by some animal tests to cancer and reproductive disorders. EPA has requested more tests on its effects. The National Park Service recently suspended the use of 2,4-D in all national parks until more is known about its human health risks.
- *DDT*: A pesticide used for mosquito control was banned by EPA in 1972 for most domestic uses.
- *Chlordane*: A pesticide used for termite control was banned for most domestic uses by EPA in 1975 after being found to cause cancer in test animals.
- *Dapsone*: An experimental anti-malarial drug given to many combat troops to ward off a resistant strain of malaria. Studies show this drug to be a potential carcinogen in male laboratory rats.

Recognizing veterans' health problems may be related to exposure to a variety of chemicals, including Agent Orange, the President's Work Group recommended that scientific studies focus on whether service in Vietnam, rather than solely Agent Orange exposure, may have caused Vietnam veterans to suffer certain health problems. The Senate Veterans Affairs Committee endorsed this recommendation and urged VA to broaden the planned epidemiology study to consider service in Vietnam as the causal factor of veterans' illnesses. VA will explore this possibility in planning the study design.

When will we be able to draw conclusions about the effects of Agent Orange and other chemicals on veterans' health? The Work Group

believes that, while the results of several studies of workers exposed in industrial accidents will soon be available, it may be 2 or 3 years before the preliminary results are in on studies of Vietnam veterans. This conclusion is hardly comforting to the large number of Vietnam veterans concerned about their health.

## Veterans Take Chemical Companies to Court

In January 1979, a class action suit was filed in Federal District Court in New York on behalf of veterans and their families who suffer health problems they attribute to Agent Orange exposure. The veterans in the suit are asking that a trust fund be created to reimburse the Government for the compensation and care of all veterans and their children injured by dioxin. The fund, which could reach billions of dollars, would be administered by the court and financed by the chemical companies who manufactured Agent Orange. The five chemical companies named as defendants are the Dow Chemical Company, the Monsanto Company, the Thompson Hayward Chemical Company, Hercules, Inc., and the Diamond Shamrock Corporation.

In what has been called the largest product liability suit in history, the veterans claim that the chemical companies knew that Agent Orange was highly dangerous, but failed to warn either DOD or servicemen who might be exposed. The defendants have denied all liability, claiming that the herbicides they sold to the military posed no danger to human health.

Recently, the manufacturers asked that the U.S. Government be named as a defendant, because any harm caused by Agent Orange was due to the military's misuse of an otherwise safe product.

Although a three-judge panel of the Circuit Court of Appeals dismissed this suit in November 1980 on procedural grounds, the veterans are likely to appeal this decision, extending this case for many years.

## What Is VA Doing Until Scientific Answers Become Available?

In testimony before the Subcommittee on Oversight and Investiga-

tions of the House Interstate and Foreign Commerce Committee on September 25, 1980, VA Administrator, Max Cleland, reaffirmed the agency's policy on the Agent Orange controversy:

*I cannot state in strong enough terms that in the interim, it has been and will continue to be the stated policy of the Veterans Administration that no eligible veteran will be denied medical care and treatment by the VA because the answers are not in. Our goal remains to provide compassionate and understanding service. This is a responsibility that we take very seriously.*

VA has participated in several activities on the Agent Orange issue. In April 1978, VA established an advisory committee to exchange information on Agent Orange and its potential health effects, and to advise VA on future courses of action. This advisory committee, composed of representatives of various Government agencies, veterans' organizations and academia, is still active.

VA has also participated in the efforts of the President's Work Group to coordinate Federal research efforts and other activities regarding the possible health effects of herbicides such as Agent Orange.

The focal point of VA's effort to assist veterans is the Agent Orange registry initiated in 1978. The purpose of the registry is to identify veterans who are concerned about possible health effects resulting from exposure to Agent Orange, and to gather baseline medical information on individual veterans who might later develop illnesses which could be related to herbicide exposure. This information is obtained from a questionnaire and medical history, a physical examination, and a set of basic laboratory tests. While the registry was not intended to serve as a research study, it should give scientists some idea about the symptoms Vietnam veterans are experiencing.

However, the registry has been the target of a growing number of veteran complaints that VA is not keeping their pledge to provide thorough medical care and treatment until scientific answers are available. Many veterans allege that they have to wait months for examinations, that they are treated with contempt by VA physicians and staff, that the examinations are not thorough, that the physicians fail to

provide adequate treatment and followup of diagnosed symptoms, that medical records are falsified, and that VA just does not care about them.

Veterans are also critical of VA for denying most disability compensation claims related to Agent Orange. VA has denied most claims because it believes there is insufficient evidence that the claimed disabilities were incurred during the veterans' service as a result of exposure to Agent Orange. This situation is likely to continue until more scientific evidence on the long-term effects of herbicide exposure on veterans becomes available.

A final criticism of VA is that it has failed to undertake an outreach program to inform veterans of the potential hazards of herbicide exposure and the availability of a physical exam and treatment at VA medical facilities.

Once again Members of Congress have requested GAO to continue its work on the Agent Orange controversy and review complaints about VA's response to concerned veterans.

## **The Social Policy Decision**

It is now 3 years since the Agent Orange controversy began, and many believe answers are still years away. There is a growing realization that it may not be possible to determine how much Agent Orange or other toxic chemicals a veteran was exposed to in Vietnam, and there may never be conclusive scientific evidence on the long-term effects of exposure on human health.

Ultimately, this complex and controversial matter is likely to become a social policy issue that only the Congress and the President can resolve. This decision will require judgments on several key factors. What constitutes fair treatment of veterans while scientific data is being gathered? How much evidence is necessary to prove or disapprove adverse health effects and a veteran's right to disability compensation? Who bears the burden of proof of adverse health effects as a result of Agent Orange exposure—the veteran or Government? And finally, what must the Government do to uphold the immortal words of Abraham Lincoln which serve as VA's motto—"To care for him who shall have borne the battle and for his widow and his orphan"?



## Harry S. Havens

Mr. Havens served with the U.S. Navy and in the Office of Management and Budget prior to joining GAO in 1974. In GAO he served in the Program Analysis Division and Institute for Program Evaluation. He was designated Assistant Comptroller General for Program Evaluation in April 1980. Mr. Havens graduated from Duke University in 1957 with a B.A. in economics. He has been a Rhodes scholar and received a B.A. and M.A. from Oxford University in England. In 1978 Mr. Havens received the Comptroller General's Group Award for outstanding work on improving GAO effectiveness. He was the 1980 recipient of the Roger W. Jones Award for Executive Leadership.

# Thoughts on GAO's Project Planning and Management Approach

**Editor's note:** In late 1978, GAO complemented its strategic planning process by adopting an integrated approach for planning and managing individual assignments. The approach was incorporated into GAO's Project Manual issued in January 1981. After 2 years under this approach, Mr. Havens has offered to share his thoughts on its use.

GAO's Project Planning and Management Approach (PPMA) is a misunderstood concept. This is particularly unfortunate because, if PPMA were better understood, it would make life much easier for everyone.

Many of us, upon initial exposure to PPMA, embraced it enthusiastically; many others did not. Those of us who liked PPMA assumed that those who did not understand it initially would come to do so with experience. This does not appear to have happened as rapidly as we expected. I am now convinced that the misunderstandings of PPMA stem from a failure to articulate clearly what PPMA is, and perhaps more importantly, what it is *not*.

## PPMA Is Not a System

People who are trained to review and analyze organizations tend to think in terms of systems. That can be a useful way of thinking and can often serve us well. But sometimes it leads us astray. Sometimes events take place outside the context of systems, at least outside of systems as we understand them. If we think *only* in terms of systems, we cannot understand those events. Thus, initial viewing of PPMA as a system, and our apparent inability to clearly communicate that it is not one, has led to misunderstandings.

## PPMA Is a Way of Thinking

Most of us, although there may well be exceptions, do not have a "system" by which we decide when to buy a new car (or house) and which car (or house) to buy. But most of us *do* follow a certain logic in making those decisions. We do not all give the same weight to the same factors, nor do we apply the logic with the same rigor and

level of detail in all decisions to spend money. The degree of rigor and detail is generally directly related to the size of the investment and the degree of risk. Buying a candy bar or a cup of coffee requires almost no analysis. (Do I have the necessary pocket change?) Buying a new TV set requires a modicum of thought, perhaps involving the consideration of alternatives. (Would it be cheaper to overhaul the old one? If so, how long would it last? How important is the better quality picture I will have with a new set?)

For most of us, buying a new car involves a somewhat more advanced level of analysis, and perhaps some degree of documentation: comparison shopping among makes, models, and dealers; initial price versus operating costs; choice of options; and choice of financing arrangements. Buying a house or making some other major income-producing investment decision is likely to require a rather complex analytical process involving a variety of factors, some economic, some not.

There is an underlying logic which is common among all these levels of personal decisionmaking: the logic of cost-benefit analysis. At the level of the candy bar, and perhaps the T.V. set, the logic is informal and even unconscious. At the level of the car, the logic is usually conscious and may well be formal. When buying a house, one is well advised to apply the logic both consciously and formally.

It should be obvious that when GAO starts a review, it is buying (on behalf of the taxpayers) something which will usually cost a great deal more than the houses most of us will ever own. It seems only reasonable that we should approach that investment decision with the same care we apply when buying a house rather than the way we decide to buy a candy bar.

If we momentarily strip away the formal trappings of PPMA (the paperwork and procedures), it is evident that PPMA is simply a structured process for making a particular type of investment decision. The structure of this decision process is built around a par-

ticular logic which approaches the commitment of resources on an incremental, sequential basis. This decision process is totally appropriate for carrying out a number of discrete projects, each of which is accomplished by the completion of a series of tasks (i.e., GAO's work process). This logic is appropriate for every project, whether it be large or small, self-initiated or at congressional request, innovative or repetitive. In the sense of using the logic, PPMA should be used on every job. But that does not mean that every job warrants the same rigor or documentation in applying the logic.

The degree of rigor should be a function of the risks associated with the job:

- A large, costly job warrants more rigor than a small one.
- A complex job warrants more rigor than a simple one.
- An innovative job warrants more rigor than a repetitive one.
- A sensitive job warrants more rigor than a noncontroversial one.

It is also important to distinguish rigor from documentation. In this context, rigor means the care with which one applies the logic. A rigorous application implies that one goes through the decision sequence with great care, considering each decision thoroughly and systematically before proceeding to the next. But the logic can be applied rigorously without any documentation, and extensive documentation does not mean great rigor in the application of the logic. (In fact, massive documentation can obscure the absence of rigor.) Thus, the level of documentation must be determined by other factors, such as the needs to

- demonstrate application of the logic,
- record the logic for future reference, and
- communicate the logic of decision to others who were not present when the logic was developed.

This leads me to the following conclusions:

- A. The logic of PPMA is applicable to all jobs.
- B. The degree of rigor is flexible and is a function of the risk.
- C. The degree of documentation is flexible and is a function of the need to demonstrate, record, and communicate.

In concept, therefore, we have something like a four-cell matrix:

1. **High Rigor, High Documentation.** High-risk job, large numbers of geographically dispersed people, many of whom were not initially involved in planning the job. **Extreme case:** Large, sensitive, innovative, multiregion job.

2. **High Rigor, Low Documentation.** High-risk job, small numbers of people, all of whom were involved in the initial planning. **Extreme case:** Sensitive, innovative job involving one or two experienced headquarters analysts.

3. **Low Rigor, High Documentation.** Low-risk job, large numbers of geographically dispersed people. This would seem rather uncommon, since large numbers of people would normally imply large investments which, in turn, imply risk. But it is conceivable that we could have a moderately sized repetitive job which entailed many small increments of routine work in widely dispersed locations. This might require little rigor in the planning, but would place a high premium on careful communication of the plan.

4. **Low Rigor, Low Documentation.** Low-risk job, small numbers of people, all of whom understand what needs to be done. **Extreme case:** Small, repetitive job in a single location with experienced staff.

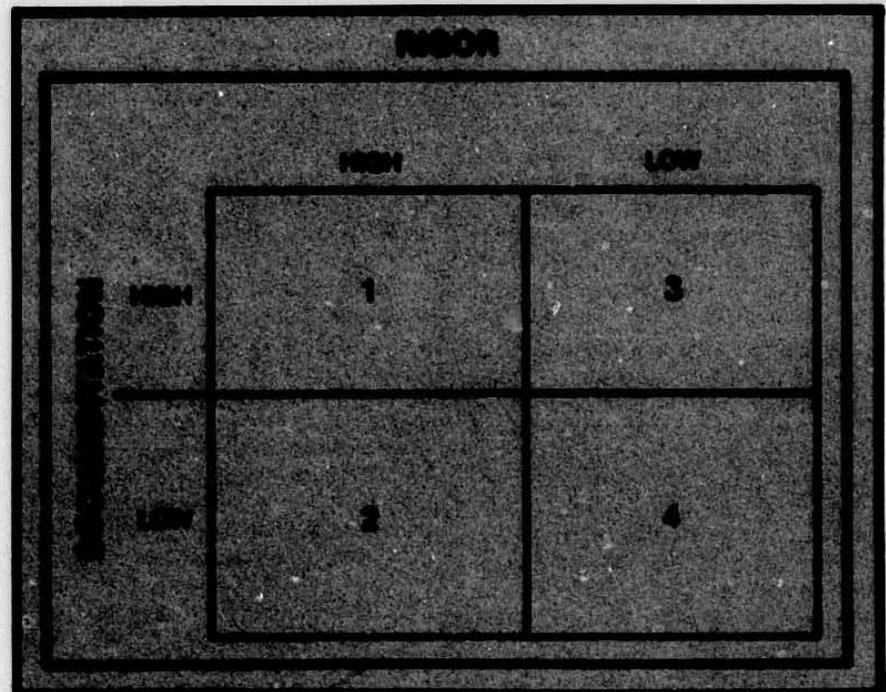
### Task Analysis and Its Roles

Task analysis is closely related to the issues of rigor and documentation in

applying PPMA, but it serves several purposes. First, it serves a job segmentation role. In any job, it is one essential part of good planning to define the objectives of the job. In almost any job there are separate pieces of work to be done. This segmentation can take several forms, such as work to be done in different locations or by different individuals, or analytical tasks which are best performed in a particular sequence. In some jobs, particularly those which are quite simple or repetitive, the segmentation process may be easy. In others, particularly those which are large, complex, and innovative, the segmentation process can, itself, be complex and difficult.

The more difficult the segmentation process, the more important it is that it be done carefully and thoroughly. Failure to do so carries obvious risks. On one hand, there is the risk that scarce resources will be wasted on unneeded work—work which makes no contribution to achieving the objectives of the job. On the other hand, there is the risk that essential elements of information or analysis will be neglected and the job objectives will not be achieved. Task analysis defines the objectives of the assignment and the tasks necessary to achieve those objectives. I would define this as the Research Design Role.

A second aspect of task analysis, related to Research Design but distinguishable from it, involves defining



Resource Requirements. Each element of the Research Design requires resources if it is to be accomplished. The resource costs may be calendar days, staff days of personnel with particular skills, computer time, consultant time, or a myriad of other resources. Often there are many ways to accomplish a particular element of the Research Design involving different combinations of resources. The Resource Requirements role of task analysis serves the purpose of defining the "best" combination of resources needed to accomplish the Research Design objectives. Depending on the particular job and its complexities, this role of task analysis may require a significantly more detailed analysis than would be necessary to establish the Research Design. However, the two roles will interact. If the Resource Requirements analysis shows that the Research Design is not feasible with available resources, the Research Design will have to be modified to conform to the available resources.

At some point in a well-planned job, the Resource Requirements and Research Design will be brought in to agreement. At this point, task analysis assumes yet another role, that of Management Control and Accountability. It is essential that this role be kept consciously distinct from the Resource Requirements role.

The process of defining Resource Requirements may entail massive detail (on a complex job) in the analysis of inputs (resources) required to accomplish various elements of the Research Design. But it would be a serious mistake to build accountability around those, perhaps detailed, estimates of inputs. Accountability in that form would represent the worst form of micro-management, would stifle initiative, and would detract from the real purpose of accountability: to ensure the efficient accomplishment of job objectives.

Management control and accountability, therefore, should focus on the achievement of job objectives, within the constraints of the budgeted resources, rather than on the accomplishment of specific tasks at specific times. The job objectives, however, were defined in the Research Design role, and that should be the source of the items on which the Management Control and Accountability role focuses.

In an admittedly simplistic model,

these roles of task analysis can be described as

- *Research Design*—define the questions to be answered and determine that they are answerable,
- *Resource Requirements*—estimate the cost of doing the work necessary to answer those questions, and
- *Management Control and Accountability*—determine whether or not the questions have been (are being) answered with the resources provided for that purpose.

To emphasize, we should hold people accountable for *answering the questions*. If they do so with greater efficiency than we estimated, that's a plus. The Resource Requirements role should define only the *estimated efficiency with which the question can be answered, not the details of how they should be answered*.

### **Task Analysis and Documentation**

None of the above discussion of the various roles of task analysis leads automatically to any conclusion about documentation of this process. Earlier, I suggested that PPMA as a whole was more important as a way of thinking than as a set of procedures. The same applies to task analysis.

As a "way of thinking," task analysis is applicable to every job in GAO. That does not mean it should be applied with equal rigor and an equal level of documentation to every job. The required rigor and the required documentation of task analysis are variables, just as they are for PPMA as a whole, and the determinants are much the same.

One aspect on the documentation side of the matrix, however, assumes added significance. This is "the need to record the logic for future reference." If we are serious about holding people accountable (the Management Control and Accountability role of task analysis), it will be often necessary to record "for future reference" whatever it is for which we are planning to hold them accountable. Thus, the accountability role of task analysis, and particularly its justiciable aspects, may necessitate a degree of documentation which, all other things being equal, would not be needed if we were concerned solely with designing and implementing a job in the most efficient and effective manner possible.

As should be clear from my thoughts expressed here, I am a firm believer in logically thinking through how to approach an assignment using the results of this thought process (generally expressed in the assignment plan) as the basis for undertaking the job. I would simply caution GAO's auditors and evaluators to provide a flexible planning approach allowing us to use the organization's resources efficiently to deliver high-quality results when they are needed.



# THE CENSUS

Ten Members of the House of Representatives requested that GAO monitor the 1980 Census. GGD had overall responsibility for the review and the results are contained in GGD-81-29, Dec. 24, 1980. The authors and three regional staffs were assigned to review the questionnaire processing operations. Regional personnel assigned with the authors were Roberto Rivera and Sanford Reigle, Cincinnati regional office; John Ortego and Carl Bruce, Dallas regional office; and Garry Hammond and Carolyn Szech, Los Angeles regional office. The information in this article on the historical highlights and uses of data was taken from Census publications (see bibliography). The information on processing the 1980 questionnaires was gained during the review. These authors, formerly of the Technical Assistance Group, FGMSD, now work in the Accounting and Financial Management Division.



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Remember that census questionnaire you received last April? How long did it take you to answer those questions—5, 10, or 15 minutes? Perhaps an hour or longer if you were one of the lucky ones to receive the long form! Have you heard from the Census Bureau since then? Do you ever wonder what happened to your questionnaire or why certain questions were asked and who would possibly want to know the answers anyway? This article may satisfy your curiosity and provide some insights into the historical process and background of counting people. Also included is a brief description of the uses of the census data and how the 1980 questionnaires were processed.

## Early Censuses

Census taking had its beginning in ancient times in Babylonia, China, Egypt, Palestine, and Rome. Few of the results have survived. The word "census" comes from the Latin "censere," meaning "to tax" or "to value." It is not surprising to learn, therefore, that many of the early population counts were taken for the purpose of taxation or for drafting able-bodied citizens into the labor force or the military.

One of the earliest censuses, mentioned in the Bible, was taken about 1490 B.C. at the time of the Exodus. Another, taken about 1000 B.C., at the order of King David, involved the following:

[David] ... instructed Joab and the officers of the army with him to go around all the tribes of Israel, from Dan to Beersheba, and make a record of the people and report the number to him ... They covered the whole country and arrived back at Jerusalem after nine months and twenty days. Joab reported to the king the total number of people: the number of able-bodied men, capable of bearing arms, was eight hundred thousand in Israel and five hundred thousand in Judaea. (Samuel 24: 1-9)

Censuses were also taken during the Roman Empire from about 550 B.C. One of the more well-known censuses, issued by decree of Emperor Augustus required all citizens of the Roman world to register in their own towns.

... and so Joseph went up from Judaea from the town of Nazareth in Galilee, to register at the City of David, called Bethlehem. (Luke 2: 1-5)

After the collapse of the Roman Empire, census taking all but disappeared in the western world with the exception of the Domesday inquest which was ordered by William the Conqueror of England in 1086 A.D. to assess the population and wealth of the newly conquered realm.

No one knows for certain when the first modern-type census was carried out, but according to the demographer Thominson, "the first known counting of every man, woman, and child occurred in central Europe in 1449, when Nuremberg was enumerated because its leaders feared depletion of a limited food supply under a state of siege: as is often the case in such circumstances, the results of the research were considered state secrets." It is generally agreed, however, that the first continuing complete count taken at regular intervals was instituted in Sweden in 1749. Norway and Denmark followed in 1769, while the United States Census began in 1790.

## The United States Census

The 1980 decennial census represents the 20th time that the population of the United States has been counted. The idea for conducting the census originated at the Constitutional Convention in 1787. It was at the convention that the delegates decided that population distribution should be the basis for direct taxation and for apportionment in the House of Representa-

tives. Thus, the constitutional requirement was born that every person in the Nation be counted at least once every 10 years.

The Congress appointed Secretary of State Thomas Jefferson to direct the first census in 1790. Jefferson delegated the responsibility to the 17 United States marshals, who in turn hired as many assistants as they needed. These census takers were paid between one-third cent and two cents for every inhabitant they counted in 16 existing States and the Southwest Territory. Anyone care to bet that there were no undercounts at those prices?

## Some Census Firsts

- The first U.S. census was ordered to begin on August 2, 1790.
- The first census asked only five questions:
  1. How many free white males 16 years of age and upwards?
  2. How many free white males under 16 years?
  3. How many free white females?
  4. How many other free persons?
  5. How many slaves?
- The first census takers recorded answers on any kind of paper they happened to have and posted the lists in each town or city in a public place. Anyone missed was expected to add his or her own name to the list.
- The director of the first census, Secretary of State Thomas Jefferson, almost became the first director *not* to be counted. He was counted later on by adding his name to a list posted in Philadelphia.
- The first census carried a penalty that provided that anyone refusing to respond to the census takers would "forfeit twenty dollars." Some of these persons were actually prosecuted, but history does not record whether any of them ever paid the fine.
- The first census took 18 months to complete and counted a population of just under four million.

## Census Highlights

The questions that appeared on the first census in 1790 remained largely unchanged until the 1840 census when the Government expanded the scope of census information to include agriculture and mining. In 1830, a major improvement was made in the census operation with the introduction of a printed census form. By 1880, the

U.S. population had "swollen" to 50 million people and the temporary office of the Superintendent of the Census was responsible for carrying out the census. By 1888 the office was so swamped with information that it "threw in the towel" even though there was more data to be tabulated and published from the 1880 census.

In 1889, a former census employee, Herman Hollerith, received three patents on a set of tabulating machines that would "revolutionize" the business of counting people. Hollerith's Electric Tabulating System was selected for use in the 1890 census. These devices made it possible to process, tabulate, and publish the results of the census faster than ever before. Anyone who has taken an introductory ADP course has heard of Mr. Hollerith's tabulating system and the related punch cards. His method of punched-card processing became the base for modern data processing.

The Census Bureau was permanently established in 1902. In 1940, the Bureau introduced the use of scientific sampling techniques. The sampling created more information at greatly reduced costs and with less of a burden on the reporting public.

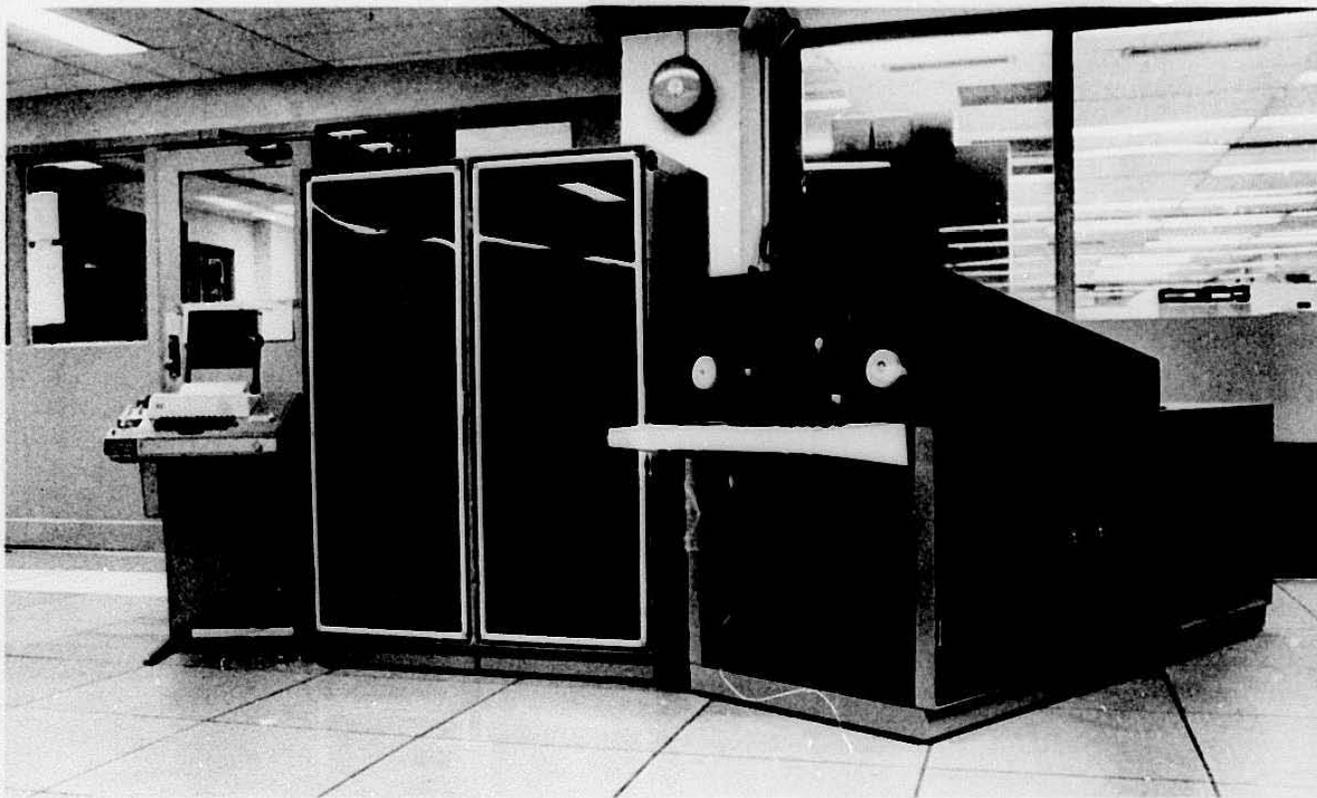
In the late 1940's, the Bureau sponsored the development of UNIVAC-1. UNIVAC was the first computer designed for mass data processing and the first commercially available computer. This computer was first used in census processing in the early 1950's.

The Bureau considered Hollerith's punched card input system too slow and too expensive for large-scale data processing. As a result, in the late 1950's the Bureau developed with the National Bureau of Standards a new input system known as FOSDIC. FOSDIC stands for Film Optical Scanning Device for Input to Computers. FOSDIC "reads" microfilmed copies of questionnaires and thereby eliminates the army of clerks needed to prepare punched cards. FOSDIC was first employed in the 1960 census and the Bureau improved FOSDIC for the 1970 and 1980 censuses.

Self-enumeration began in 1960 for densely settled areas. In 1970 and 1980 the Bureau used extensively the mail-out, mail-back procedures.

## Uses of the Data

The first and most important purpose of the census is to distribute pro-



The FOSDIC machine reads the microfilm questionnaires for the computer.

portionately the representation in legislative bodies. In this role, the census is a fundamental part of our American democracy as it is the basis for equal representation. Also, States, counties, and cities use census figures to set district boundaries for elections. Article 1, section 2 of the U.S. Constitution established the census and required that it be conducted at 10-year intervals.

Federal programs make extensive use of census statistics. Extremely important to State and local governments, census statistics are used to allocate billions of dollars through revenue sharing and grants. The annual disbursement of Federal funds based on the 1980 census is expected to be some \$80 billion.

All levels of government use census statistics in long-range planning. The need for public facilities such as highways, schools, etc., is usually determined by past population trends and future projections.

The private sector is the fastest growing user of census statistics. American corporations use census statistics in planning new products, product marketing, and targeting of advertising, and facilities planning.

As a classic example, the Ford Motor Company created the Mustang in the 1960's primarily for the large and growing group of 18- to 24-year-olds revealed by the census. Advertising dollars are more effectively spent if the population groups that are most likely to buy a product can be pinpointed. For example, census statistics can identify cities and towns with primarily owner-occupied dwelling units. Products which appeal only to homeowners, such as tractor lawn mowers, would be more effectively advertised in such areas. For facilities planning, census statistics can show whether sufficient customers exist within the trading area for a potential store. Also, prospective sites for an industrial plant can be evaluated using census data showing labor force characteristics.

The Bureau reported on another census user, an enterprising young woman in Denver. She called the Bureau and asked how she could find out the number of unmarried men in her city. The Bureau employee stated he could supply that information, broken down by neighborhood if she so desired. Very pleased, she then requested the identity of the neighborhoods where the men were young and wealthy.

### Why All Those Questions?

Two forms were used in the 1980 Census. A short form, going to approximately 78 percent of the households, contained seven questions about population characteristics and 12 questions about housing. The long or sample form, going to the remaining 22 percent, contained the same questions as the short form plus an additional 20 housing questions and 26 population questions. As in the past, the 1980 questionnaire caused complaints about why the Bureau needs to ask so many questions. The Bureau can point to Federal laws, agencies, and programs which need the information requested on the questionnaire.

Names are requested as they are a convenient way to ensure that everyone in the household is counted, but no one is counted twice. However, the names are not carried forward into the statistical data.

Questions on sex and race have been asked in every census. Current Federal laws required this information to determine educational grants and to conduct programs related to civil rights and equal opportunity. Included for all households in the 1980 questionnaire was a question on Spanish/

Hispanic origin or descent. This was a change from the 1970 census questionnaire where a similar question was included on the sample form only. This change was made because Hispanic-Americans are an increasing portion of the population. The Bureau has a requirement to improve and expand collection, analysis, and production of data for the Spanish/Hispanic origin population.

The need for information from some questions is not as readily understood. For example, one question asks each household whether complete plumbing facilities are in the living quarters. The lack of complete private plumbing facilities is a generally accepted indicator of substandard housing. As one use, it is an item needed for the Housing Assistance Plan to qualify for HUD community development grants.

### Some Questions That Were Not Used

The Bureau receives letters suggesting questions to be asked in a census. The following are a few examples that were all rejected:

- Has anyone ever had a premonition about another person's thoughts or events far away?
- What is your height and weight?
- What kind of pet do you have?
- Do you think that there is insufficient wilderness to sustain adequate natural resources?
- Do you suffer from hay fever?
- Do you smoke?
- If so, how many cigarettes per day?

### How Census Data Is Provided to Users

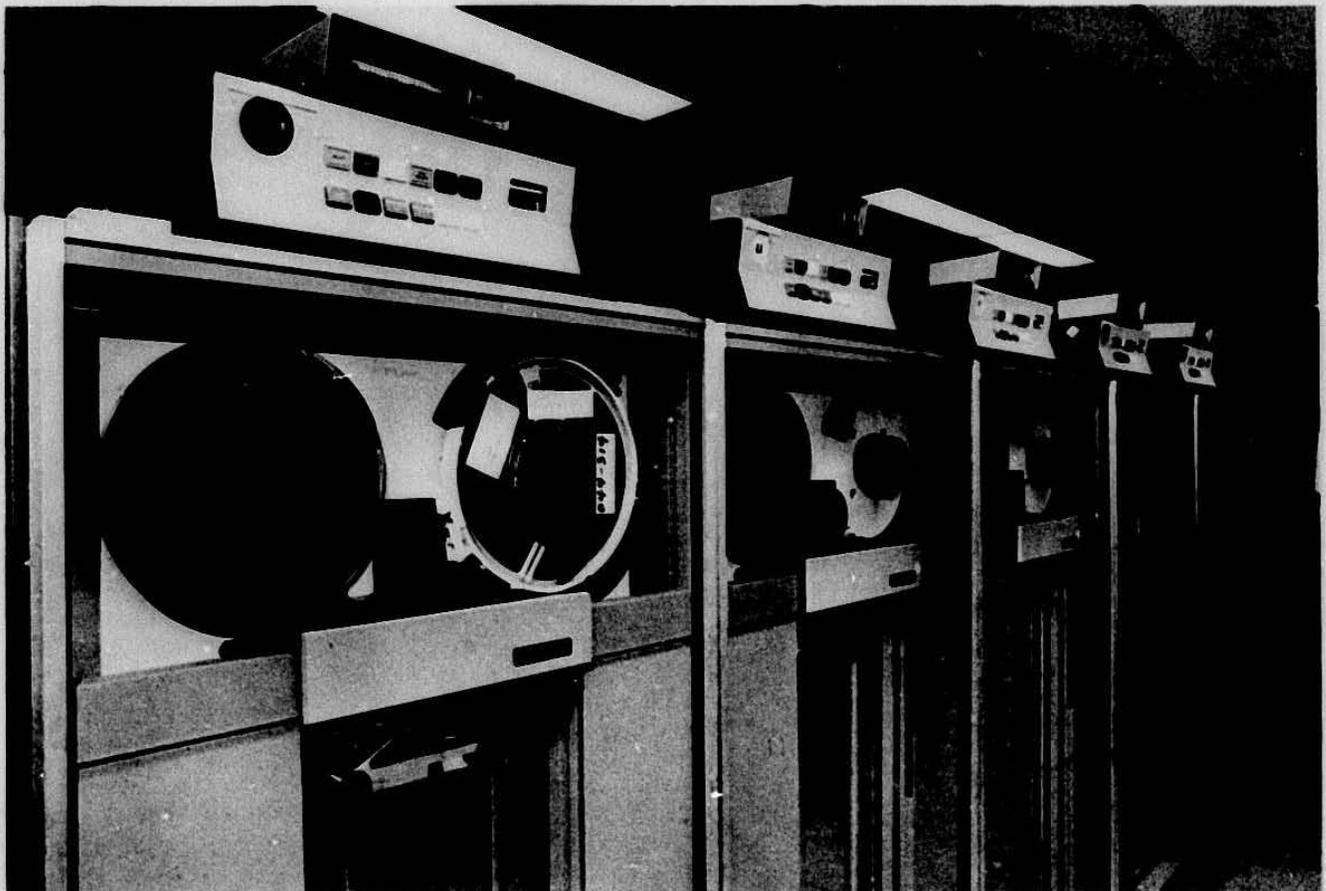
The Bureau estimates that, if it were to print on paper all of the possible data tabulations from the 1980 census, there probably would be no tree left on earth. Actually only a small fraction of the data obtained is available in paper form. Even so, this amount is enormous. The Bureau expects to print some 300,000 pages of reports for the 1980 census.

Census data is published in numerous tabulations with different levels of details. For example, different reports will provide statistics on a national level, or at a city block level for each

metropolitan statistical area, and at levels in between.

The Bureau also provides census data on computer tape and microfiche. Since microfiche is an efficient and permanent storage medium, all printed final reports will also be available on microfiche. Users who must manipulate large amounts of data prefer to obtain the census data on computer tape. With a growing number of users having access to computers, the Bureau is selling more data on computer tape than any other medium. The Bureau estimates that at least 90 percent of all 1980 census data will be sold on computer tape. The data are available in much more detail on computer tape. This allows the user to tabulate and summarize the data as desired.

The Bureau also produces a series of maps to be used in conjunction with the census data. Outline maps are available to locate the legal and statistical jurisdictions to which the data refers. Thematic maps are available to show distribution and the relative magnitude of a given set of data.



Census data is fed into the computer by this input, or tape-drive, machine.



CRT (cathode ray tube) terminal is used to communicate with the computer.

The Bureau recognizes the need to provide technical assistance to the public in using census data. Therefore, the Bureau has a Data User Services Division. The division provides assistance to access, understand, and apply census data. The division also has a training branch to acquaint people with the census and train them in the uses of census tapes and reports.

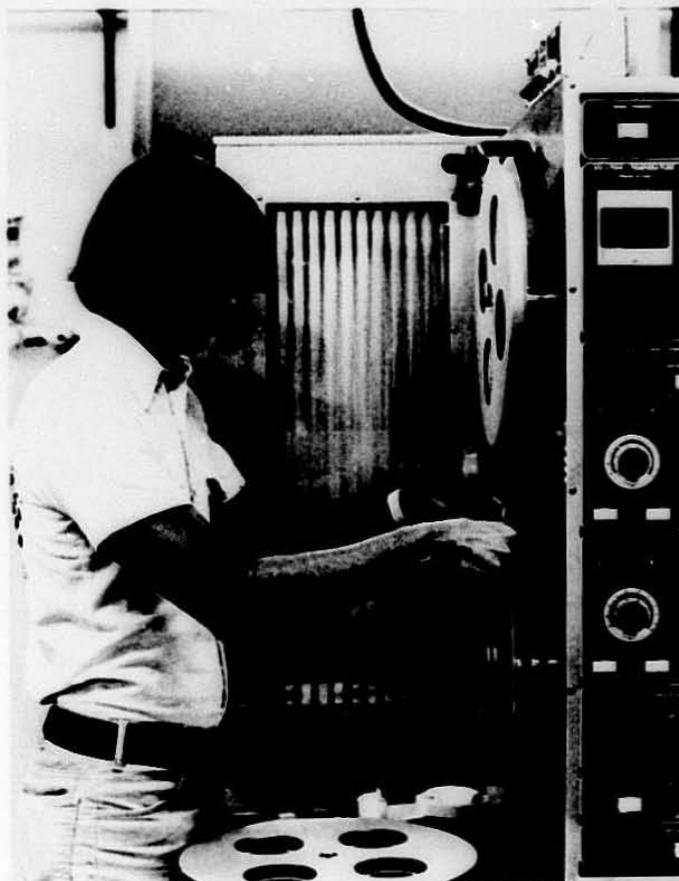
### Processing the 1980 Questionnaires

For the 1980 census the Bureau faced the task of collecting information on 226 million people in 88 million households. Further, the Bureau was required to summarize the information for presentation to the President in less than a year. The Bureau relied extensively on computers to accomplish this mandated task.

### District Offices: The First Stop

Census questionnaires were returned to one of 409 census district offices (DO). The DO's for the most part worked with the questionnaires from April 1980 to August/October 1980. The DO's conducted review and follow-up operations to gather infor-

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This machine is used to develop the microfilm.

mation for missing or incomplete questionnaires.

The DO's manually tallied population and housing counts from the questionnaires. Counts were tallied by enumeration districts which were geographic divisions with populations averaging about 700 persons. These counts were recorded on a computerized file at the Bureau's headquarters in Suitland, Maryland. Eventually, these counts were used to control the accuracy of the processing and the housing tallies.

After the DO's completed their operations, they sent the questionnaires, along with address registers and miscellaneous materials, to one of three processing offices (PO). The PO's are located in or near Jeffersonville, Indiana; New Orleans, Louisiana; and Laguna Niguel, California. The PO's served to convert the data contained on the questionnaires into a computer-readable format, and trans-

mit the data to the Bureau's main computer center in Suitland.

### The Purpose of FOSDIC and Automated Cameras

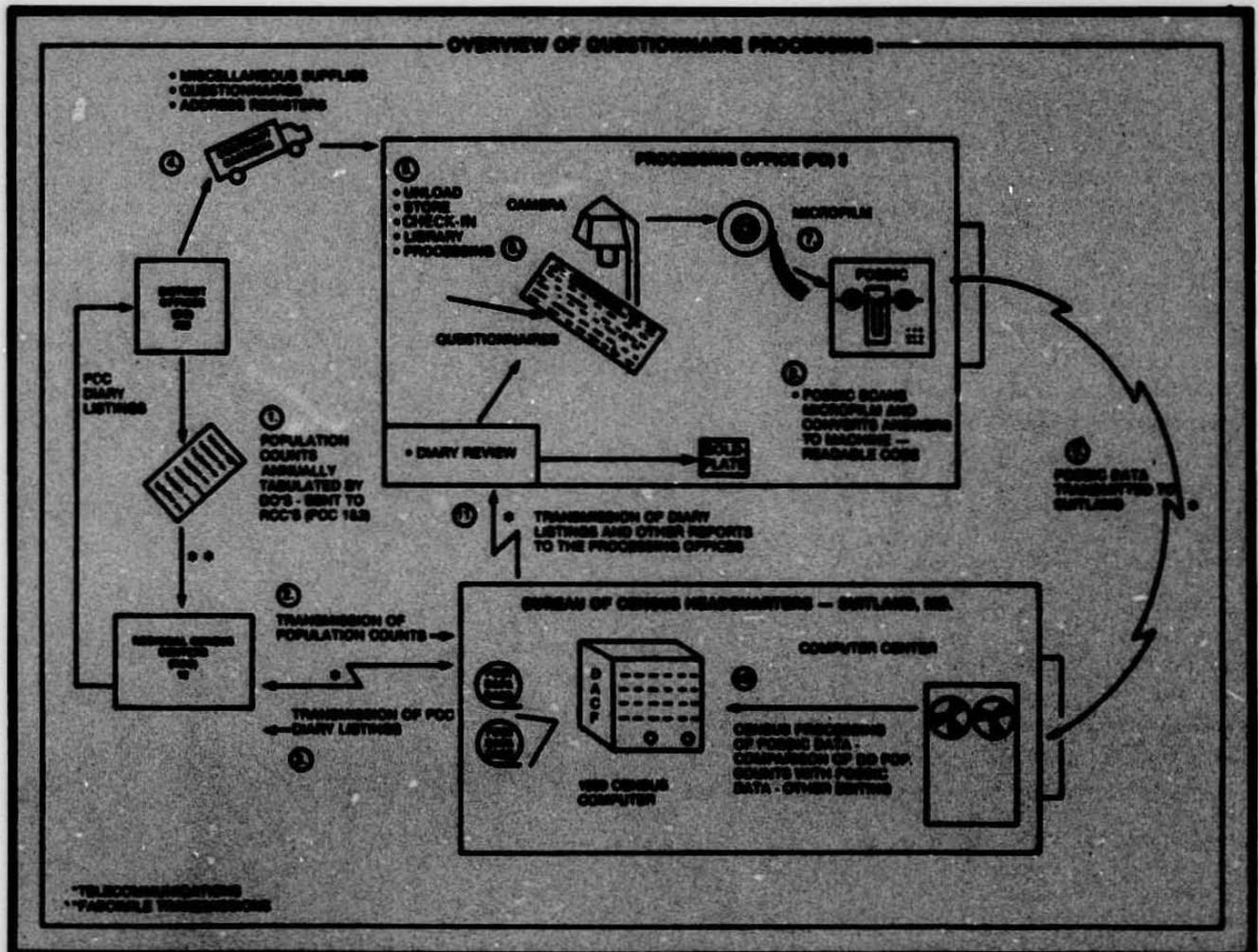
FOSDIC is a sophisticated optical scanning device that detects answers from microfilm. Therefore, the questionnaires were first microfilmed by the PO's on special high-speed automated cameras designed and developed by the Bureau. These cameras can microfilm 130 questionnaires per minute, although time required to load and unload the cameras drops the average rate down to about 40 questionnaires per minute.

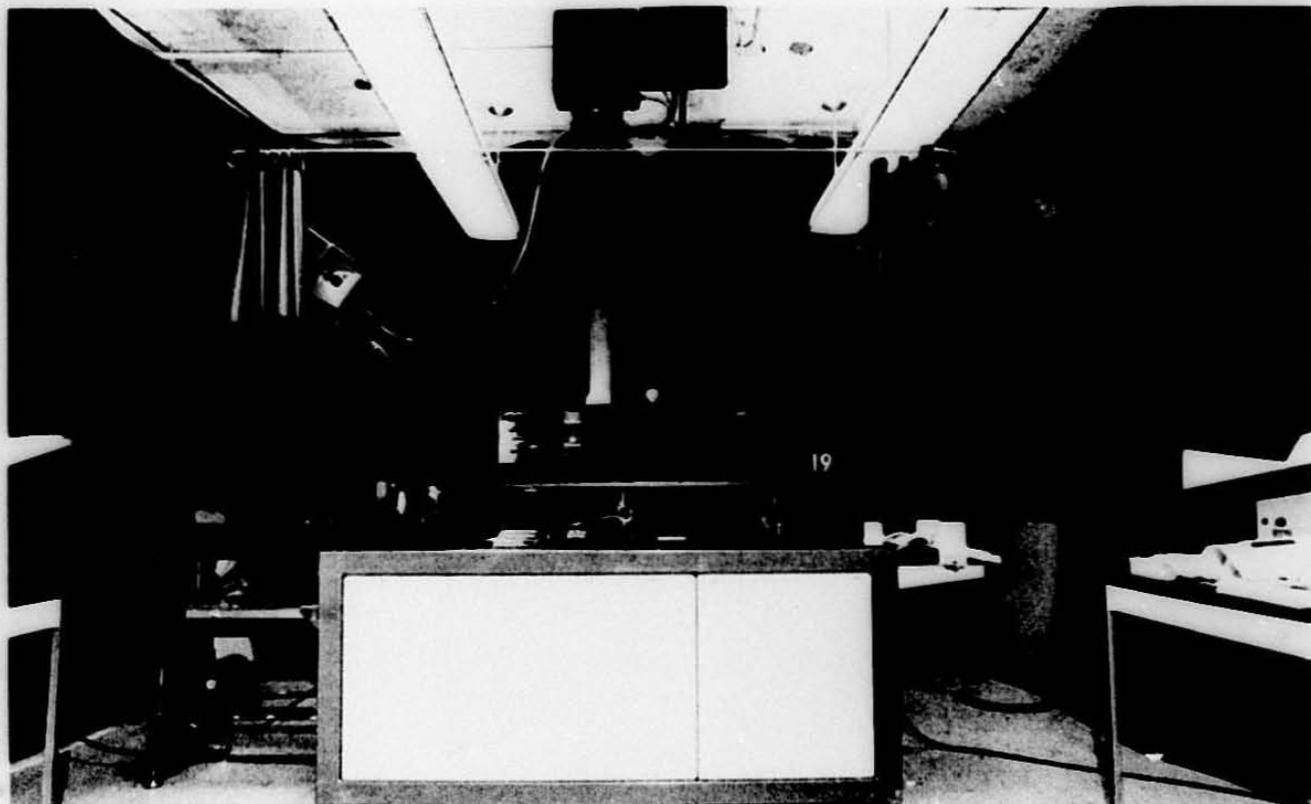
The cameras have the capability to recognize 30 error conditions. With most errors, the machine stops with the questionnaire still on the camera bed before being photographed. The machine displays an error code which the operator uses to identify the error and make a correction. For example,

the machine will stop if two or more questionnaires are fed onto the camera bed simultaneously.

FOSDIC cannot read writing. Rather, FOSDIC detects answers from light densities. The census questionnaires were answered by filling in circles on the questionnaire with pencil. The blackened dots became dots of light on the negative image on the microfilm. Light was projected onto the microfilm as the microfilm was passed through FOSDIC. FOSDIC detected the answers by comparing the densities of the answer areas on the microfilm. An answer would have less density than the surrounding area.

FOSDIC converts the detected answers into a binary code which is readable by computers. FOSDIC also transmits the converted data in blocks across communication lines to one of two concentrators in Suitland. The concentrators collected FOSDIC transmissions from the four FOSDIC





High speed automated camera.



The Census Bureau's questionnaire library.

machines at each PO and wrote the data onto magnetic tape. The magnetic tape was used in further processing at Suitland.

Accuracy of the transmission from the FOSDIC machines to Suitland was controlled by check summing and parity checking the data block. If an error was detected, FOSDIC automatically retransmitted the data until a good transmission was completed. Since FOSDIC cannot read writing, the names of persons on the questionnaires were dropped from the data during FOSDIC processing.

### Processing at Headquarters

FOSDIC data were analyzed daily by computer at the Bureau's headquarters, and had to pass some 14 edit tests before being accepted. For example, one test compared population counts derived from FOSDIC data with those tallied manually by the DO's. To be accepted, the FOSDIC count must not have varied outside of a pre-established error tolerance.

FOSDIC data which did not pass the edit tests were identified for review and resolution by clerks at the PO's. The clerks conducted research which may have included a recount of the questionnaires and population totals. The research supported a decision to either microfilm the questionnaires, or initiate a transaction to accept the FOSDIC data. Before completing processing, the Bureau had tabulated census data into files by State.

### How GAO Was Involved

FOSDIC had to pass not only census edit tests, but was also studied by GAO. GAO conducted work at census headquarters and the three processing offices to identify, observe, and evaluate controls over the questionnaire processing operations. One aspect of the work entailed determining from questionnaires the population counts for a sample of enumeration districts, while another aspect involved working with Census' computer programmers. While working with the computer programmers, GAO protected its files with a password. As FOSDIC data related to GAO's sample was processed, computer listing showing the results and population counts were printed for GAO's use. Questionable cases were relayed to the GAO staffs at the processing offices for analysis.



Computer tape library.

This type of GAO involvement as the work is accomplished is not unique, but does represent more on-the-spot analysis than is typical. By doing so, GAO was able to establish for the sample of data it examined how the final census population counts compared with the GAO counts. We concluded that the reviewed questionnaires were processed accurately and the corresponding population counts were reliable.

### Summary

The census has a long history, and today is vital for equal representation and the distribution of billions of dollars in Federal funds. Extensive use is made of the census by the private sector as well.

Our modern-day census is a massive undertaking with a short time duration. To complete the census, the Bureau relies extensively on computers. The Bureau has led the way to modern data processing through the punched-card system, and the application of the first commercial computer. Even today, the Bureau's engineers and technicians are at the forefront of data processing with their automated cameras, FOSDIC machines, and computerized tabulation processes.

When the tabulation of the 1980

census is finished, your questionnaire will be shredded and recycled. The microfilmed copy of your questionnaire will be kept confidential for 72 years (an average person's lifetime), after which it will be made public by the National Archives.

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## T. J. Sullivan

Mr. Sullivan joined GAO as a 1979 Presidential Management Intern. He received a Master of Public Administration degree from West Virginia University, where he studied social policies and programs for older Americans. An evaluator of programs for the elderly in the Human Resources Division, Mr. Sullivan has worked in a nursing home, an area agency on aging, and has done research for the American Association of Retired Persons. He is currently on congressional assignment studying tax policies for the House of Representatives Select Committee on Aging. Mr. Sullivan is a member of the National Council on the Aging and the Gerontological Society of America.

# Program Area Specialists— A Key to the Future of GAO Evaluation

In March 1980, Comptroller General Staats acted to implement the recommendations of his Task Force on the Specialist-Generalist Issue. In an official statement, the overseer of the largest group of program evaluators in the Federal Government recognized that some GAO evaluators "tend to concentrate their work in one area because of special knowledge or familiarity with a governmental program or GAO issue area."

While it is significant that program area specialization was officially recognized, there has been no substantive change in policy, and the specialist-generalist controversy in the field of program evaluation is far from over. In this article we shall examine some of the issues surrounding the debate, discuss the costs and benefits of various alternatives, and attempt to convince the reader that GAO and the evaluation community could benefit from the deployment of a limited number of evaluators with specialized expertise in certain program areas. Implicit is the assumption that the vast majority of evaluators would remain generalists. The judicious use of a "mix" could lessen the costs associated with the use of specialists while encouraging better understanding of complex programs and the improvement of analytical and evaluation products.

## Background

Within GAO, few issues have stimulated such a high level of interest among professional staff as the specialist-generalist controversy. Unfortunately, much of what has been written on the subject deals primarily or exclusively with the technical specialist, i.e., economists, operations researchers, and statisticians. This is the case shown in the Task Force report. After a passing reference to program area specialization, the report went on to address the particular problems associated with technical specialization and virtually ignored program expertise.

One study which does address program area specialization is an unpublished paper written by Assistant Comptroller General Harry S. Havens while he served as director of GAO's Program Analysis Division. Entitled "Some Thoughts on the Concepts of Specialists and Generalists in GAO," the paper represents a clear case for developing deeper knowledge of Government programs and policy areas. Perhaps more importantly, it lays out a framework for consideration of the issue and offers working definitions for generalist and specialist evaluators in GAO.

Mr. Haven's operational definition of a GAO program area specialist is as follows:

*One who devotes or limits his interest to a single program area and is unusually conversant within that area.*

From his writings, it is clear that Mr. Havens thinks that most such staff members gradually acquire their program expertise over many years, largely, but not exclusively, from studying related programs as an evaluator with GAO.

## The Case for Specialization

### Evaluation and the Changing Needs of the Congress

This article is based on certain assumptions about the present and future roles and activities of GAO. Over the past 3 decades there have been substantive changes in the idea of what it is we are supposed to do and the kind of people needed to do it. The emphasis on developing generalist auditors, which surfaced in the 1950's, was based on the perceived role of GAO as a post-audit organization. The recent emphasis on recruiting staff educated in nonauditing disciplines is based on the perception of a change toward more evaluation functions and

recognition of the need to lessen the homogeneity of the professional staff. A prudent consideration of the need for program expertise will be based on assumptions about the future.

The focus of GAO's responsibility has shifted toward evaluating the efficiency and effectiveness of Government programs, and evaluation now constitutes the overwhelming majority of staff work. Inherent in that approach is the development of recommendations for program improvement, at first from a management perspective, but now increasingly from a policy perspective. Slowly, our role is evolving from that of a watchdog to that of a scout.

In his benchmark study of the GAO,<sup>1</sup> University of Virginia professor Frederick Mosher cites many different roles played by the organization, clearly a departure from the traditional notion of auditing. Two of those roles which appear to be growing in importance and practice are those of management consultant to the executive branch and policy advisor to the Congress. If GAO is to meet the challenge of these roles, there is a need to change the results of our work so that it will be of more value to users.

The Select Committee on Congressional Operations released a report in 1978 that was somewhat critical of GAO.<sup>2</sup> Under the heading "Opportunities to Improve Service to the Congress" appeared several suggested changes to the services now provided. One major focus of these suggestions is the need for more comprehensive program-wide, issue-area-wide, and organization-wide evaluations. The fact that Government programs are often fragmented is no longer sufficient reason for evaluations to focus only on individual facets. Apparently the Congress, too, is having trouble "seeing the forest for the trees." The implications of such a change would be many, but we believe that in a very few instances GAO has already experimented in this role and has proven that it can provide important contributions to a field. One example of such an effort is the study of the "Well-Being of Older People in Cleveland Ohio" (HRD-77-70). This study broke new ground in an attempt to determine the cumulative effect of several Government programs on the older population and provided invaluable data to planners and service providers in the field of aging.

Another major thrust of the committee recommendations concerns the need for quicker response service. The Congress often has a need for immediate investigations or reports on important issues. While the Congressional Research Service promptly fulfills some of those needs, when actual oversight or evaluative research is involved, GAO is responsible.

Unfortunately, some current GAO practices can be at odds with this need. For example, it is important that GAO products be carefully reviewed, but this process is often time-consuming and one could argue that some of the changes made to a report are more stylistic than substantive. Thus, the operating divisions generally are not presently in a position to provide quick-response service in a regular manner, unless, by coincidence, they have recently prepared a report on a program.

Another important factor in considering the future work of GAO is congressional change, reflected in the increasing specialization of the committee structure, rapid growth in size and specialization of congressional staff, and a growing tendency of committees to monitor executive agencies. Increasingly, the users of our services are highly knowledgeable and well experienced in the relevant programs and issue areas.

Between 1970 and 1977, the number of congressional employees doubled. There are currently about 20,000 congressional staffers in committee and Member offices, or roughly 37 employees for each Member. Most of the professionals are well educated and highly specialized.

While some of this growth can be attributed to increases in oversight functions required by the 1970 Legislative Reorganization Act, of greater importance is the legislators' growing distrust of the White House. This credibility gap came about during the Vietnam War and widened through the Nixon years. Increasingly, Members of Congress are likely to trust only information provided, or at least checked, by their own staff.

The old days of using staff appointments to reward political cronies are giving way to the hiring of staffs experienced in a legislative specialty. Many have experience in executive agencies. Failure to continue to adapt to the growing sophistication and specialization of its users would leave GAO at a

disadvantage in the future.

### **Enhanced Understanding of Programs and Policies**

No one doubts that Government programs are growing in number, complexity, and interrelatedness. For instance, services targeted for the elderly, almost nonexistent 15 years ago, are now provided through 134 programs under 27 Federal departments and agencies. Such complex program "systems" as health care finance and income security generate myriad programs, each with rules and regulations enough to cause nightmares for consumers and evaluators alike. To make matters worse, Congress' need for information necessary to make policy will require evaluators to look across those programs and systems to get the total picture.

Many programs, in splendid bureaucratic irony, have increased in complexity through attempts to decentralize and localize the delivery of services. Only a scholar of intergovernmental relations could explain the various Federal-State-local networks created in the last few years to deliver federally funded, locally provided services to those in need. This has resulted in substantial growth outside the Federal sector, and increased the difficulties in management, oversight, and policy formulation.

As programs have increased in sophistication, so have the principals involved in their development and execution. In short, agency staff are becoming more highly educated and specialized. Often, when a new program begins, it is shortly followed by a new academic discipline. Training and education are frequently integral parts of social service program systems. This may result in better programs and better management, but lack of training for the evaluator may be a handicap.

As the specialization and expertise of executive and legislative staffs grow, it is not unlikely that generalist evaluators may become alienated through an attitude that they "just don't understand." Being an "outsider" has its costs in understanding the programs under study.

In an article on evaluating action programs, Edward A. Suchman states:

*The outsider is less likely to understand the objectives and procedures of the program, especially if these require technical or professional competence.*

He is more likely to miss subtle aspects of program operation or objectives, especially possible negative effect. In addition, "he is less likely to be acceptable to the operating staff, and more likely to encounter obstacles in carrying out the evaluation."<sup>3</sup>

GAO's institutional pride may lead to questioning the influence of alienation, as it is commonly held that evaluators gain the respect of program staff by the end of a job. Still, pride will not lessen the ability of experienced program managers to divert the attentions of neophytes. If evaluators don't locate important information, quality will suffer. Even worse, quality will not matter if executive and legislative staffers discount findings and recommendations because of lack of specialized expertise and a position outside of the relevant fields.

In understanding the programs and policies to be evaluated, there is no substitute for time and experience. It is a common practice for newly assigned staff to spend weeks or even longer reading materials related to a program area. It is widely recognized that there is a learning curve at the beginning. There is a great deal of information to digest, and the newly assigned staff member understands very little. The point at which one is considered thoroughly familiar with an agency or program under examination is often thought to be about 6 months. If this is true, exclusive reliance upon generalists wastes valuable resources at a hectic pace.

While such losses would not be totally eradicated by employing specialists, costs in time could be significantly reduced. Continuity maintained within a field would lessen the time required to introduce staff to the basics, though there would still be learning associated with new agencies or programs.

Rather than starting a job cold, specialists have a greater understanding of the historical developments in their field. They would, over the years, acquire a familiarity with the literature in the field and may attend outside training relevant to the discipline.

The resultant ability to examine a program or policy in light of its historical development, readily understand its present status, and think critically about its future is not realized under the generalist mode since there is little incentive to develop such familiarity.

Allowing staff to concentrate their efforts in a program or issue area

would contribute greatly to the continuity of GAO's work. A limited number of specialists could facilitate the orientations of generalists as they begin an assignment by guiding them in the direction of the relevant literature. In addition, the specialists would have a familiarity with previous relevant GAO studies, and would develop contacts in their fields in executive agencies and the Congress. Potential benefits include obtaining information that might not otherwise be found, faster responses, and an ability to get the inside story.

### Improved Organizational Outputs

Ultimately, the effect of GAO's work is contingent upon the user adopting and implementing our recommendations. Program area specialization can help to improve the value of recommendations to the users, and therefore can increase the likelihood of their implementation. Specific ways in which specialization can help include:

1. Improved timeliness—By starting jobs with staff already acquainted with the basics, and who have extensive contacts and knowledge of resources in a field, evaluators can turn out good products in less time. This is critically important when responding to time-sensitive congressional requests.

2. Enhanced credibility—Having developed recognizable expertise, questions of staff qualifications to make recommendations would be less frequent, and dependence on outside consultants used to shore up our credentials could be lessened.

3. More comprehensive focus—The Select Committee on Congressional Operations in 1978 called for comprehensive program-wide, issue-area-wide, and organization-wide evaluations. Understanding the program area under study, the various interrelationships with other programs, policies, and governmental entities is likely to facilitate a more comprehensive approach.

4. Greater relevance to the needs of the field—Specialists would develop broad familiarity with a field, including an understanding of present and likely future trends. Familiarity, contacts with other professionals, and continuity would give specialists an important role in helping to ensure that limited resources are deployed in important efforts.

5. Forward thinking—As the Congress increasingly pushes GAO into a policy advisor role, it will become more important to be close to the forefront of a field. Indeed, much of the current work forces evaluators to make projections and assumptions about the future in considering alternative recommendations. Reliance upon generalists leaves staff in a situation of having to catch up with agency and congressional staff counterparts before being able to consider the future.

### Internal Organizational Benefits

The potential internal benefits to the operating divisions and their professional staff are many. While there is a great deal of overlap, for purposes of clarity they are presented separately.

#### 1. Operating Divisions

Though it is beyond the scope of this article to associate a dollar loss with the prevention of program specialization, it is clear that there are costs associated with introducing generalist auditors to new program areas. Mosher states: *Where the auditors or evaluators are unfamiliar with the purposes and nature of the work they are examining, there are likely to be additional delays to educate, explain, and justify. This is particularly true when the examiners come in from outside the organization and are unfamiliar with its background, its modes of operating, and the reasons for them.*<sup>4</sup>

Specialization would not only reduce the costs associated with this learning curve, but could lessen the cost of outside consultants.

More difficult to measure, but no less important, is the cost of skills lost when reassignment repeatedly lands staff members in new, unrelated issue areas. While audit and evaluation skills continue to be developed, whatever program expertise has been acquired is left in the workpapers.

Over the course of time, the emphasis on varied job assignments or rotation, in combination with past hiring and promotion practices, has served to ensure homogeneity and similarity of perspective among GAO professionals. Encouraging the hiring and development of a limited number of specialists would go a long way toward increasing diversity of viewpoints and breadth of knowledge of the staff.

Increasing the opportunities for specialization will allow faster re-

sponses in gathering appropriate information for the job, but more importantly, it can prepare Washington staff for their eventual middle-management roles which are evolving to be that of consultant, reviewer, and report processor on field-led jobs. When reports are written by generalists in the field, it becomes critical that they be reviewed by specialists at headquarters. This may cause problems when the writing of regional office GS-14's is reviewed by lower-grade Washington staff, but recognition of specialized knowledge may lessen the focus on grade level.

Due to the organization of GAO, regional staff would be less likely than their Washington counterparts to specialize at low or middle grade levels. Even so, experience has demonstrated that senior level field evaluators (GS-13 and 14) are likely to cultivate relationships with specific headquarters' operating groups, and thus may become specialized incrementally. This may increase, given Mr. Staats' encouragement in this area and his acceptance of September 1980 recommendations by a group of GAO's division directors that regional involvement in the program planning process be increased. Some of this involvement would be in the form of input to the plans themselves, and others would take the form of designating certain staff or a number of staff years to work in a given issue area or line of effort. GAO management is actively encouraging increased field participation in these areas.

## 2. Professional Staff

The Comptroller General has called for the provision of "attractive career paths for all professional staff regardless of discipline." Under current GAO policies it is difficult, though not impossible, to become a program area specialist. Those who do are likely to find that deviation from the traditional generalist career path may cost them in terms of promotability.

It has often been reported that GAO employees feel insecure as to where management stands on the issue, and the above-mentioned statement is unlikely to resolve that. Those who wish to specialize know what they are up against, yet there are still those who try.

Promotions in GAO have tended to be based on varied experiences and producing reports. An aspiring auditor concentrated on meeting those criteria, which rewarded variety rather

than specialization in a program area.

Until 1976 GAO auditors could be promoted to GS-14 without going through a competitive promotion process—the career ladder extended to this level. The career ladder now ends at GS-12, with only a limited number of competitive promotions above that level. Because of that, it is important that management develop and implement alternative work incentives and reward structures. While the flexible working hours implemented in 1980 are a step in that direction, management has not acted as favorably on an important opportunity in the form of job-enrichment through recognizing and encouraging the development of program expertise.

When promotions and money are ruled out, perhaps the most important incentives and rewards are those which concern the work itself. In light of the current situation, I believe GAO's management should turn its focus toward job enrichment. Ironically, under the team approach, the opposite happened: headquarters work became more fragmented, less responsible, and more administrative. Providing attractive career paths for specialists, encouraging development of program knowledge, and allowing full participation in work important to a field or discipline are ways in which management can reward without raises.

## The Case Against Specialization

The intent of this article is to make a case for a limited number of specialists, not to force a choice on the specialist-generalist issue. One cannot ignore the fact that many evaluators prefer the opportunity to work on varied assignments.

Several arguments have been raised against specialization. Without claiming objectivity, we will present those arguments for consideration.

### Decreased Flexibility

The loss of flexibility in deploying staff resources is probably the most obvious cost of specialization. While only the staff who choose to specialize would be affected, a decrease in management discretion inevitably would result. At best it would require more advanced reassignment and career development planning than is now required. Even the freedom of choice available to generalists facing reassignment could be adversely affected.

### Loss of Objectivity

Presently, GAO staff is comprised of professional evaluators whose work efforts are structured to build in objectivity. Persons who develop a special interest or expertise in a program may be susceptible to identification with the "cause" of relevant organizations. Presumably, the benefits of increased familiarity could be offset by the resultant loss of objectivity. While knowledge of a program or issue area is not necessarily the salient factor in determining objectivity, the development of contacts or status in a field could affect an evaluator's perspective.

### Stagnation

It has been said that allowing specialists to concentrate in program areas could produce stagnation—that staff may become bored or complacent in their work, and that adding "new blood" becomes necessary to revitalize efforts in that area. If this occurs, it could have a detrimental effect on morale, productivity, and product quality, which would quickly offset any benefit of increased familiarity.

### Organizational Identity

It is possible that development of specialists with extensive contacts in a given field may detract from the identification of our work as a GAO institutional product. This could have a negative effect on the credibility and influence of future GAO evaluations. Reports might be judged on the merits of the individual work group that prepared them, making GAO an organization of individual consultants.

### Avoiding the Costs

Fortunately, the benefits of allowing or encouraging staff to develop program expertise can be realized even if the number who specialize is relatively low. On the other hand, most of the arguments against specialization are significantly defused when specialization is voluntary and less than universal. For example, flexibility in staff deployment would be diminished only to the extent that the staff chooses to specialize. Those who remain generalists (perhaps the majority) would still be available for assignment in the present manner.

Since much of the staff would remain generalist, and job design maximizes objectivity, specialization would not significantly harm that quality of

our work. In fact, wide exposure to different viewpoints and experiences within the broad context of a subject area may enhance objectivity.

Stagnation is unlikely to be the result of purely voluntary specialization, since progressive increases in knowledge can become a primary motivating factor. This can be an effective substitute for the lack of frequent increases in pay or responsibility.

## Gradual Implementation

We hope that you have been convinced of the potential benefits of program area specialization. The nature of the issue is such that change could be approached in many different ways. Perhaps the safest and most rational way would be to experiment with specialization or to slowly implement it in an incremental manner. The changes advocated do not necessarily require any formal action but could be viewed as a gradual process. Sometimes, new policies implemented from the top fail before they are even understood at the grassroots level.

Still, such a significant change would require a clear signal of organizational support at the very least. Under current Office policies, only those staff with a sincere interest in a program area are willing to jeopardize their image as a more promotable generalist to that of a specialist. With no immediate change in employee classification, those who choose to specialize will do so by rational choice, recognizing that, at least for a time, they are departing from the mainstream. Such a process will develop a slowly evolving mix of generalists and specialists which, I feel, will be of maximum benefit to GAO.

This slow but committed manner of implementation will serve to accommodate natural resistance to change and will ease staff concerns and resentments about another new policy. It is most appropriate for a response to the evolutionary changes in GAO's mission and will allow for observation and measurement of benefits.

Those who choose to specialize will be making an investment in the future of GAO based on internal values and beliefs. They should not be put off any longer.

<sup>1</sup> Frederick C. Mosher, *The GAO: The Quest for Accountability in American Government* (Boulder, Colo.: Westview Press, 1979).

<sup>2</sup> U.S. Cong., House, Select Committee on Congressional Operations, *General Accounting Office Services to the Congress: An Assessment*, 95th Cong., 2nd

sess., H. Rept. 95-1317 (Washington, D.C.: June 22, 1978).

<sup>3</sup> Edward A. Suchman, "Action for What? A Critique of Evaluation Research," in *The Organization, Management, and Tactics of Social Research*, ed. Richard O'Toole (Cambridge, Mass.: Sherkman Publishing Co., 1970).

<sup>4</sup> Mosher.

# Airline Deregulation: Boon or Bust?



## Vic S. Rezendes

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Just as some unseen force makes airplanes fly, the invisible hand of free enterprise seems to be making airlines more efficient. Doomsday predictions offered by many airlines that chaos and disaster would follow from a merciless free market have not materialized, at least not through 1979.

Still, some people question the appropriateness of letting the free market allocate so vital a national resource as air transportation. Concerns have focused less on the airline industry's balance sheet and more on the adequacy of service to communities, consumer protection, and whether the pricing system has become too confusing and discriminatory.

Although most indicators seem positive, it is still too early to judge deregulation's ultimate success or failure because it is a gradual process that will not be completed until 1985.

## Why Deregulate?

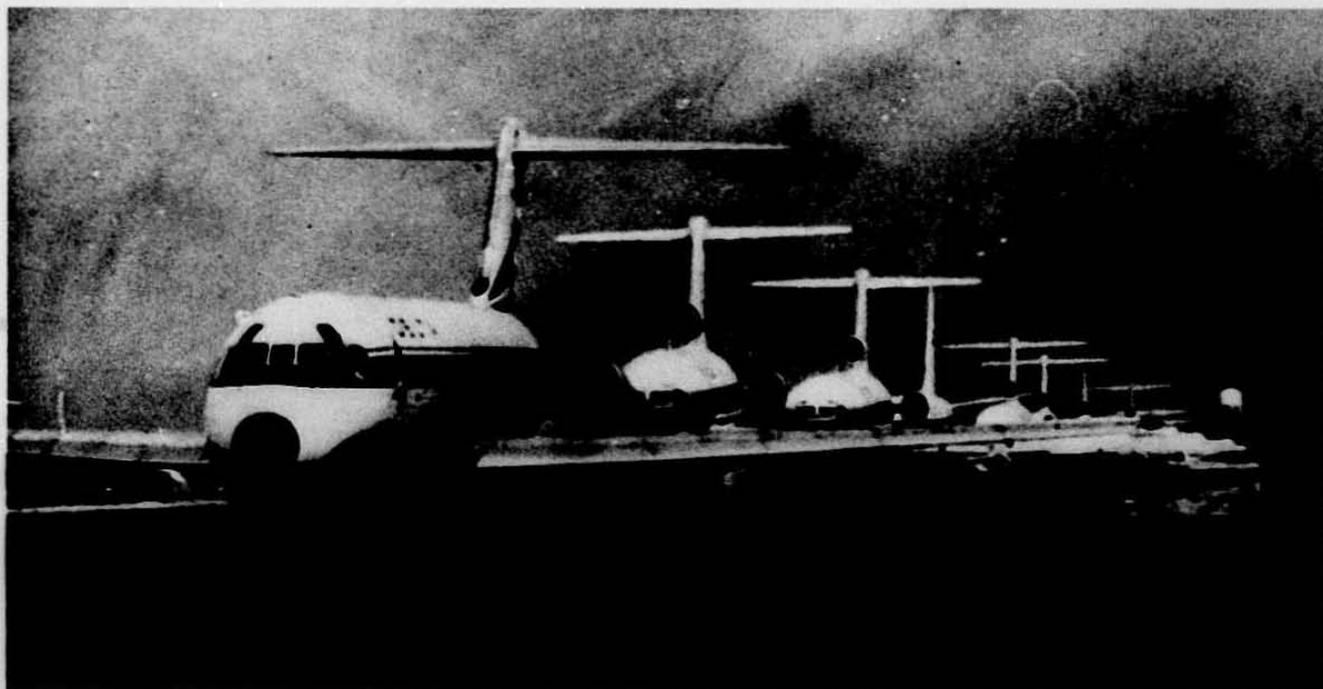
The Civil Aeronautics Board (CAB) is responsible for the economic regulations of the airline industry. For years the CAB has scrupulously protected

airlines from competition. Criticism of these policies reached floodtide proportions around 1976. Generally the criticism was aimed at the CAB's route-award policy, which severely restricted new routes and competition. In addition, the CAB's fare policies failed to give cost-service options to passengers. As a result, in 1978 the Congress passed the Airline Deregulation Act, which permits a more competitive airline industry and will gradually phase out the CAB through 1985.

Although deregulation was not enacted until October 24, 1978, the Board began easing airline controls before that time. Since 1977, CAB has gradually lessened restraints on an airline's ability to enter and exit markets and has provided airlines increased fare flexibility. Consequently, we consider calendar years prior to 1978 as being before deregulation and 1978-79 as after.

## Influence on Airlines

Through 1979, four aspects of the industry's operations—traffic, fares, profits, and production—have shown



Since 1977 the number of weekly departures and available seats have increased up to 15 and 12 percent, respectively.  
(Photo by Neal Callahan, courtesy of FAA.)

positive gains since the deregulation process began.

Air traffic boomed, outpacing the general economic indicators. During 1978-79, the number of airline passengers increased by an average 30 million per year, compared to an average annual increase of about 11.5 million before 1978. In airline terms, revenue passenger-miles is defined as one paying passenger that is transported 1 mile. After the deregulation process began, revenue passenger-miles increased by an estimated 24 billion per year while the average annual increase before deregulation was only 8 billion.

Generally speaking, it is thought that as the economy expands and

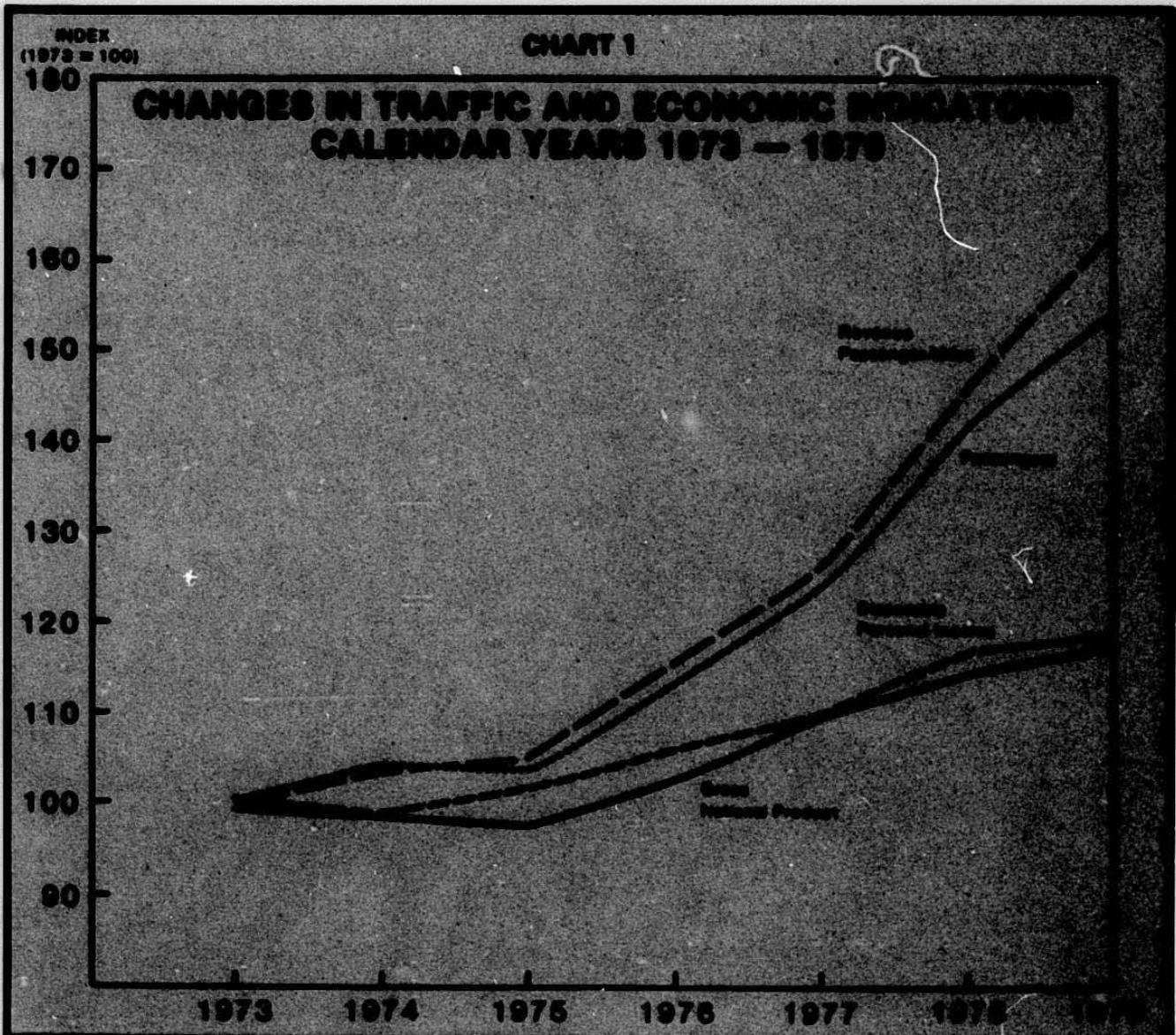
incomes rise, the demand for air travel increases. Two U.S. Department of Commerce indexes are available to measure this correlation: gross national product and disposable personal income. Both reflect the general economic business and nonbusiness demand for air travel. As chart 1 shows, passenger traffic has increased sharply since 1977, considerably more than both economic indexes.

Air fares have increased before and after deregulation but have not kept pace with airline costs and the consumer price index. Since deregulation began, air fares increased only 6 percent while an index of airline costs increased by about 30 percent and the consumer price index increased 20

percent. When the effects of inflation are eliminated, in terms of 1970 dollars, air fares have actually declined from 5.9 cents per passenger-mile in 1970 to 4.7 cents per passenger-mile in 1979.

Although airline fares have not kept pace with rising costs, airlines have still been making profits. During the decade of the seventies, the average rate of return for domestic operations of U.S. airlines was 6.9 percent. The rate of return after deregulation began was 7.1 and 12.9 percent which is significantly higher than the 10-year average.

Two major factors that have contributed to moderating fare increases and increasing airline profitability are



improved airline productivity and favorable economic conditions. While measuring each factor's influence is difficult, it is clear that airline productivity has improved. An important productivity measure is the industry's load factor, which is the percentage of available seats sold. Since deregulation, load factors have increased to a high of 63 percent in 1979 compared to about 55 percent before deregulation.

Another efficiency measure is operating costs per revenue ton-mile. The term *per revenue ton-mile* represents the cost to transport 1 ton of revenue traffic 1 statute mile. A Board index of these costs (using 1976 dollars) shows that airline costs have decreased. Before deregulation, costs decreased

at a 4.3 percent annual rate, while after deregulation they decreased at an annual rate of 7.3 percent.

**Airlines Have Benefited But Has Service Improved?**

Yes, air service is up nationwide. Since 1977 in most domestic communities, the number of weekly departures and available seats has increased up to 15 and 12 percent, respectively. Airline competition among these communities has increased as has single-plane service, which allows travelers to reach their destination

without transferring planes.

Service patterns have changed since deregulation. More service is provided to small communities from larger communities, but less direct service is provided among small communities. However, most small communities had weekly departure increases greater than the national average.

If you think all this sounds too rosy, you're right. Despite nationwide increases in air service, some geographic areas have been hurt. Thirteen States<sup>1</sup> experienced a decrease in service and 130 communities have been affected by some airline service terminations, but the majority continue to receive air service by one or more airlines.

**Table 1**  
**Changes in Consumer and Airline Costs\***

	Before deregulation (1970-77)		After deregulation (1978-79)	
	Total increase	Average annual compounded increase (percent)	Total increase	Average annual compounded increase
Air fares .....	42.4	5.2	5.9	2.9
Airline costs index .....	95.7	10.1	30.6	14.3
Consumer price index .....	58.1	6.6	19.9	9.5

\*Based on an index of costs to the airlines—fuel, personnel, goods and services purchased, landing fees, rentals, and depreciation. This index compares prices paid by airline management in a given period to prices paid in the fourth quarter of 1978 for purchase of fourth quarter 1978 quantities.

**Table 2**  
**Operation Costs Per Revenue Ton-Mile Domestic Airline Operations\***

Year	Actual cost per ton-mile (cents)	Costs per ton-mile in 1976 dollars (cents)	Average percent of decrease
1970 .....	51.75	95.48	
1971 .....	53.01	95.08	
1972 .....	52.35	91.22	
1973 .....	55.07	83.47	
1974 .....	63.30	79.07	
1975 .....	69.73	79.09	
1976 .....	70.87	72.57	
1977 .....	74.50	70.25	
1970-77 .....			-4.3
1978 .....	74.15	63.56	
1979 .....	83.86	60.42	
1978-79 .....			-7.3

\*Actual costs were adjusted to 1976 dollars using an index developed by CAB. The actual and deflated 1976 costs differ because CAB's index uses the fourth quarter of 1976 as a base period. Had the base period been the entire year 1976, actual and deflated 1976 costs in this table would be the same.

During the 10 years before the act was passed, 137 communities lost all certificated air service, that is, air service which requires CAB approval. After deregulation, only one community lost certificated service—for 19 months—and that was with the community's consent.

## What About Consumer Protection?

Consumer protection may actually improve with less regulation. In the past, Federal airline regulation has weakened the passengers' rights. These regulations have altered the usual buyer-seller relationship between passenger and airline. Some regulations have allowed airlines to file tariffs limiting their responsibility and liability, often to the passenger's detriment.

*Tariff* is a technical term meaning all the rules, rates, and fares that apply to air transportation. Because tariffs have the force of law, passengers are expected to be fully aware of their terms even though they are voluminous, complex, often confusing, and continuously changing. For example, in 1977 alone, airlines filed about 160,000 rule and fare tariff pages, covering over 5 million changes to the estimated 25,000 to 50,000 currently effective tariff pages. Obviously, it is unrealistic to think that all air passengers have read, understood, and consented to these tariffs before they buy a plane ticket.

Originally, tariffs were intended to ensure that all air patrons receive equitable treatment concerning fares, rules, practices, and services. However, today's tariffs sometimes become a defensive weapon with which airlines shield themselves from responsibilities. For example: A passenger purchased five round-trip tickets for himself, his wife, and their three children for a flight from Washington, D.C., to Sarasota, Florida. Before purchasing the tickets he telephoned the agent to inquire, "Do I have to reconfirm when I get to Florida?" The agent replied, "You don't have to reconfirm these." Relying on the agent, the traveler did not reconfirm when he arrived in Florida.

On the day he was to return, he and his family went to the airport at Sarasota 30 or 45 minutes before flight time but were told that their spaces had been canceled because of lack of reconfirmation and that no space

would be available for 3 days. As a result he and his family returned home by train.

Between the time the passenger purchased the tickets and used them, the airline instituted a tariff requiring reconfirmation at least 6 hours before departure. The court held that the traveler was bound by the tariff even though he lacked knowledge of it. Further, the court ruled that a misstatement by an airline agent does not change the rule, even though it works a hardship in an individual case.

Deregulation should help the consumer by not sanctioning an airline's rule as law. If an airline wants to insulate itself from liability, it should be required to give passengers advance notice of such restrictions. Passengers would then have the same legal rights against airlines as they do against most other suppliers of goods and services.

## Is Pricing Discriminatory?

"Super saver," "Peanut fares," and



Mr. C. Squire (l.), President, Airline Tariff Publishing Co., and GAO evaluator John Minnick review some of the currently effective tariff pages.

other discount fares with their many restrictions have flourished since deregulation. These fares leave the average consumer bewildered. Why can't we have a simple fare system where all passengers pay the same fare? Why should a person on vacation pay less for the same type of service a business traveler receives? Business travelers have been especially vocal about this point.

It is unfair for business travelers to pay more than nonbusiness travelers in the same market, unless the business traveler receives additional services. According to a CAB study, business travelers are getting more service.<sup>2</sup>

Generally, business travelers want and are willing to pay for frequent air service on a daily basis. Furthermore, they want this service to be accessible on relatively short notice. If it were not for these business requirements, airlines could consolidate their flights into several per week, ensuring full planes and maximum profits. As it is, airlines must provide more flights and set some seats aside for last-minute business travelers. Obviously, this kind of service is costly, so the airlines created discount fares to help absorb some of their fixed costs.

Here's how discount fares work. Airlines set restrictions on discount fares. For example, they limit travel to certain days or times and impose various length-of-stay requirements. Then these fares can be priced to cover marginal costs plus contribute to, but not necessarily cover, fixed costs.

The benefits of discount pricing are readily apparent from the following CAB example.<sup>3</sup> First, imagine an airline market involving two cities 1,000 miles apart which averages 75 business travelers per day in each direction who are willing to pay any reasonable price to ensure continuation of daily service to these cities. Then assume that nonbusiness travel demand for trips in this market depends on the following fares:

One Way Fare	Number of Nonbusiness Travelers
\$70	18
64	23
60	30
58	34
55	40
50	47
45	54

Now, assume the following costs for operating in this imaginary market:

year after deregulation. Despite these savings, it is still too early to say that

**Table 3**

Aircraft	Seats	Average cost per air passenger <sup>a</sup>	Total flight cost	Marginal cost per additional passenger
Erving 737-200 .....	130	\$64	\$8,240	—
Boeing 727-200 .....	162	\$60	\$7,047	\$34.83

<sup>a</sup>This assumes a 75-percent load factor.

If an airline chose to sell tickets at a uniform price, say \$64, it would just cover the \$6,240 cost of serving this market with a Boeing 737-200 aircraft ( $\$64 \times (75 + 23) = \$6,272$ ). In this example, there is no single price charged to all travelers that permits the airline to cover the costs of using a Boeing 727-200.

By using a two-tier pricing system, an airline can significantly increase its profit while reducing ticket costs to business and nonbusiness travelers. By charging \$63 to business travelers and \$50 to nonbusiness travelers, the airline will continue to attract 75 business travelers, but will now attract 47 instead of 23 nonbusiness travelers. At these prices the airlines will generate \$7,047 it costs to operate the larger, more efficient Boeing 727-200.

While discount travelers benefit from the marketing requirements imposed on airlines by business travelers, one person's business trip is not subsidizing another's vacation. Discount travelers make it possible for airlines to use larger aircraft, provide more frequent flights, and accommodate late business travelers. If it were not for discount fares, business travelers would have to pay even more for their seats or suffer service cuts. Therefore, the two-tier pricing system creates benefits for both groups.

**GAO's Role**

GAO has issued several reports concerning airline deregulation and consumer protection. The first in 1977 (CED-77-34), was instrumental in deregulating the airline industry. At that time we estimated that deregulation could save air travelers about \$1.4 to \$1.8 billion annually. That estimate was a little conservative. The Civil Aeronautics Board estimated that consumers saved about \$2 billion the first

deregulation has been a total success. Federal controls are gradually being removed until 1985.

An assessment of deregulation is further complicated by the fact that air travel is very sensitive to national economic conditions. Right after deregulation (1978-79), the economic conditions were favorable, but 1980 has been a different story. Preliminary indications suggest that some airlines are suffering record losses. We need to carefully evaluate the 1980 data, when it is available.

Deregulation's impact cannot be judged completely on whether fares and profits are up or down. The entire air transport system needs to be evaluated, and it will be many years before a conclusion can be made. In the meantime, the temptation will be great to reregulate to solve inevitable transition problems. We hope that temptation will be resisted. The invisible hand of free enterprise should be allowed to continue its work on the airlines. It seems to be doing a good job.

<sup>1</sup> Alabama, Arkansas, Delaware, Iowa, Mississippi, Nebraska, New Mexico, Oklahoma, Rhode Island, South Carolina, Vermont, West Virginia, and Wyoming.

<sup>2</sup> Robert Frank, Director, Office of Economic Analysis, Memorandum to the Civil Aeronautics Board, "Is the Current Air Fare Structure Discriminatory?" 4 Jan. 1980.

<sup>3</sup> Memorandum of Robert Frank, 4 Jan. 1980, p. 4.



**Richard P. Dettmar**

Mr. Dettmar joined GAO's Accounting and Financial Management Division in October 1977 following his retirement from the U.S. Army with 26 years of service in a variety of financial management positions. Since joining GAO Mr. Dettmar has worked in several specialized fields relating to the design, development, test, and implementation of financial management systems at the Federal, State, and local levels of government. Mr. Dettmar has a B.B.A. degree from Pace University, New York, an M.A. degree in government administration from George Washington University, and is a 1976 honors graduate of the Industrial College of the Armed Forces. He is a member of the Association of Government Accountants and the Association of Military Comptrollers.

# Grants Management by State and Local Governments: A Systematic Approach

Annually, billions of dollars are being poured into the coffers of State and local governments in the form of Federal grant-in-aid programs. Once considered a boon to solving growing problems in urban and social program areas, these same programs, as a result of their unplanned growth in terms of size, dollars, and demands, have severely tested the financial management systems of both the Federal grantor agencies responsible for administering the programs and the State and local governments the programs were intended to help.

While the Office of Management and Budget (OMB) has been active in correcting many of the problems associated with administering the programs by the Federal grantor agencies, little attention has been directed to the very real financial management problems the unprecedented growth in these programs has created at the State and local government levels.

The purpose of this article is to address some of the more significant problems these programs have created and suggest a reasoned approach for regaining program control through an integrated Grants Management System.

## Proliferation of Federal Grant-in-Aid Programs

For well over a century the Federal Government has provided assistance to State and local governments to accomplish specific national objectives. The origin of this aid is generally traced to 1785, when the Congress enacted legislation providing grants of Federal land for education in the Northwest Territory. From that time through the end of the 19th century, Federal grant programs remained relatively small and did not become a significant factor in national domestic policy until after World War II, when the needs for urban and social programs at the State and local levels gained attention. In 1950, Federal

grants to State and local governments totaled \$2.0 billion, by 1965 had risen to \$11 billion and, gaining proportionally in mass and velocity, reached \$85.0 billion in fiscal year 1980.<sup>1</sup> Today there are in excess of 1,100 different Federal grant programs available to provide assistance. These programs are administered by 57 separate Federal agencies, departments, commissions, and councils.

In the field of health alone, over 300 different programs are administered by 11 separate Federal agencies, departments, commissions, and councils. The programs provide a vehicle for assistance to the 50 States and nearly 80,000 units of local government<sup>2</sup> and represent almost 21 percent of Federal domestic outlays and an estimated 24 percent of all State and local government expenditures.<sup>3</sup>

## The Effect on State and Local Governments

The effect of grant programs on the financial operations of individual State and local governments has been alarming. As recently as 1967, Federal aid amounted to only 1 percent of the general revenue of St. Louis. By 1976, this had grown to 23.6 percent and, for 1978, amounted to 57.4 percent. In this same period, Buffalo went from 2.1 percent in 1967 to 69.2 percent in 1978. In Newark, Baltimore, Philadelphia, and Phoenix, Federal aid makes up more than half of the operating revenue.<sup>4</sup> While these figures clearly portend potentially severe problems when related to the pressures for reduced Federal spending, they unfortunately do not reflect the true extent of the very real problems already confronting State and local governments as they struggle to gain control of and manage existing grant programs.

## The Crisis in Grants Management

Until the mid-1960's, Federal grant

programs were of a manageable level in terms of size, dollars, and demands, and were usually handled within the existing financial structures of State and local governments. For the most part, the periods of performance were open, minimal accounting was called for, and no audits were required.<sup>5</sup> However, beginning in 1965, generally termed the take-off period for grant programs, an onslaught of new and highly complex administrative requirements began flooding State and local governments as Federal grantor agencies suddenly found themselves in charge of new multibillion-dollar programs. Lacking time, experience, or executive branch guidance, each agency, and in many instances different bureaus within the same agency, developed their own administrative requirements with which State and local governments were required to comply.

The results of this undisciplined approach are predictable. Widespread inconsistencies among grant program procedures and requirements ensued. Since the existing established financial structures could no longer feasibly accommodate the growing and divergent demands of the Federal grantor agencies, State and local governments were forced to conduct their grant programs outside the established structure. As the grant programs continued to grow in mass and velocity, their isolation from the established financial structure became more pronounced, and State and local governments suddenly found themselves operating two almost entirely separate systems for the allocation of their resources: a centrally controlled established structure administering appropriated programs and a highly decentralized grant structure for administering grant programs.

The consequences of the dual structuring have already resulted in serious financial problems for many grant recipients. Effective central control over grant programs has been lost in many cases. Grant programs have failed to receive close scrutiny from elected officials, the citizenry, or even any single Federal grantor agency.<sup>6</sup> Conflicts in priorities and program duplications go undetected, and inefficient or ineffective programs are allowed to continue simply because no mechanisms exist to identify them to management. Finally, the current and long-range effect on appropriated funding needs resulting from grant

matching fund requirements, reduced funding level grant programs, and the political pressures to continue programs begun as grant programs which have subsequently expired, are difficult to determine.

Viewed in this perspective, the inability of State and local governments to control and manage existing grant programs they have come to depend on, when coupled with (1) reduced appropriated revenue bases, (2) the increasing demand for and cost of providing services, and (3) the contemplated reductions in Federal funding of existing grant programs by changes in Federal spending policies designed to limit inflation, clearly indicates new initiatives are required if State and local governments are to avoid fiscal chaos. While the declining local revenue, increasing demands, costs for services, and inflation realities cannot be changed, their effects can be controlled to some extent. The key lies in the development of integrated grant management systems which provide the visibility and central control essential for a coordinated and balanced appropriated and grant-funded program structure.

### Attempts at Reform

As indicated earlier, OMB has been active in attempting to correct many of the problems associated with Federal grantor agencies and their administration of grant programs. Uniform procedures and reporting requirements have been established and, to a large extent, are being enforced. By requiring "clearinghouse operations" and "sign offs" by State and local governments, OMB has attempted to ensure grant programs are actually justified, based on comprehensive program plans, and are under central control. To eliminate the uncoordinated approach to auditing State and local governments receiving Federal aid, a single audit program has been adopted. Developed jointly by GAO and OMB, the program establishes uniform requirements for auditing Federal grants to State and local governments, regardless of source, so that one audit now serves many needs. Eliminated are the more than 100 separate Federal audit guides that State and local governments previously had to contend with, as well as the costly duplications of effort that resulted from repeated audits of the same grants by auditors from all three levels of government.

GAO has reported to Congress on the debilitating effect of some Federal grant policies and procedures on State and local governments, and has suggested some corrective measures. For example, one report discussed the sometimes negative impact of Federal "seed money" (Federal funds provided in initial years of a program or activity, but not planned to continue once the initiative has been launched),<sup>7</sup> and the skewing of State and local priorities which arises from the lure of Federal matching and maintenance of effort funding availability.<sup>8</sup> GAO has also recommended that State legislatures be more involved in the grant process, particularly in the oversight of grant programs.<sup>9</sup>

Unfortunately, there has not been a corresponding emphasis on reform at the State and local government level. In the euphoria of more and more, necessary reviews and controls have been deferred or abolished to keep pace with the ever-increasing windfalls. The basic structural deficiencies which separate appropriated and grant programs continue to exist at the State and local government levels.

### What Needs to be Done?

Foremost among the reform actions necessary, State and local governments need to evaluate systematically their current grants management systems to determine if the programs are actually providing the kind of information and controls required to achieve the goals of integrating all grant programs into the appropriated program structure.

Systematic evaluations may well reveal that many so-called grants management systems, including some of those being packaged for State and local governments by private contractors, are in reality little more than budget and accounting systems that record and report financial data related to grant program execution. In themselves, these systems are not capable of providing management with the kind of decision data required in today's environment. For example, they do not produce such critical elements of management information which would indicate the consistency of grant programs with planned objectives, conflicts in priorities among programs, program duplications, inefficient or ineffective programs, or the long-term effects on appropriated funds resulting from grant program

matching fund requirements, reduced funding level grant programs, and the political need to continue programs initiated as grant programs for which grant funding is no longer available. While budgeting and accounting financial programs are important components of a grants management system, they are only two of several components which must act in concert if State and local governments are to be provided with the kinds of management information needed to deal with today's complex problems.

This article presents a methodology for conducting a systematic analysis of a grants management system. Through identification of the key components which should comprise a total grants management system, a basis is established against which the adequacy of a current grants management system can be evaluated. The evaluation results provide the visibility needed to identify weaknesses and to make those adjustments necessary to ensure an integrated and balanced appropriation and grant-funded program structure. Finally, capitalizing on the results of the analysis of the key components of a grants management system, a proposed organizational structure is developed for consideration. It is not intended to imply that the approach discussed is either all-encompassing or offers the ultimate

solution to the very real problems facing State and local governments as they struggle to regain control of their financial destinies. What is intended is a focus on "getting back to basics" to create the conditions which can lead to those ultimate solutions.

### Establishing the Methodology

As in any total systems approach, it is first necessary to identify the basic information needs the system should be capable of responding to. Once determined, in building block fashion, the needs can be identified with key system components. Basic objectives for the components can then be estab-

lished and, in turn, the major activities associated with achieving the objectives of each component can be developed and related to the explicitly recognizable phases of the grant program cycle. The result is a model against which the adequacy of the current grants management system can be evaluated and deficiencies and needed improvements identified.

### Developing the Model

The first step in developing the model is to pose a series of very basic questions relating to the grant information needs of State and local governments and then relate these needs to an identifiable system component. Table 1 summarizes these data.

Information Need	Key System Component
What's available to us?	Grant Information
Do we need/want it?	Integrated Program/Plan
Can we afford it?	Budget
What is it costing?	Accounting/Reporting
Are we sure?	Audit
Is it doing the job?	Performance Evaluation
Should we keep it?	Program Review

Key System Component	Basic Objectives
Grant Information	1. Capability to identify and disseminate information on all grant programs currently available and projected.
Integrated Program Planning	2. Evaluation of need for grant programs, and integration of program with other appropriated and grant programs.
Budget	3. Determining resource availability and establishing grant program objective and subobjectives for performance measurement.
Accounting/Reporting	4. Adequate budget system to reliably project estimated program costs, control release of authority to spend based upon grant awards, and maintain fund control.
Audit	5. Capability for current and complete disclosure of the financial results of each grant program.
Performance Evaluation	6. Effective controls over and accountability for all grant funds, property, and other assets to ensure their safeguarding and use only for purposes authorized under the grant.
Program Review	7. Program of internal and external audits to ascertain the ongoing effectiveness of the financial management system and the internal procedures established to meet the terms and conditions of the various grants being administered.
	8. Capability to measure grant program effectiveness and efficiency against specific program/project objectives and subobjectives.
	9. Justification of the continued need for each grant program in relation to the integrated program plan.

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Having established the key system components, the next step is to identify the basic objectives of the components. In addition to identifying the parameters for each component, establishing basic objectives points to some key organizational aspects that should be considered in the evaluation of the system (e.g., should integrated program planning be done centrally or on a decentralized agency-by-agency basis?). Table 2 portrays the objectives established for the key system components.

The final step in developing the model is to identify the life cycle phases of grant programs and the major activities derived from the basic objectives established for each of the key components. By identifying and relating phases and major activities, a

means for evaluating the procedural aspects of the system is provided. Table 3 identifies the relationships established.

### Application of the Model

With the completion of step 3, most of the relevant factors which should be present in a total grants management system have been identified and the basis for comparison and evaluation with a current grants management system established. Missing components and related activities can be readily identified and corrective actions initiated to insert them into the system. However, while the model indicates what should be done at what time and serves as a useful blueprint for readily

identifying deficiencies in a current system, three other factors need to be considered when developing necessary improvements to the system: where it should be done, who should do it, and how it should be done. The first two factors are basically organizationally oriented while the third is procedurally oriented and dependent upon resolution of the organizational questions. Let us now project a proposed organizational structure to support a total grants management system and to suggest how the data developed throughout the paper can be used to guide and facilitate the development of the systems procedures.

TABLE 3

Relationship of Phases, Major Activities and Key Components Grants Management System

Phase	Major Activities	Key System Component
Program Development	Identify potential grant programs Disseminate information Determine need, priority Analyze program and resource impact Obtain approvals Prepare/submit preapplication Prepare/submit application	Grant Information, Integrated Program/Plan
		Budget
Program Execution	Record award of grant/fund control Prepare authorizations (cash, in-kind, property, space, personnel, etc.) Establish organization, budgets, accounting codes, obtain property, determine drawdown authorizations and procedures Obtain advances, if any Perform work (commitment, obligation accrued expenditure, disbursement, direct cost, indirect cost) Accumulate costs Prepare vouchers, drawdown under letters of credit Prepare reports under advance/letter of credit Prepare/submit bills under reimbursement procedures Receive payments Prepare financial statements Comply with closeout procedures (cash, property, space, personnel, etc.)	Budget, Accounting and Reporting
Program Monitoring	Determine the integrity of financial management system and grant program compliance Prompt resolution of audit findings Evaluate effectiveness, efficiency and economy of grant programs Compare to objectives and subobjectives Compare to productivity measurement data, work measurement data, and unit cost data	Audit Performance Evaluation
	Justify continuation of program in relation to changing and competing needs, priorities, performance and resources	Program Review

## Organizational Considerations of a Grants Management System

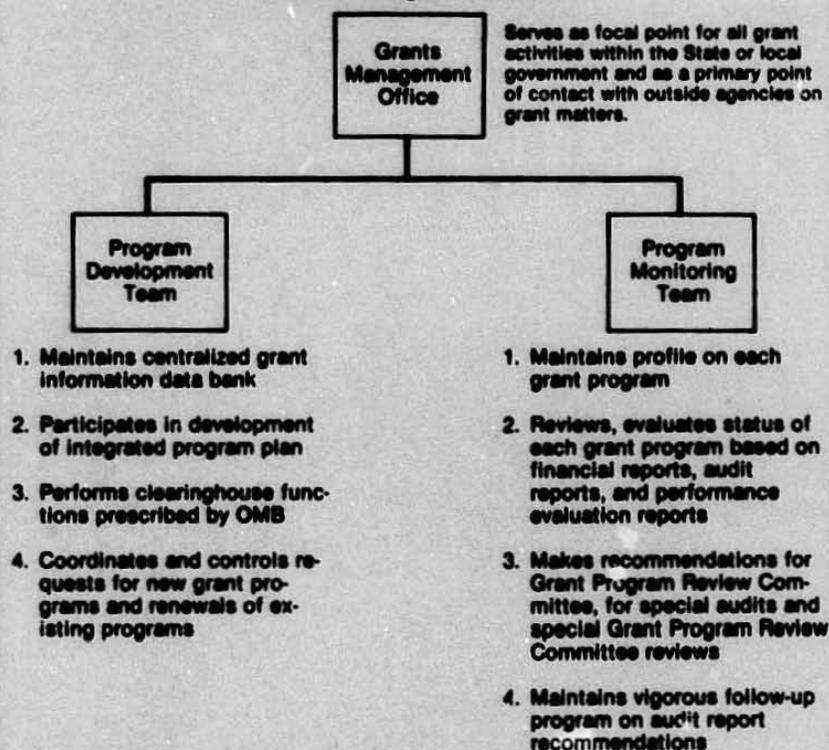
The growing dependence of State and local governments on grant programs for fiscal survival points to the need for top management participation and control over those aspects of the program primarily identified with the program development and program monitoring phases. Decisions on basic matters, such as which of many competing programs to choose from, the priorities and resources to be assigned, and what programs to suspend, terminate, or continue based on performance in meeting stated objectives, must reflect the needs of the government as a whole, rather than those of single departments or agencies of the government.

To provide the needed visibility and control of the total grant program effort, a Grants Management Office at the executive level of the government, coequal with the other staff participants in the grants process (e.g., the Planning Office, the Budget Office) should be established. Similarly, to ensure an impartial and continuing evaluation of the justification for grant programs in relation to changing and competing needs, programs, priorities, performance, and resources, a need exists for an independent Grant Program Review Committee reporting directly to the government's chief executive. Table 4 describes the organization and functions of a Grants Management Office, Table 5 describes the organization and functions of a Grant Program Review Committee, and Table 6 reflects the organizational relationship of the principal participants in a centrally controlled grants management system.

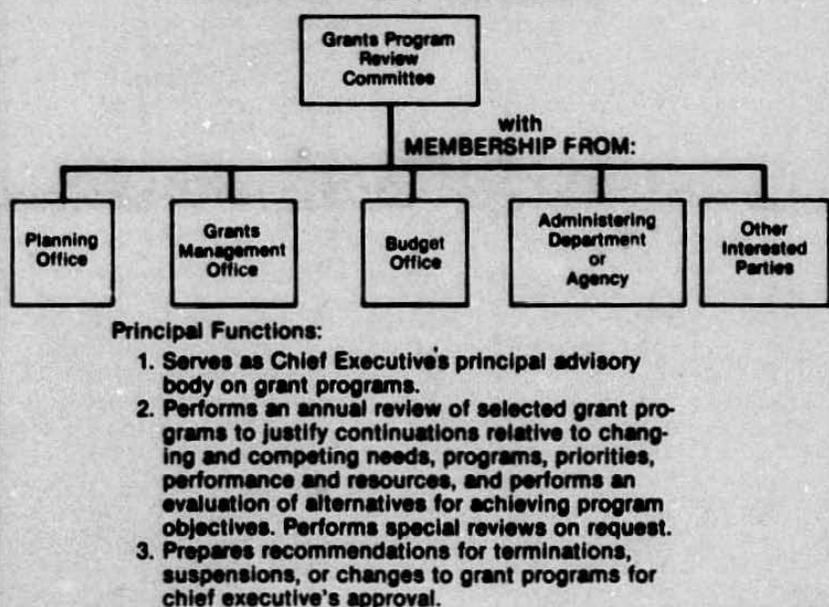
## Developing Grant Management System Procedures

Having determined the what, when, where, and who of the system's equation, all that remains is the determination of how it will be done. The development of the procedural aspects of a grants management system is aided by application of Table 3, which presents the chronological grouping of the major activities which must be performed in the grant process, and Table 6, which identifies the organizational

**Table 4**  
State or Local Government  
Suggested Organization  
Grants Management Office



**Table 5**  
State or Local Government  
Suggested Organization  
Grants Program Review Committee  
Chaired By Deputy Chief Executive



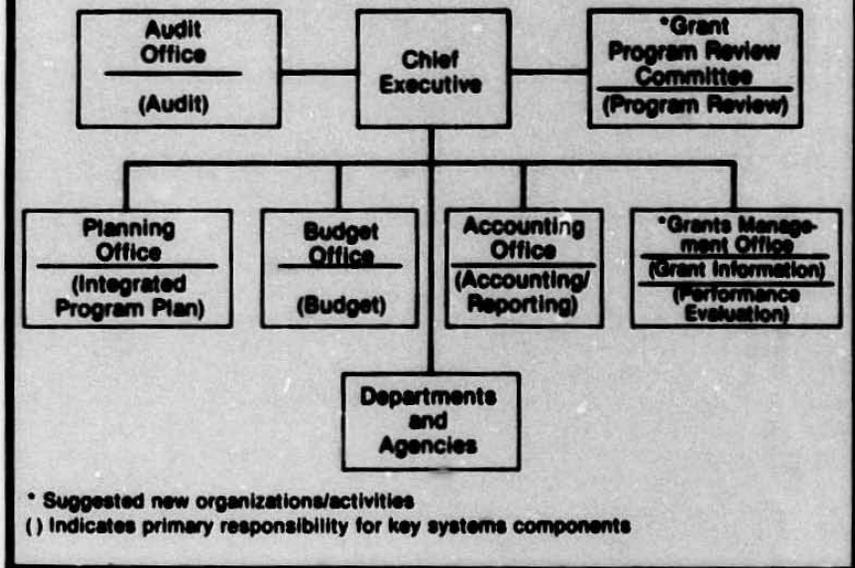
elements responsible for performing the major activities and thus directs the flow of work to be performed.

The product on the completion of this final task will be a fully integrated grants management system designed to be fully responsive to today's management needs of State and local governments.

### At the Crossroads

Faced with declining revenue bases, escalating costs, increased demands for services, and the very real prospect of reduced Federal funding of grant programs, State and local governments are at a crossroads in their continuing struggle to maintain fiscal integrity and stability. Never before has the need been greater for systems capable of providing all of the information needed by management to make the difficult decisions that will have to be made. Developing a fully integrated grants management system capable of providing the visibility and central control necessary for a coordinated and balanced appropriated and grant-funded program structure is a positive action that can be taken now by State and local governments to meet the growing challenge.

**Table 6  
State or Local Government  
Grant Management System**



<sup>1</sup> *The Budget of the United States Government, Fiscal Year 1980* (Washington, D.C.: GPO, 1980).

<sup>2</sup> *1980 Catalog of Federal Domestic Assistance* (Washington, D.C.: GPO, 1980).

<sup>3</sup> *The Budget of the United States Government, Fiscal Year 1980* (Washington, D.C.: GPO, 1980).

<sup>4</sup> T.D. Allman, "The Urban Crisis Leaves Town," *Harpers*, Dec. 1978.

<sup>5</sup> Cornelius E. Tierney, *Federal Grants-In-Aid, Accounting and Auditing Practices* (New York: American Society of Certified Public Accountants, Inc., 1977).

<sup>6</sup> Advisory Council on Intergovernmental Relations, *Improving Federal Grants Management* (Washington, D.C.: Feb. 1977).

<sup>7</sup> "Federal Seed Money: More Careful Selection and Application Needed" (GGD-78-78, June 22, 1979).

<sup>8</sup> "Proposed Changes in Federal Matching and Maintenance of Effort Requirements for State and Local Governments" (GGD-81-7, Dec. 23, 1980).

<sup>9</sup> "Federal Assistance Systems Should Be Changed to Permit Greater Involvement by State Legislatures" (GGD-81-3, Dec. 15, 1980).

# Foreign Language— A Vital Role in the Federal Government



**Galen L. Goss**

Mr. Goss, a GAO evaluator, has been assigned to the International Division since 1975. He joined GAO in 1973, after earning both his B.S. in business administration with a major in accounting and his MBA from Shippensburg State College in Pennsylvania. Since joining ID, Mr. Goss has worked on a wide variety of international reviews ranging from agriculture trade to nuclear nonproliferation. In 1980, he received the International Division's Middle Manager's Award with a Certificate of Merit for his high-level performance on the review of foreign language training.



ARABIC • AUSTRAL • MANX • LATIN  
RUSSIAN • GERMAN • JAPANESE  
BERBER • ORAON • MONGOLIAN  
FRENCH • ENGLISH • PORTUGUESE  
DANISH • HAWAIIAN • CASTILIAN  
ETHIOPIAN • NORWEGIAN • GREEK  
GYPSY • AVESTAN • MURMI • IRISH  
MANDARIAN • ZULU • DUTCH • SWEDISH • EGYPTIAN • GAELIC  
FLEMISH • TAHITIAN • SORBIAN • SUDANESE • KURDISH • TAMIL  
SWAHILI • POLISH • ITALIAN • ESTONIAN • SLOVIC • AFGHAN  
CHINESE • ALBANIAN • MAGYAR • TAGALA • LIVONIAN • BIHARI  
SPANISH • LITHUANIAN • FINNISH • CHAM • LAPP • TINO • KUKI  
BASQUE • GARO • SHAN • MALTESE • SOYOT • SCOTTISH • HEBREW

During a speech in Poland in early 1978, an interpreter accidentally told the Polish people that President Carter was "lusting" for them. Much was written about this *faux pas* both humorously and critically. Improperly communicating, however, is not a laughing matter, especially when dealing with foreign relations. This is a prime example of the insufficient training of foreign languages in the United States. This example emphasizes the need for skilled foreign language employees by the U.S. Government.

## What Can Happen When You Don't Know the Language?

In addition to President Carter's interpreter, the following examples will show how important it is to be skilled in communicating in a foreign language. These examples specifically affect the daily lives and work of U.S. Government overseas operations.

- A State Department consular officer said he used an interpreter for at least 20 percent of his contacts with local nationals, most of whom are reluctant to deal through an interpreter.
- During a congressional debate, lack of foreign language skills was

blamed in part for the assassination of a U.S. Ambassador in Afghanistan and the takeover of the U.S. Embassy in Iran.

- An International Communication Agency officer who is in a position requiring a reasonable level of foreign language proficiency has none. Since 50 percent of his contacts speak no English and he cannot read the local newspaper, he said he misses opportunities for developing helpful contacts.
- A Marine security guard answered an embassy telephone and failed to recognize a bomb threat because he could not speak the language. Precious minutes were lost locating someone who understood the language. (Fortunately, there was no bomb.)

These examples show how critical it is for the U.S. Government to have employees with foreign language skills.

Just what does the Federal Government need in terms of foreign language employees? How well is the Government able to meet those needs? How can the situation improve? These are some of the questions which GAO has addressed in reviewing various aspects of the U.S. Government's foreign language needs and programs during the past 7 years. These reviews

have resulted in several reports to the Congress with numerous recommendations.<sup>1</sup> Within GAO, the International Division recognizes the value of foreign language skills at its overseas offices and has provided training time and funds to its staff.

During the most recent review (see ID-80-42 listed below), it was discovered that the U.S. Government has over 30,000 positions that require proficiency in at least one of 45 foreign languages. More importantly, it was evident that the educational and assignment systems are not meeting the demands for skilled bilingual personnel.

### Historical View on Language Needs

The need to communicate and conduct U.S. foreign affairs in other languages has been recognized as important since the early days of our Nation. Benjamin Franklin was the U.S. representative in Paris during the Revolutionary War and he complained that he could not speak or even understand French very well. Over a century passed before the language problem was recognized and attempts were made to reach a solution. An initial step was taken in 1924 when an independent, nonpolitical Foreign Service was established. Following World War II, Foreign Service officers began dealing with more people in foreign countries on a wide range of postwar programs. However, language continued to be a problem. Another step was taken in solving the language problem when the Foreign Service Institute (FSI) and its School of Language Studies opened on November 13, 1946.

During the next 30 years, events continually reinforced the need for U.S. personnel to have foreign language abilities. During the 1970's, independence and interdependence among all nations grew to the point where no nation could survive alone. Diplomacy has changed and has become more complex than when Benjamin Franklin voiced his complaint about language needs. Today the United States operates embassies and consulates in many countries around the world. Many languages other than English are spoken, and U.S. personnel must deal with such diverse issues as economics, agricultural assistance, trade, energy, military affairs, foreign diplomacy, and inter-

national terrorism. Unfortunately, Mr. Franklin's complaint is still too frequently applicable today.

### Federal Agencies' Language Needs

In the United States the Federal Government is the largest employer of people with foreign language skills. In fiscal year 1979, about 30,000 positions required the skill in at least one of 45 foreign languages. During that same year, Federal agencies spent over \$39 million training nearly 11,000 people in foreign languages, or only about \$3,500 per person.

Table 1 shows the numbers of positions in the Federal Government, excluding most intelligence positions, which require language competence.

The three foreign affairs agencies—Department of State (State), Agency for International Development (AID), and International Communication Agency (ICA)—are the only agencies required by law to designate overseas officer positions that require a "useful knowledge" of a foreign language. Although not required by law, several other agencies also have language-designated positions.

The FSI has developed a 5-point scale to measure speaking and reading capabilities. The five levels are

1. elementary proficiency,

2. limited working proficiency,
3. professional proficiency,
4. distinguished proficiency, and
5. native or bilingual proficiency.

Many agencies use the FSI proficiency scale to designate language requirements for positions overseas. For example, an agency determines that a certain political officer position requires a proficiency Speaking-3/Reading-3. This means that whoever holds that position should have received that score on FSI's proficiency test and should be able to speak and read with professional proficiency. This type of position is called a language-designated or language-essential position. Depending on their needs, agencies use various combinations of the FSI speaking and reading skill levels. For example, State and ICA have defined "useful knowledge" as having speaking and reading ability at the 2 or 3 proficiency level. AID, on the other hand, requires only speaking ability at the 2 or 3 proficiency level.

Table 2 shows the number of Federal Government positions which require knowledge of a specific language. The languages are divided into 2 groups: "world" for primarily the Western European languages, and "hard" for all other languages. "Hard" usually means the degree of difficulty involved in learning or mastering the language.

Overseas:	Number of Personnel
Department of Defense .....	13,997
Peace Corps .....	7,072
Department of State .....	1,320
Agency for International Development .....	897
International Communication Agency .....	421
Drug Enforcement Administration .....	204
Internal Revenue Service .....	168
Animal and Plant Health Inspection Service .....	112
Foreign Agricultural Service .....	90
Other .....	141
<b>Total .....</b>	<b>23,722</b>
<b>Domestic:</b>	
Immigration and Naturalization Service .....	4,000
Library of Congress .....	1,284
Voice of America .....	364
Federal Bureau of Investigation .....	228
General Services Administration .....	108
Foreign Service Institute .....	65
Other .....	280
<b>Total .....</b>	<b>6,329</b>
<b>Total Language-Essential Positions .....</b>	<b>30,051</b>

**TABLE 2**  
**Authorized Language-Designated Positions\***

Languages	Sample Countries	Language-Designated Positions
<b>World Languages:</b>		
Danish		9
Dutch		12
French		814
German		183
Italian		81
Norwegian		10
Portuguese		128
Spanish		1,228
Swedish		10
<b>Hard Languages:</b>		
Afrikaans	South Africa	1
Amharic	Ethiopia	1
Arabic	Egypt, Saudi Arabia	83
Bengali	Bangladesh, India	2
Bulgarian	Bulgaria	7
Burmese	Burma	8
Chinese		31
Czech		11
Finnish		7
Greek		21
Hebrew	Israel	6
Hindi	India	3
Hungarian		11
Icelandic		1
Indonesian		62
Japanese		44
Korean		13
Lao	Laos	2
Macedonian	Yugoslavia, Greece	1
Malay	Malaysia	3
Nepali	Nepal	2
Persian (Afghan)	Afghanistan	5
Persian (Iranian)		12
Pilipino	Philippines	6
Polish		33
Romanian		18
Russian		67
Serbo-Croatian	Yugoslavia	31
Slovenian	Yugoslavia	1
Swahili	Kenya, Tanzania	7
Thai	Thailand	46
Turkish		41
Urdu	Pakistan	9

\*Department of Defense language positions are not included.

## Overseas Language Positions Not Adequately Filled

The Federal Government has not satisfied its overseas foreign language requirements. Overseas language-

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designated positions are often staffed by persons who do not have the required foreign language qualifications. For example, in 1979 the State Department had 29 percent or over 350 of its language-designated positions filled by persons who did not have the required foreign language qualifica-

tions. AID had 27 percent or nearly 150 of its positions not properly filled, and ICA had 30 percent or 120 positions. The Department of Defense, with the largest number of language positions, had 32 percent of their positions inadequately filled. Although these figures appear severe, they do not give a complete picture. They do not account for (1) personnel in non-language-designated positions who know the local language, (2) outdated test scores which may not accurately reflect current abilities, and (3) personnel in language-designated position with some knowledge of the required language.

Agencies cite many reasons why they have difficulty in adequately filling their language-designated positions. One reason in particular is the pressure to fill vacancies quickly because of uncontrollable events such as medical emergencies, retirements, and changing conditions in the host country. Agencies have little control over these types of problems because of the limitations of money and positions. However, many personnel policies over which the agencies do have some control also contribute to inadequately filled positions. Among these personnel policies are: mandatory rotation every 2 to 4 years, waivers of language training prior to reporting to a new assignment, lack of career enhancement through language capabilities in some job categories, numerous disincentives to study hard languages, and monetary incentives to learn and maintain language capabilities.

Agencies have greater difficulty filling language-designated positions in the hard languages. The world languages are technically easier for Americans to learn and are more likely to be used again in a career. For example, the standard FSI course to teach an individual Spanish for a Speaking-3/Reading-3 proficiency level takes 20 weeks, but it takes almost 2 years to reach the same level in Japanese. Furthermore, there are many more jobs which require Spanish than Japanese. The State Department has over 400 Spanish positions in 20 countries, compared to only 21 Japanese positions—all in Japan.

## Solutions and Conclusions

As international cooperation continues to grow in importance, so too does the necessity to communicate in

other languages. We cannot continue to assume or expect that all others should speak English.

The Federal Government has made great strides in improving its language capabilities. More changes are needed in such areas as (1) training more people in foreign languages before assignment overseas (i.e., spending more money on training and maybe to hire more people), (2) assigning the right person to the right job, and (3) offering incentives to employees to acquire and, more importantly, maintain their foreign language skills.

Although a 100-percent occupied rate of language-designated positions with fully trained personnel is the ultimate goal, it is at the same time unrealistic. Continued improvements and small gains toward that 100 percent, though, will help eliminate Ben Franklin's 200-year-old complaint.

<sup>1</sup> "Need to Improve Language Training Programs and Assignments for U.S. Government Personnel Overseas" (B-176049, Jan. 22, 1973); "Improvement Needed in Language Training and Assignments for U.S. Personnel Overseas" (ID-76-19,

June 16, 1976); "Need to Improve Foreign Language Training Programs and Assignments for Department of Defense Personnel" (ID-76-73, Nov. 24, 1976); "Study of Foreign Languages and Related Areas: —Federal Support —Administration —

Need" (ID-78-46, Sept. 13, 1978); "More Competence in Foreign Languages Needed by Federal Personnel Working Overseas" (ID-80-42, Apr. 15, 1980).



## Helene Toiv

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# What is Merit?

The concept of merit has been the cornerstone of the Federal personnel system since the Civil Service Act was passed in 1883. The fact that we have a "merit system" is taken for granted; Government employees, public administration scholars, legislators, and members of the general public constantly use the word *merit* as a touchstone. However, even a cursory examination of references to merit reveals that writers and speakers seldom use the term identically.

When one discusses merit, one must recognize two facts: (1) The term can apply to different conceptual levels, such as broad set of principles or specific personnel procedures. (2) The meanings of merit have evolved with society; merit is not a fixed idea that was established 50 or 100 years ago to which we can simply turn for guidance at any time. Each generation redefines merit to reflect contemporary values and concerns.

Frederick Mosher captured this idea in *Democracy and the Public Service*: *The principles of merit and the practices whereby they were given substance are changing and must change a good deal more to remain viable in our society. We can of course continue to use the word and perhaps we should. But let us not deceive ourselves as to its changing meaning in relation to: the determining of merit qualifications; the relation of these to jobs, decisions, and performance in government; the locus of control over job definition and applicant evaluation. We can still have merit systems, but they are not the same as those we inherited from the past and still teach (or delude) ourselves about.*<sup>1</sup>

These two factors—different conceptual levels and historical change in meaning—are interrelated, as the various definitions that predominated during specific periods differ in either or both respects.

## Background

When George Washington recruited civil servants, his primary criterion was "fitness of character," with greater emphasis on personal integrity and reputation than on competence.<sup>2</sup> In the years preceding Andrew Jackson's presidency, most Federal workers kept their positions through changes in

administration and arbitrary dismissals were rare. Other principles that have been incorporated into definitions of merit were little in evidence. Equality of opportunity was not a consideration; most officeholders were upper socioeconomic status "gentlemen." In addition, recruits were usually partisan and sometimes engaged in partisan activities while in office.

The "spoils system" is usually synonymous with Jackson's administration. While he did not introduce the practice of patronage hiring, he embraced it more openly and enthusiastically than did his predecessors. From 1828 into the 1860's, two parallel employment patterns existed. We are most familiar with the partisan system, where rotation was the rule. However, simultaneously there was an expansion of employment by examination, and some positions were filled by long-term, neutral civil servants. The practice of distributing jobs geographically also gained favor.

It was not until after the Civil War that development of a civil service system based on merit began to occupy a significant place on the national agenda. Reformers who had been agitating for change for many years gradually began to have some influence. Party platforms mentioned civil service reform and President Grant established a Civil Service Commission to advise him on an examination system. Neither he nor Rutherford B. Hayes was very successful in this area, but in 1883, with impetus from Garfield's assassination by a rejected job seeker, the reform period culminated in passage of the Pendleton Act.

Advocates of reform wished both to end political corruption and increase governmental efficiency, which had suffered from lack of continuity as well as from incompetence of some officeholders. The three most salient features of the system the act established were competitive examinations to determine fitness of applicants, political neutrality, and relative security of tenure.

When the Civil Service Act first went into effect, only 10 percent of Federal employees were covered by the examination system. During the world wars and the New Deal era, the size of the bureaucracy expanded rapidly, and most of these new positions were

brought under the domain of the classified service. By the time of Truman's election, 83 percent of Federal employees were covered by the competitive system. During this period two significant laws were passed. The Hatch Act of 1939 reinforced emphasis on political neutrality, and the Veterans' Preference Act of 1944 gave veterans advantages in entering the service and in retaining tenure. Veterans had received special consideration since the days of George Washington, but this act formalized their preferential treatment.

### **Concepts of Merit: Agreement and Confusion**

Despite differing ideas of the components of a merit system and shifting emphasis regarding the essence of merit, three aspects of the merit principle emerge as consistent concerns or tacit assumptions underlying public debate.

1. *Open competition*—All citizens should have an equal opportunity to compete and be selected for Federal employment.
2. *Selection on basis of competence*—Employees should be appointed, retained, and promoted on the basis of ability to perform the job in question.
3. *Political neutrality*—Federal employees should not be hired or fired on a partisan basis. They should neither use their offices for political purposes nor be expected to support or contribute to a particular party or cause.

Confusion surrounding the issue of merit stems from the various conceptual levels referred to earlier. The three tenets listed above were originally viewed as means of acquiring a Federal service characterized by efficiency and integrity. While this approach remains strong, it has been joined by an outlook which emphasizes the importance of these principles as goals themselves. This perspective is based on the fact that these ideas—open competition, selection by competence, political neutrality—in addition to serving our model of honest, effective Government, represent intrinsic values worthy of support for their own sake. These values include fairness, equality, and political liberty.

The problem arising from this confusion is that some persons stress the broad principles of merit and are willing to entertain a variety of mechanisms for achieving them. Others view

the merit system as a very specific set of procedures, each of which is an integral, essential component of the system. The difference may be illustrated by the person who cites equality of opportunity as a merit principle as opposed to the one who describes a merit principle as achievement of a work force where the proportion of women and minority groups is equal to their ratio in the population or the labor force. Both schools of thought can be more or less accepting of changes in the definition of merit.

Another dilemma, even when there is general agreement on the elements of a merit system, is disagreement on the relative importance of these elements. One may view competence as the foundation of the system and devise procedures intended to result in selection of the most qualified applicant for every position. However, if one views increased representation of women and minorities as equally or more important, one may favor a system where a qualified person is always selected, but not necessarily the "most" qualified in every instance.

### **Civil Service Reform Act of 1978**

Passage of the 1978 Civil Service Reform Act marked the beginning of a new phase in the Federal merit system. Several features of the act bear significantly on merit issues; a review of some of the events and concerns which created a climate favorable to reform will place the act in better perspective.

Three major aspects of CSRA stand out as having implications for future evolution of the merit system: articulation of merit principles and prohibited personnel practices, delegation of personnel functions to individual agencies, and emphasis on equal employment opportunity.

For the first time, a statute includes a specific list of merit principles and prohibited personnel practices. One factor responsible for this development was concern about patronage abuses that had been recently exposed. The Nixon administration was not the first to abuse merit principles; every administration has sought to manipulate the system to some extent. However, the Nixon administration attempted to subvert the system to an unprecedented degree, and their practices could not be ignored. A notorious aspect of their campaign was circula-

tion of the "Malek Manual," with instructions on using the system to bring people with political credentials into the system and to harass career civil servants who did not subscribe to administration views.

These problems, and the active role of the executive departments and agencies in implementing White House plans, contributed to CSRA's separation of the management and merit protection functions. Creation of the Office of Personnel Management (OPM), the Merit Systems Protection Board (MSPB), and the Office of Special Counsel (OSC) was intended to remedy the problem of assigning one agency responsibility for conflicting roles.

While the new Office of Personnel Management plays a part in the creation and maintenance of merit systems, the role is shared with individual agencies. The act allows OPM to delegate many personnel functions in the hope that decentralized management will result in greater efficiency and effectiveness. The future definition of merit practices depends partially on how the agencies exercise their increased authority and how OPM fulfills its mandate to ensure compliance with merit principles.

The third category deals with equal employment opportunity. The Congress displayed a strong commitment to this ideal in the act's statements of merit principles and prohibited personnel practices and its establishment of a Federal Equal Opportunity Recruitment Program. The concept of equal opportunity has often been honored more in the breach. If the personnel system that develops under the act adheres to these prescriptions, the meaning of merit will undergo a shift in emphasis.

Along with these three features, other measures CSRA requires will also affect the definition of merit. The creation of new agencies has already been mentioned; how the Merit Systems Protection Board and Office of Special Counsel exercise their responsibilities will profoundly affect the realization of merit. The development of performance evaluation and merit pay systems will also influence our understanding of merit and our use of the word.

### **Issues Bearing on Merit**

To discover a definition of merit

which considers all the complexity of competing perspectives, one must address several issues. We have already alluded to some of these.

**Staffing requirements and equal employment opportunity**—The first merit system principle listed in CSRA states the goal of "a work force from all segments of society." Three major arguments support the value of this goal. One is that only a work force "reflective of the nation's diversity" can ensure that policy decisions will take into account the needs and problems of all sectors of society. The second is that by expanding the recruitment pool to include all members of society, the Government has access to a greater number of talented individuals. The third is the inherent justice of a nondiscriminatory personnel policy. However, equal employment opportunity is a complex issue. One cannot discuss equal opportunity in a historical vacuum. Simply ending discrimination may not bring about genuine equal opportunity in a society—and personnel system—where the rule has been inequality. Mosher notes this problem:

*The ideals which gave support to merit principles were of course never fully realized. In fact, given the gross imperfections in American society and its toleration of discrimination and of a more or less permanently underprivileged minority, some of these ideals were, in part at least, mutually incompatible.<sup>3</sup>*

To confront this problem we must encompass the pursuit of equal opportunity in our definition of merit.

**Labor-Management Relations**—Another first in CSRA is explicit recognition of the right of Federal employees to organize through labor unions. This raises other issues that impinge on the meaning of merit. How does the concept of seniority relate to the principle of merit promotion? Initial rulings indicate that unions will be able to negotiate the process for developing critical performance elements, but not the elements themselves. The unions undoubtedly will continue to challenge this decision. In many areas Federal employee unions may define merit quite differently from Government managers; for example, including seniority as a basis for promotion.

**Central personnel agencies/managerial discretion**—Responsibility for the Federal merit system is not shared by the central institutions—OPM,

MSPB, and OSC—and the agencies which come to delegation agreement with OPM. This arrangement implies two kinds of problems for study. On the one hand, the actions and decisions of all these organizations will have a far-reaching effect on the real-world definition of merit. On the other, we need a free-standing definition of merit to serve as a standard for judging whether agencies are meeting their responsibilities to ensure a system based on merit principles and free of prohibited personnel practices. It is not sufficient to rely on the language of the statute, as it is often too general to provide answers to difficult questions.

**Veterans' preference**—The Congress resisted administration recommendations to curtail veterans' preference provisions significantly. Although minor changes were made, veterans still receive extra points on civil service examinations, which gives them a major advantage in the hiring process. Our definition of merit should recognize that we have chosen to include in our personnel system procedures which assign veterans a special place. Those opposing preference state that this compromises the merit system by downgrading the importance of ability and discriminating against women.

**Political appointments**—One factor that set the reform process in motion was partisan abuse of the merit system. This abuse can take two general forms: (1) manipulating the system to make appointments to "nonpolitical" positions on a partisan basis, or (2) taking punitive actions against civil servants who belong to a different party or who disagree with administration policy. We do not yet know how these problems will be resolved under the current system. Another aspect of this issue is that one's definition of which positions should be considered "political" is affected by one's definition of a merit system.

## The Meaning of Merit

The concept of merit is multifaceted and ever-changing, and a precise definition of merit remains elusive. The director of MSPB's Merit Systems Review and Studies Office has noted that "merit" is virtually impossible to define in operational terms. Everyone claims they "know it when they see it," but no one seems quite able to "put their finger on it."<sup>4</sup>

Despite the difficulty of arriving at a definition that meets everyone's

approval, it is important to make the attempt. The two most prominent concerns underlying civil service reform are improved managerial efficiency and protection of merit principles. Those who implement the system and those charged with evaluating it must share a clear, comprehensive understanding of the meaning of merit to judiciously carry out their responsibilities.

We have observed that merit is not a stagnant concept. The definition that is viable today may not be for the next generation. This does not diminish our responsibility to formulate a definition that can serve us now and provide a standard for the current period of reform.

<sup>1</sup> Frederick C. Mosher, *Democracy and the Public Service* (New York: Oxford University Press, 1968), p. 206.

<sup>2</sup> U.S. Cong., House, Subcommittee on Manpower and Civil Service, Committee on Post Office and Civil Service, discussion of history of merit system based on *History of Civil Service Merit Systems of the United States*, compiled by Congressional Research Service, 94th Cong., 2nd sess., Committee print 94-29 (Dec. 31, 1976); and Mosher, Chapter 3, "The Evolution of American Civil Service Concepts," pp. 53-98.

<sup>3</sup> Mosher, p. 206.

<sup>4</sup> Patricia A. Mathis, Director, Merit Systems Review and Studies, Merit Systems Protection Board, Draft Concept Paper, Sept. 13, 1979, p. 5.



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# An Integrated Approach to Human Resource Management

*Editor's Note: GAO has been working to develop and implement an integrated human resource management system. Mr. Pernick is with the Research and Analysis Branch of the newly formed Office of Organization and Human Development, which brought together a number of GAO components working in the area. The views expressed in the article are his own, and they reflect one approach to an integrated system. GAO's approach, now being developed, will reflect many of the concepts expressed here, but will surely be different from this proposed model.*

In October 1980, GAO began operating an independent personnel system which removed it from most Office of Personnel Management regulations. This independence, combined with a continually expanding congressional mandate, a changing work force, legal constraints on employment practices, and improvements in personnel management technology, gives GAO the responsibility and opportunity to create a human resource management (HRM) system that would help it more effectively manage its employees.

In looking at these responsibilities and opportunities, this article serves four purposes. First, it gives a background on a variety of personnel management changes that could occur. Second, the article broadly defines the need for and benefits of HRM and suggests its relevance to GAO. Third, this introduction to the field gives a context for considering several of GAO's own programs. Finally, the article notes several reasons why an organization needs to establish a comprehensive policy and a systematic approach to HRM. In this latter context the article discusses one integrated system that could enhance GAO's management of human resources in the 1980's.

## Components of Human Resource Management

In broad terms, human resource management is an attitude and approach of managers toward the effective selection, use and development of

people in organizations.' This HRM approach has a two-fold goal: first, to improve employee productivity on a variety of important performance measures such as cost savings, performance level or rate, timeliness, and accuracy; and second, to enhance the qualitative aspects of the work place—e.g., challenging and interesting work, reasonable control over one's job, and satisfying interpersonal relationships. Improving these qualitative dimensions will benefit the employee and could also have significant organizational payoffs through reduced turnover, absenteeism, tardiness, grievances filed, accident rate, slowdowns, strikes, equipment breakage, and employee theft.

HRM has evolved in response to the fundamental changes in our society that are influencing organizational effectiveness. These changes have been well documented (see, e.g., HEW Task Force, 1973; O'Toole, 1974; Davis & Cherns, 1975; Herzberg, 1976; Suttle, 1977; Walker, 1980). In brief, these changes include demographics (an aging and expanding work force), higher-educated employees, persistent productivity declines, legal and regulatory constraints, and changing employee attitudes.

Naturally these changes have many organizational and managerial consequences. As some workers elect to stay on the job past the traditional retirement age, different managerial strategies are required. The techniques that motivate a 70-year-old employee may not be effective with a 20-year-old. The demand for jobs has greatly increased as "baby boom" members and women enter the full-time labor market in record numbers. The work force's education level has risen, and workers tend to be less satisfied with routine employment. In general, employees tend to expect more from work. Continuing declines in U.S. productivity reduce the number and type of employment opportunities and also limit salary potential for those fortunate enough to find work. A large body of Federal and State legislation has increasingly defined managerial action

in employee discrimination, safety, health, privacy, and compensation practices.

Employee values concerning the relative importance of work and personal expectations from work are also changing. Employees are increasingly interested in off-duty leisure activities and are often more reluctant to make an undesirable geographical move solely for the sake of, for example, career advancement (Etzioni, 1977). And although workers still desire adequate salaries and comprehensive fringe benefits, employees increasingly desire "more" from the job itself. This desire often translates into feelings of achievement, opportunities for learning and advancement, a job that uses their abilities to the fullest extent, and meaningful participation with management in decisions affecting them personally.

In addition to improving performance and the quality of working life, an HRM-minded organization is better prepared for the future because it is more adaptable and integrated: adaptable in the sense of anticipating and planning for change, and making quick responses to new conditions; and integrated in that the HRM programs are complementary and therefore can contribute to improved organizational effectiveness. Given our society's recent history of rapid and unexpected change, increased foreign competition, and technological complexity, this organizational versatility is essential.

## Systems Perspective in HRM

A systems perspective is embodied in the human resource approach to management. A system can be simply described as "containing highly interdependent parts or sub-systems, all of which interact among themselves and with the environment in determining how the organization functions."

Without a systems oriented approach, individual components within an organization tend to develop their own human resource units or undertake related projects. While on the surface this may not appear inappropriate, it can cause problems. For instance, surveying employees in one unit about their concerns may raise their expectations which cannot be met by limited programs developed within a unit. In addition, the survey instrument used may not have been

developed with input from questionnaire design/analysis experts and the data may be faulty. Programs which are developed by one unit may cause dissatisfaction in other units which do not have them. Finally, fragmented programs prevent development of an integrated human resource management information system.

On the other hand, a systems perspective in HRM permits management to understand and act upon the relationship that people have with their work within the various parts of the organization. For example, it is obviously important to select the most capable and compatible applicant for a position. The accuracy of that selection decision eventually can be determined by the performance appraisal program. Assessing employees' performance levels in relation to relevant individual characteristics such as biographical data, education, and experience provides information which can then be used in the selection program for future recruiting of candidates who best fit the successful performer's profile.<sup>2</sup> Thus the selection and performance subsystems are highly interdependent and interact to influence the organization's functioning.

Four main ideas can be summarized from this introductory section:

- HRM has evolved as a way to deal with changes in our work force, economy, and legal environment.
- HRM is an effective way for organizations to achieve current goals, improve performance, and prepare for the future.
- A "human resource" approach to management tends to be more psychologically satisfying to employees in addition to improving organizational effectiveness.
- Human resource programs should support each other and, in total, contribute to meeting organizational objectives because organizational functioning is an interdependent process, and the design and management of human resources is best accomplished in a systematic manner.

## HRM Model

There are several models which represent the major elements of an HRM system. In general, an HRM model should contain work force planning, recruitment and selection, performance, rewards, training and development, and evaluation components. The model should be general

enough to include a variety of organizations, comprehensive enough to include the core processes, and orderly enough to show the sequence and relations among those processes. A general model that seeks to satisfy these requirements is presented in Figure 1.

## Relevancy to GAO

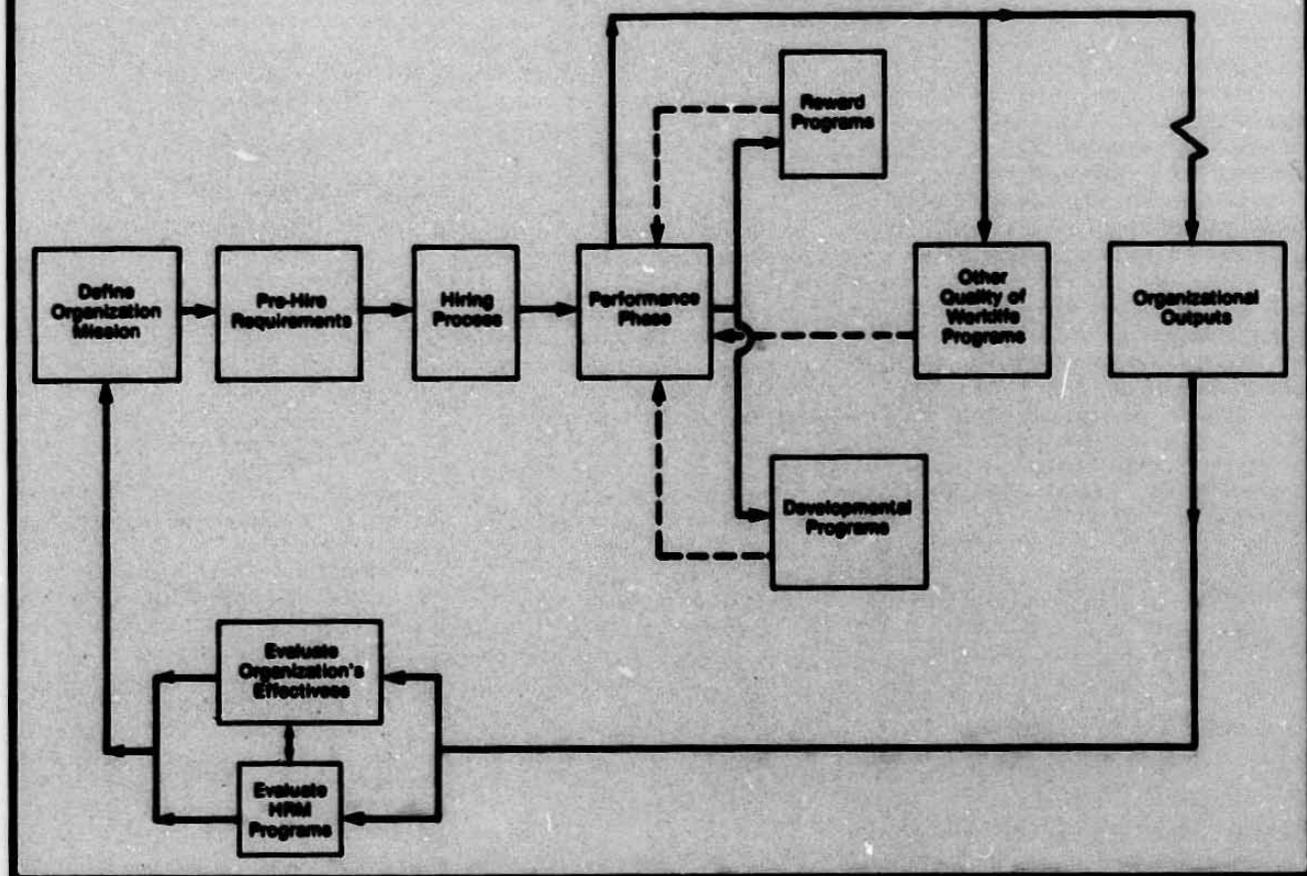
Many of the conditions that create an organizational need for HRM exist in GAO. Some of these conditions include a continually expanding congressional mandate, a changing work force, legal requirements on employment practices, and passage of the Civil Service Reform Act (CSRA) and GAO Personnel legislation.

The Congress has increasingly called upon GAO to conduct a wider and often controversial range of program evaluations. To accomplish this mission, the agency must operate in an adaptive and creative manner and be capable of quickly reviewing and reporting findings to the Congress. These operational requirements demand an effective organization.

The GAO work force has changed considerably over the past decade and is now multidisciplinary. In addition to the traditional accountant/auditor, GAO now employs program analysts, management analysts (frequently with master's degrees in business or public administration), economists, mathematicians, behavioral scientists, and computer analysts. Moreover, these new employees are increasingly women and/or nonwhite, and their different backgrounds, career interests, and developmental needs require varied managerial responses. In addition, the work force in general is more questioning of managerial style and prerogatives and increasingly is voicing a desire for significant participation in the management process.

Equal employment opportunity (EEO) laws and other employment requirements have had a profound influence on the management of human resources. In general, this body of legislation requires GAO (and all employers) to establish personnel management programs built around job-related criteria without regard to race, sex, or age. GAO has a strong top management commitment to EEO, and this commitment has been a major factor in designing programs for recruitment, selection, promotions, appraisals, rewards, and training.

Fig. - 1 Human Resource Management Model



The CSRA was enacted to improve Federal employee productivity and service through a variety of personnel management programs and regulations. Examples include performance appraisal, merit pay, and employee dismissal. A central focus of the act is to strengthen the relationship between performance and the giving or withholding of rewards. Although GAO now has its own personnel management legislation, the Congress has required that our personnel practices be consistent with CSRA principles and objectives. Both pieces of legislation will influence any HRM system established in GAO.

### Career Management Committee

To try to satisfy the personnel management demands of a changing environment, GAO implemented several independent projects in the early 1970's. However, these projects did not adequately address the necessary

interrelationships between personnel functions. To remedy this deficiency, the Comptroller General established a high-level Career Management Committee (CMC) in 1975.

The CMC was top management's first attempt to integrate GAO's various personnel management policies and programs. Over the next 3 years—until a career personnel director was hired—CMC initiated several HRM projects. Their work helped to form the basic shape and direction of human resource management in GAO (GAO 1966-1981: *An Administrative History*, 1981).

### Selected Overview of HRM in GAO

What follows is a brief overview of many CMC-initiated programs that are with us today. Other human resource activities and functions, not directed by CMC, are also mentioned because of their similar goals and potential importance in management.

### Programs and Task Forces

**Competitive Selection Process.** The CMC reviewed various personnel management practices and gathered data on employees' perceptions of career management. Their review found, among other things, that a large majority of employees were dissatisfied with the promotion system, which they viewed as a "patronage" process. Accordingly, the competitive selection process (CSP) was developed to manage promotions above the GS-12 career ladder, for outside upper-level hires into the agency, and for all selections to GAO's overseas branches. The CSP involves procedures that give each applicant an opportunity to compete for promotion on a basis of job-relevant criteria, and thereby improves the promotion program's perceived and actual fairness.

Recognizing that the system has not been perfect, there have been numerous attempts to make CSP more equitable and less of a paperwork burden. The new performance appraisal sys-

terms are likely to contribute to these goals. Most recently, a task force of division directors' sought input from GAO management and employee advisory committees and developed some changes to the process. More fundamental changes are possible as part of the new personnel system installation.

**Training Needs Assessment.** A training needs assessment is a systematic method that determines the required level of competency for successful performance and compares that requirement with the actual current level of employee performance. The difference represents the organization's legitimate responsibility to its employees for training or other developmental experiences.

GAO accomplished separate assessments for auditors and clerical staffs. The findings are now used to design, implement, and evaluate professional and support staff training courses. Furthermore, these job-relevant data were used in developing the Behaviorally Anchored Rating Scales (BARS) performance appraisal system for auditors, and similarly will be used in developing the appraisal program for other occupations.

**Behaviorally Anchored Rating Scales.** The Task Force on GAO Effectiveness (established in 1977) specified that assessment of individual performance would be carried out on each assignment. The BARS system was developed with this in mind. Supervisors will provide rates with direct feedback on their work in behavioral terms, thereby allowing easier correction of deficiencies and development of potential. The system will be merged with a results, or accomplishments, dimension that measures individual contributions to the organization. This dimension is an essential feature for promotions, merit pay, and other personnel decisions. Planning is underway to develop comparable performance appraisal systems for other groups of professional employees and support staffs.

**Rewards System Task Force.** It is difficult to determine what an individual regards as rewarding. Individual rewards may be influenced by personal attributes (Korman, 1976); satisfying situation-specific consequences of behavior (Bandura, 1969); or perception of equitable treatment when compared to similar others (Adams, 1965). Rewards are also organizationally defined, based on what management thinks employees want and deserve in

recognition of desired performance. Realizing the complexity of rewards, the Task Force on GAO Effectiveness recommended establishing a Rewards Task Force to determine if the many reward possibilities in GAO reinforced organizational goals while satisfying employee needs.

The Rewards Task Force concluded that the distribution of rewards was accomplished without well-defined criteria, and therefore lacked credibility in GAO. Of the many proposed recommendations made to correct this fundamental and far-reaching problem, the division directors adopted two that appeared to be achievable.

The first recommendation stated that managers should set specific performance goals and design procedures to evaluate the degree of goal accomplishment. Secondly, the organization should be responsible for training managers and providing expert advice in carrying out the design and evaluation tasks. As with the competitive selection process, the new performance appraisal systems with behavior-based and results-based components is designed to satisfy both of these recommendations.

**Generalist/Specialist Career Paths.** A Division Director Task Force examined the career advancement of GAO generalists (auditors/evaluators) and the advancement of specialists (economists, lawyers, statisticians) to determine if the advancement is equal. In response to the Task Force's many adopted recommendations, Personnel has been charged with working with line management to develop formal career ladders and improve career paths that recognize the different and equally valuable contributions GAO specialists make to the office.

**Evaluator Series.** A distinct classification series (GS-347) has been created to recognize GAO's unique function, and it provides guidance for pay based on actual levels of work. The new series is compatible with the BARS performance appraisal system, is not expected to change grade levels, and in most cases, will cover employees currently performing GAO's mainline auditing activities. Employees' conversion to this series (from others such as accountants and management analysts) took place just prior to October 1, 1980, the effective date of our independent personnel system.

**Interpersonal Skills.** Reduced to its simplest terms, HRM is a way of effi-

ciently accomplishing work through positive interactions with people. Because relationships are so important in an effective organization, GAO has spent considerable time and money developing a course to enhance human interactions at work. An intensive 4-day course entitled "Skills for Performance and Career Development" is underway for all professional staff. In a lecture and experiential format, the course enhances skills in interpersonal problemsolving via performance coaching, appraisal training, and career counseling. These generic skills are designed to improve human interactions which in turn support individual HRM programs and ultimately GAO's effectiveness. A similar course is being developed for non-evaluator staffs.

**Improved Career Paths.** GAO created its Upward Mobility Program to provide employees in nonprofessional series (below GS-9) a systematic opportunity to fully develop their work capabilities and expand their realistic career possibilities. The program emphasizes structured developmental assignments and permits some use of work time for required formal education. To date, over 100 employees have entered the program, and more than 60 percent have successfully graduated into a variety of professional positions such as auditors, editors, and computer analysts.

As another example of increased career alternatives, Personnel created an evaluator assistant classification series that places participants in planned developmental assignments for future entry into the evaluator series. Several other classification "bridges" are planned.

**Equal Employment Opportunity (EEO).** GAO created several EEO programs to provide equal employment opportunity for all qualified people, and to eliminate or reduce discrimination. As one way to reduce discrimination, the agency held 2-day, small-group training programs for all employees using GAO coworkers as facilitators. The learning gained in this "Functional Racism" seminar will continue in the divisions/offices through each unit developing its own antidiscrimination/human relations training program.

**Employee Organizations.** As a more formal way of participating in the management process, GAO has several organizationally chartered groups.

Two are the Career Level Council and the GS-13/14 Management and Policy Advising Council. The groups represent the interests of GS-7 through -14 staff. In general, these groups seek to influence the design and implementation of GAO policy concerning work methods, management practices, and employee rights.

### HRM Staffs

GAO's top management realized that accomplishing these HRM projects and programs required the assistance of a variety of personnel. Consequently, over the past several years GAO has hired or developed professional staff with expertise in training and employee development; psychological and career counseling; personnel/organizational research, design, implementation and evaluation; labor relations; and organization development.<sup>4</sup> GAO now has a sufficient number of human resource professionals capable of assisting management in developing their HRM programs. To provide additional focus on the area, Comptroller General Staats merged several HRM staffs into one office—the Office of Organization and Human Development (OHD). A description of some of that office's staffs follows.

**Training and Development.** This staff is responsible for assessing the training needs of professional, technical, and support staffs; and for designing, implementing, and evaluating courses intended to fulfill those needs. The staff offers a wide range of courses such as Program Evaluation for Auditors, Supervisory Skills, Entry-Level ADP, and Secretarial Procedures.

**Counseling and Career Development.** This staff provides any interested employees with individual or group counseling regarding career planning and mobility. GAO views career management as a joint responsibility of the Office and the employee, but places an emphasis on individual initiative and self assessment in the process. Career topics covered include assessing current skill levels, interests, and aptitudes; examining career opportunities within and outside the agency; developing strategies for career goals; and managing stress. The staff also offers outplacement services, retirement counseling, and short-term confidential assistance for more serious personal problems such as drug or alcohol dependency and marital difficulties. Referrals are made to professional

community resources for longer-term personal problems.

**Organization Development.** This staff directs their efforts at improving work groups' efficiency and the quality of interpersonal relationships, usually by increasing employee participation in the management process. By applying behavioral science knowledge from areas such as human communications, conflict resolution, and small group decisionmaking, an organization development consultant attempts to develop within a work group the skills necessary for the group to diagnose and solve its own problems. Because the typical project requires considerable changes in how employees and managers interact, organization development is usually a long-term venture. Its ultimate goal is to assist organization members in creating a more adaptive, effective, and personally satisfying work environment (Huse, 1980).

**Research and Analysis.** Staff in this group conduct personnel-related research, and develop, coordinate, and monitor personnel management systems. Among other responsibilities, this staff conducts selection validation studies, develops standardized data-collection instruments, evaluates EEO policies and practices, and performs job/task analyses.

Two staffs in other parts of GAO play a particularly important role in human resource management. The Labor Management and Employee Relations staff of the Personnel Office develops internal labor-management policies and provides assistance to management in dealing with union or other organized groups. It also advises managers on disciplinary actions and resolving grievances as well as advising employees of their rights. The Civil Rights Office provides technical assistance on designing EEO training programs. It also coordinates the Human Concerns Council which represents special interests groups such as handicapped and Hispanic employees, and develops the annual affirmative action plan.

When the cumulative work of the Career Management Committee, task forces, programs, and human resource-oriented staffs is viewed, it should be apparent that there is a considerable organizational effort to improve GAO's effectiveness and quality of work life. In fact, these human resource efforts and staffs may well place GAO in the

forefront of HRM in the Federal agencies. However, what has not been adequately articulated is a clear and agreed-upon management policy and an agencywide implementation strategy that defines GAO's system and the goals of HRM. This obviously is the task of the new Office of Organization and Human Development.

### Need for Integrated HRM

While GAO has undertaken many projects and activities designed to enhance human resource management, the lack of a comprehensive HRM policy can make it difficult for staff to understand how they all fit together. At the same time, some individual divisions and offices have developed their own projects which, while meeting some of the needs of their staff, have been geared toward their own, rather than organizational, needs.

There are other issues which need to be addressed, such as measuring the impacts of HRM programs and helping employees develop individual development plans (IDPs). The latter offer the opportunity to record career interests and abilities, identify long-range realistic job opportunities and plan strategies for career progress.<sup>5</sup>

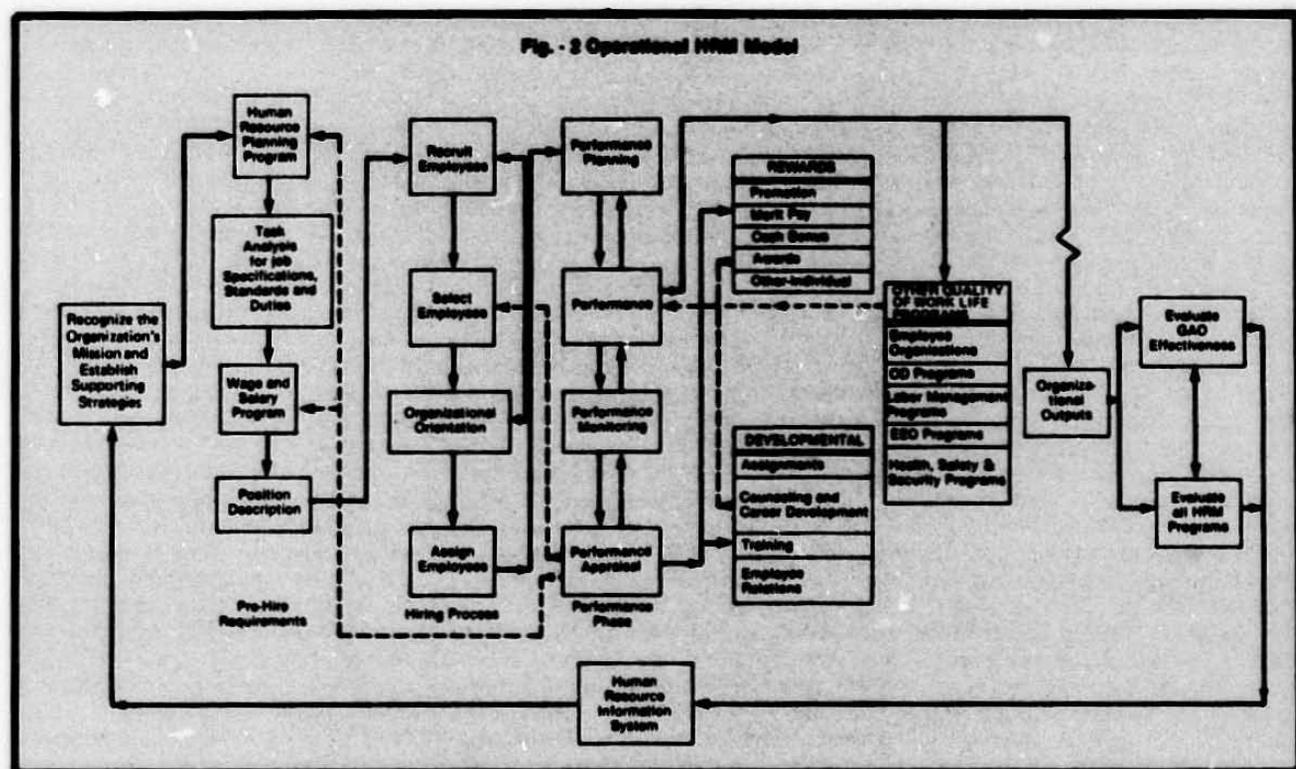
GAO would thus benefit from clearly articulating an HRM policy and working within that framework. The agency needs to be able to respond to the demands of an increasingly complex mission, a changing and heterogeneous work force, legal and regulatory constraints on personnel practices, and the changes being implemented under GAO's new personnel legislation.

### An Operational Model

With the above background in mind, Figure 2 presents a program-specific HRM model that suggests the range of activities necessary to systematically address the needs of an organization such as GAO. Because this model identifies individual programs and relationships, it could be one useful way to approach HRM policy, program strategies, goals, and staffs responsible for program implementation.

Following is a brief discussion of this model including mission, human resource planning, selection, performance, evaluation and information systems. Existing or planned programs that relate to the model are also mentioned. This discussion is not intended

Fig. 3 Operational HRM Model



as a thorough analysis of the operational model or as a guide to implement programs. Rather, it highlights an integrated system that could build on previous work to manage human resources at an organization such as GAO.

**Mission.** The need for GAO to continually evaluate its operating strategies is perhaps prudent, given its dynamic role of providing services to the Congress, the accelerating rate of change in society at large, and the upcoming appointment of a new Comptroller General.<sup>5</sup> Once this direction is defined, certain personnel programs can be established to ensure that appropriate human resources are available to accomplish that mission. Further, since the mission ideally "drives" the organization, it is essential that the mission be clearly evident through HRM policies.

**Pre-Hire Requirements.** Although new employees are needed periodically, several activities should occur prior to organizational staffing, as shown in the "pre-hire requirements" section of the model. Optimally, human resource planning occurs first, as this requires analyzing the organization's personnel needs relative to its mission and policy and requires developing programs to satisfy those requirements. Planning activities typically include

forecasting human resource needs, performance management, and career management.

In broad terms, resource needs are predicted by analyzing the external environment (e.g., budget constraints), accounting for future internal human resource requirements, and subtracting future resource availability to arrive at net needs. Performance management, as a minimum, requires establishing programs to improve productivity through job design, performance appraisal, and wage and salary administration. Career management is, in essence, an integrated process of recruiting, selecting and assigning employees, promotion, transfer, management succession planning, training and development, and career counseling (Walker, 1980). Although performance and career management programs are implemented at a later time, early inclusion of these activities in the planning process ensures their influence on future resource needs.

Planning for human resources also requires job analyses to determine the critical knowledges, skills, and abilities required for complex positions. Subsequently, a rational wage and salary program that attracts, motivates, rewards, and retains qualified employees must also be designed and implemented to deliver the needed skills.

Due to GAO's excepted service status<sup>7</sup> and CSRA requirements, a pay-for-performance philosophy dictates the need for a new and integrated compensation, appraisal, and position classification plan that will reward employees based primarily on performance and eliminate salary increases based primarily on seniority.

**Hiring Process.** In agreement with EEO legislation and sound personnel management practices, recruitment and selection efforts need to be based on job-related criteria developed from job analyses. Furthermore, to encourage constructive "self-selection," applicants should have realistic job previews which carefully explain position requirements (in behavioral terms if possible), including any presumed negative aspects (Wanous, 1979). Failure to select qualified and organizationally compatible applicants can result in reduced productivity, higher turnover and absenteeism, increased administrative costs, and a diminished quality of work life.

Toward this end of efficient and accurate employee selection, GAO's Office of Personnel is redesigning the entire recruitment, selection, and placement process. New systems will include a more realistic job description and announcement, the use of job-related assessment criteria in the

interview and selection decision, and, over time, empirical validation of the entire process. The initial target position for this new selection process is entry-level evaluators. If there are positive results on dimensions such as performance level and turnover rate, a similar method of employee selection would be implemented for other levels and job series.

**Performance Phase.** Work performance is generally enhanced when an employee and supervisor use an interactive process that involves planning, monitoring, and appraising performance. During the planning session an employee receives a thorough job orientation of work requirements and priorities and participates in setting performance goals and standards useful for evaluation criteria. The supervisor monitors on-going performance and provides the employee with on-the-job training and constructive feedback. After an appropriate period of performance, a formal appraisal of results occurs, during which performance is compared with established criteria. When combined with behavioral feedback on work processes, this evaluation provides an employee with developmental information and is used to make personnel decisions such as promotions or cash bonuses.

In many respects the performance appraisal function is central to the personnel management process. Formal appraisals permit differentiation among employees for distribution of scarce rewards such as promotions and merit pay. In addition, appraisals provide data on performance levels which in turn are essential in designing specific training and development curricula and initiating other administrative actions. Furthermore, aggregate results of an accurate appraisal system enable validation of the selection process, provides feedback to the wage and salary program, and ultimately affects almost all aspects of human resource management (Henderson, 1980).

Quality-of-work-life programs also influence performance, but not necessarily in as direct a manner. Thus, this HRM model shows that performance may be linked directly to outputs or may be influenced by rewards, developmental activities, and/or other quality-of-work-life programs. However, recalling the dual goals and interaction of HRM programs, performance will be enhanced if it is somehow connected to these qualitative activities (Likert & Bowers, 1975).

**Evaluation.** Ideally, an organization's outputs will satisfy its mission, goals, and other constraints while also satisfying human resource concerns. Evaluation criteria should be comprehensive enough to reflect these concerns because organizational effectiveness and HRM programs influence each other. Three examples illustrate the point:

- A training program that teaches a new skill may be assessed positively by participants, yet that skill may be obsolete to the organization and will not contribute to improved performance.
- A supervisor may achieve an impressive production rate through a dictatorial management style. Although high production is important to the organization, this unit might experience a costly increase in turnover, absenteeism, and tardiness.
- A unit supervisor may achieve a high production rate by using a participative management style. The organization may benefit directly, and the unit's employees may report an above-average level of job satisfaction. An indirect organizational benefit of lower turnover may also be possible.

As these simple examples indicate, organizational effectiveness is inextricably interwoven with long-term HRM concerns. Therefore, multiple criteria—defined by the type of work performed—give a more complete picture of organizational functioning (Steers, 1975). In GAO, evaluation criteria might include cost savings, timeliness, accuracy, employee retention rate, absence of undue stress, and psychological commitment to organizational goals. After carefully deciding on and evaluating meaningful criteria, the findings are used by managers in reformulating strategic plans, designing new objectives, and creating program action plans.

## Human Resource Information System

A Human Resource Information System containing personnel data on acquiring, developing, and managing human resources is an important aspect of an integrated human resource management system. Among other things, such a system can be used to evaluate personnel management policies and programs and advise management on them, assist managers in forecasting work force needs and

availability, assist in training needs assessments, and maintain a data base on employees' individual career plans. HRM must be a systematic undertaking if it is to be fully effective. The model shown in Figure 2 introduces one system for managing our human resources.

GAO has previously experimented with creating or modifying several independent automated information systems to meet management needs. In keeping with the systems concept of organizational interdependency, GAO is now moving toward a consolidation of its three major data bases. In 1981 a contractor will assist in redesigning and merging the financial, personnel, and auditing ADP subsystems. When completed, this consolidated system will permit easier data input and retrieval and will have an expanded information-processing capability. Furthermore, because the system is being designed exclusively for GAO, it will be more capable of satisfying our unique information needs. I would hope this system has a human resource component.

## Summing Up the Model

Developing, with input from employees at all levels, a model that captures organizational, managerial, and subordinate needs will not be an easy task. In an organization with a wide range of work and individual employee differences, the challenge is even more complex. A policy developed in a participative process which is communicated to all staff is likely to create employee commitment to HRM goals and procedures.

The integrated HRM approach is thus best created by

- basing HRM policy on the organization's goals,
- ensuring that individual programs support and are consistent with each other,
- evaluating HRM programs primarily on the basis of their long-run contribution to organization effectiveness, and
- connecting evaluation data with the design of future HRM goals and strategies.

An HRM system can have a powerful influence on organizational functioning. To be and remain viable, it requires considerable effort, resources, and continual commitment.

## Some Concluding Thoughts

The need for an integrated HRM system in GAO is likely to intensify in the 1980's. In response to an increasingly complex world, our mission is almost certain to expand. Moreover, the work force will continue to ask for, or perhaps demand, through highly active unions, a more participative role in management. Also significant is the fact that additional employment legislation such as "equal pay for work of equal value," will further influence organizational and personnel management behavior. Finally, with the freedom of GAO's excepted-service status will come an intense scrutiny of our new personnel system by the Congress and other Federal agencies. All of these factors call upon GAO to be an adaptive and responsive agency. Clearly, the new Office of Organization and Human Development has its work cut out for it.

Above all, HRM cannot be interpreted as a panacea. HRM programs, by themselves, will not compensate for deficiencies in, for example, financial resources or unmotivated organizational members. However, because HRM facilitates constructive organizational change via improved human interaction, it does have considerable potential benefits for dynamic organizations, including GAO.

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<sup>1</sup>Numerous other names and phrases such as Human Resource Development (HRD), Quality of Work Life (QWL), Organization Development (OD), Socio-technical systems, Participative Management, and Industrial Democracy are used to describe this emerging field. There are some differences in technique, e.g., conducting attitude surveys or establishing performance appraisal systems; and in client focus, e.g., union employees or top management. Still, such programs are similar in attempting to develop and manage human resources at work toward the achievement of personal, social, and economic goals (Mills, 1975).

<sup>2</sup>Equal employment opportunity and affirmative action factors also enter into the selection decision.

<sup>3</sup>GAO has 12 division directors who manage the work of its operating units (called divisions). The directors also work as a team in addressing key internal management issues.

<sup>4</sup>Another evidence of GAO's commitment to HRM was the establishment of the Federal Personnel and Compensation Division (FPCD) in 1972. This division is responsible for reviewing the Federal Government's personnel policies and programs, and frequently makes recommendations to the Congress on ways to improve HRM. Due to their knowledge of personnel and pay systems, staff members in FPCD have had a major role in designing GAO's independent personnel system and may provide Personnel with future assistance as well.

<sup>5</sup>The BARS system for GS-7-14 evaluators does have a developmental section which captures some of the IDP data. However, at present this data is not formally connected to a work force planning system. Furthermore, these evaluators constitute less than 55 percent of GAO's employee population.

<sup>6</sup>Comptroller General Staats' 15-year term ended on March 7, 1981, and as this article went to press in April, the Congress and the President were still deliberating about his successor.

<sup>7</sup>GAO employees were removed from the competitive Federal service with passage of the May 1980 Personnel Act. Employees are now in the excepted service but are able to move into the competitive service if they want to transfer to another Federal agency.

# Compliments from Congress

The following is taken from the *Congressional Record* dated September 30, 1980. Speaking before the Chamber, Mr. Robert C. Byrd gave praise to GAO's "assistance and vigilance" and looked back to its congressional origins. What began, in 1921, as the Budget and Accounting Act has evolved into perhaps the most important congressional support agency.

## Robert C. Byrd

Mr. President, every year in this Chamber we appropriate billions of dollars to fund domestic, military, and international programs of vast consequence to the people of this nation and of the world. But we realize that the act of legislating or appropriating does not automatically solve a social, or economic, or political problem; nor does it absolve the Senate of further responsibilities over those problems. We must have legislative oversight of the administration of the laws we pass; and we must have strict accountability for the funds we appropriate. Accountability goes to the heart of the democratic system, and the scholar E. L. Normanton reminds us that "Government and administration are not activities intended solely for the benefit of those who practice them—a simple fact, but one which, Heaven knows, it is easy to forget."

When we consider the magnitude of the federal government and its annual budget today, we realize how difficult a task we would face in demanding such accountability if it were not for the assistance and vigilance of the United States General Accounting Office. It is our largest and, in many respects, perhaps our most important congressional support agency, and I should like to speak now about its origins and sixty years of financial detective work, which has resulted over the past fifteen years alone in extensive savings for the taxpayers.

Until 1921, the Congress maintained its surveillance over government spending primarily through the language of the appropriations acts—a system which dated back to British Parliament's legislative appropriations in 1688—and through the Comptrollers and Auditors of the Treasury. But on May 26, 1921, Congress enacted the Budget and Accounting Act, one of the

most significant statutes in our national financial history. Not only did this act require presidents to submit to Congress estimates of expenditures and receipts in an annual budget message, at the beginning of each session, but it also established the Bureau of the Budget (now the Office of Management and Budget) and the General Accounting Office.

The Budget and Accounting Act had a controversial history behind it. Back in 1912, a Commission of Economy and Efficiency had recommended that a consolidated federal budget be submitted annually to Congress. President William Howard Taft presented the first such budget in 1913, but the change in administrations that year delayed further efforts toward budgetary reform.

America's entry into World War I, with the massive expenditures that effort entailed, brought new demands for a national budget system. In 1919, both the House and Senate established select committees on the Budget, and reported legislation calling for an independent Comptroller General and an accounting agency under his direction. The House proposed that this be called the "accounting department," but the Senate committee insisted that it bear the title of "general accounting office" to emphasize its independence from the executive agencies.

In 1920, President Woodrow Wilson, then locked in a struggle with the Republican controlled Congress, vetoed the Budget Act on the grounds that while it had given the president authority to appoint the Comptroller General, only Congress was empowered therein to remove him. Wilson argued that "Congress is without power to limit the appointing office and its incident, the power of removal." (Constitutional scholars will recognize that this difference between the president and the Congress was not limited to the Budget Act, but was part of a long-running dispute over the power of removal which dated back to the Tenure of Office Act during Reconstruction. A few years later, in 1924, the Supreme Court settled the issue in *Myers* against U.S. when it decided that the president did indeed possess the power to remove officials he had appointed.)

Congress failed to override President Wilson's veto, but reenacted the measure following the year, and it was signed by his successor, Warren G. Harding. In deference to President Wilson's objections, however, the new version of the bill provided that the Comptroller General could be removed only by joint—rather than concurrent—resolution, thus requiring presidential approval.

Although, at the time, the press devoted most of its attention to Title II of the Budget and Accounting Act, the section which required presidents to submit annual budgets to Congress, it was Title III that has proved most beneficial to Congress over the years. For this was the section that established the General Accounting Office, independent of the Executive Branch, to "investigate, at the seat of government and elsewhere, all matters relating to the receipt, disbursement, and application of public funds."

The Comptroller General and his assistant were to be appointed by the president for fifteen year terms—the longest in the government except for federal judges—and made ineligible for reappointment. This was designed to give the Comptroller sufficient independence to keep the GAO above partisan politics.

The Budget Act also gave the Comptroller two hats to wear. He could initiate investigations on his own, as the government's independent auditor. And, in addition, he was required to "make" such investigations and reports as shall be ordered by either House of Congress or by any committee of either House having jurisdiction over revenue, appropriations, or expenditures." Today, the GAO serves all members of Congress, and more than one-third of its work is congressionally requested. In effect, all of its work is directed toward assisting Congress, since GAO staff try to ascertain congressional information needs in advance of any formal request, through their frequent discussions with committees and individual members.

President Harding appointed J. Raymond McCarl as the first Comptroller General in 1921. McCarl was a Nebraska lawyer who had served as secretary to Senator George Norris and as executive secretary to the

Republican Congressional Campaign Committee, so he had been closely associated with the Congress before his appointment. Beginning with a staff of about 1,700 which he inherited from the Treasury Department, Comptroller General McCarl built the GAO into an agency that concentrated primarily on centralized voucher audits and on rendering decisions concerning the legality of federal disbursements. The GAO's early goals were to assure strict compliance with the laws, accuracy, and honesty of executive agency employees, and conformance with the accounting forms and procedures it prescribed.

Succeeding McCarl as Comptroller General was former Democratic Senator Fred H. Brown of New Hampshire, who served just a little over a year before resigning due to ill health. North Carolina Congressman Lindsay C. Warren then took over the post. Warren had been highly respected by his colleagues in the House and worked hard to foster closer ties between the GAO and Congress. Thus, by the 1950's a tradition of providing direct assistance to Congress had become firmly established in the agency.

Government growth during the New Deal and World War II had made it impractical for the GAO to continue auditing every government voucher from a central location in Washington. Two important new laws were then enacted which changed the General Accounting Office's mission dramatically. The first was the Government Corporation Control Act of 1945 which directed the GAO annually to audit government corporations, using commercial auditing techniques. This necessitated the hiring of professional accountants and eventually replacing the existing GAO staff of clerks, investigators, and attorneys. In addition to these personnel changes, the law required on-site audits, a practice which led to the formation of a large field staff.

The second law was the Budget and Accounting Procedures Act of 1950, a result of common concern by the Comptroller General, Secretary of the Treasury, Bureau of the Budget, and Hoover Commission for improving federal financial management. This law relieved the GAO of the need to check all of the ledger books of the various federal agencies, as well as the responsibility for prescribing detailed

accounting forms for the agencies. Instead, the GAO was assigned to review agency accounting procedures and to set "principles and standards" for them.

Out of these changes grew the GAO's interest in the "comprehensive audit," which was developed during the 1940's and '50's. The essence of the comprehensive audit was to determine how well each federal agency was carrying out its financial responsibilities—meaning whether or not it was spending funds only for clearly authorized programs and conducting those programs in an efficient and economical manner. All important deficiencies that the GAO encountered during these audits were to be fully explored and reported with appropriate recommendations for corrective action.

Implementing the comprehensive audit system required several changes in the GAO's method of operation. Instead of the annual reports which the 1921 Budget Act had envisioned, the GAO began to report the results of each agency audit as it was completed. To facilitate the audits, the GAO also established site audit staffs at federal agency headquarters and, increasingly, at locations outside of Washington. In 1952, a formal system of regional offices was established.

In switching from a voucher auditing system to one of comprehensive audits, the GAO actually set a worthy model for other federal agencies to consider. Its staff shrank from a total of more than 15,000 in 1946 to a low point of 4,100 in 1966. This was accomplished by phasing out most of the clerical staff who had performed the voucher audits. In the meantime, the GAO was building a professional staff of highly-trained accountants and auditors, and was developing the competence to perform effective audits in any agency of the federal government. From 1953 to 1965, under Comptroller General Joseph Campbell, a certified public accountant, the GAO modeled itself more and more on the pattern of a large accounting firm.

In 1966, our current Comptroller General, Elmer B. Staats, was appointed. Over the years since then, Mr. Staats has worked to improve the management and effectiveness of the government and the whole scope of federal programs. Mr. Staats broadened the role of auditors within the GAO and established links between

his office and other audit organizations.

The Staats years will surely be remembered as a time when the GAO expanded its ties with Congress. In some ways, this growth has been spectacular. For instance, during the 1960's GAO officials testified before congressional committees on an average of thirty times a year. In fiscal year 1979, by contrast, they testified over two hundred times. The amount of time that the professional staff of the GAO has spent working directly with congressional requests has also increased dramatically, and the number of reports and other communications with committees and individual members grew similarly.

Over the years, the GAO has figured prominently in congressional investigations, particularly into military spending. During the 1960's, the office performed much of the investigating for Congress into the C5A military transport plane, which was resulting in huge cost overruns, and contributed to the Pentagon's decision not to make additional purchases of the cargo transports. In 1967, the GAO uncovered bribery, collusion, and government laxity behind the loss of over five million gallons of fuel requisitioned for combat missions over Vietnam. For years, the GAO also worked closely with the Senate Committee on Governmental Operations (now Governmental Affairs) in its probe into the controversial F-111 or (TFX) fighter plane. In domestic issues, the GAO has produced valuable studies on problems within the Medicare, pollution, and antipoverty programs; they have provided analyses of energy legislation, federal regulatory reform, and scandals within the General Services Administration's contracting system. The list is almost endless.

Congress has also given the GAO broad new statutory power in recent years. Among the more important of these have been the 1968 Senate rules change which required senators and candidates for the Senate, as well as certain Senate staff, to file annual income reports with the Comptroller General. The Legislative Reorganization Act of 1970 Required the GAO to act as the Congress' agent in establishing standardized information and data processing systems. In 1974—as a direct result of the Watergate crisis and President Nixon's impoundment of appropriated funds—Con-

gress passed the Congressional Budget and Impoundment Control Act. This law, which established the congressional budget committees, enlarged the GAO's program evaluation role and involved the Comptroller General in the congressional control over the President's authority to impound funds.

This legislative activity culminated in the General Accounting Act of 1980 which established procedures allowing GAO access to documents and records of federal agencies, contractors and grantees. It also provides for judicial enforcement of the GAO's written requests and subpoenas. Another major feature of the act establishes a formal procedure for congressional leadership to recommend individuals to the president for positions of Comptroller General and deputy.

Most recently, in the Chrysler Loan Guarantee, Congress provided up to \$3.5 billion in federal loan guarantees to prevent the Chrysler Corporation, the nation's third largest automobile manufacturer, from going bankrupt. Final approval of the guarantees and their administration was vested in a board with three voting members—the Secretary of the Treasury, Chairman of the Federal Reserve Board, and the Comptroller General. The law also authorized the GAO to audit the implementation of the guarantees.

To summarize the activities of the General Accounting Office today, it audits and evaluates federal programs; testifies at authorization, appropriation, and oversight hearings; assists in congressional investigations, assigning GAO staff to congressional committees for periods of up to one year; assists in developing statements of legislative objectives and goals; and makes legislative recommendations based on its audits and evaluations.

The GAO makes available to the Senate a multidisciplinary staff of accountants, attorneys, actuaries, and other mathematical scientists, claims adjusters and examiners, engineers, computer and information specialists, economists and other social scientists, personnel management specialists, and many others. They are supplemented, as needed, by consultants and experts from all academic and professional disciplines.

Since its creation, the General Accounting Office has evolved most admirably to provide Congress with the kind of professionalism, non-

partisanship, and objectivity in its reports and recommendations that we need to perform our appropriation and oversight responsibilities. The GAO has become an integral part of the legislative process, and a support agency which makes possible a vigorous and independent Congress.



### Arthur A. Klekner

Mr. Klekner recently joined GAO as the director of the newly created Office of Security and Safety. Mr. Klekner did his undergraduate work at Ohio State University in economics. Following this, he spent 24 years in the military service as an officer in Military Intelligence and Law Enforcement. Prior to joining GAO, he was the chief of the Department of the Army's Physical Security Program. Mr. Klekner received the Army's Civilian Meritorious Service Medal in 1972 and the Commanders Medal for Civilians in 1980. In 1978 he was designated as a Certified Protection Professional (CPP) by the American Society for Industrial Security.

# Subversion and Espionage: How Vulnerable Are You?



GAO's credibility with other Government or private agencies/industry is in no small way measured by its ability to protect classified or proprietary information. The mission of GAO frequently requires that, for auditing and other purposes, extremely sensitive information originated by other agencies be obtained and stored by us. Extracts of these documents are often published in GAO classified/sensitive reports. The physical security of such information and the knowledge obtained through these documents is a trust we must ensure.

To date, the track record of GAO activities in protecting such information appears to be excellent, but only through continuous vigilance can we be assured of our position. There is no room for complacency where national security or protection of industrial sensitive matters are at stake. Let us examine some of the "danger points" we may face daily, all of which affect security.

### Threats to Security

Almost 90 percent of hostile intelligence information is gathered

through overt and legal means. Hostile intelligence agencies subscribe to numerous trade journals, magazines, newspapers, etc., to glean sensitive information from them. A trained analyst can pick out various bits of information and put them together in a mosaic which gives an accurate picture of U.S. defense systems, defense deployment and resources, industrial research and development, and U.S. intelligence agency spending. Hostile intelligence agents have the advantage because they work in a country where this information is readily available and accurately published.

A much-publicized means of intelligence gathering is through the use of snooping or bugging devices and other sophisticated electronic equipment. Cameras and listening devices exist which can photograph or record activities and conversations from remote distances, day or night. They can be hard to detect and hard to counter. A significant amount of research, manpower, money, and time has been expended to develop these devices, yet for all their sophistication, there are things they cannot do. They cannot

open safes, remove documents, or probe the human mind. These particular actions require one very simple factor, the "human element." Each and every reader of this article could become the human element.

### **The Potential "Spy"**

You might ask, "Why am I being told this? I'm not going to spy. I love my country and won't sell it short!" Let us hope this is the reaction of every American. But to turn the picture completely around for a hostile agent's viewpoint, we may be able to see the human element problem a little more clearly. The agent is trying to determine which one of us has the needed information, who has access to that information, and how each of us can be coerced or "bought" to provide the information.

The human element sometimes provides hostile agents with information through rather innocent means, such as loose talk or carelessness. This can happen in a local lunch bar, on a bus, or during a telephone conversation. The compromise takes place when discussions include classified/sensitive information and an agent listens in. About 95 percent of the information gathered in this way is thought to be reliable, as the participants are not aware of the conversation being monitored and do not attempt to disguise the true facts. Be aware that public conversations are just that—public. If you find your conversations turning to classified topics, change the subject or suggest that the information be discussed in a private meeting or over a secure telephone. Your coworkers will thank you for it.

### **Are You Susceptible?**

Some Government employees can be pressured into becoming the human element because of social or moral indiscretions. The pressure from a blackmail threat can be extremely severe, and the only effective way to counter it is to avoid all situations that have the potential for blackmail. But if you should become a target, you have another option in talking to your security personnel. All your information will be held in confidence.

Another vulnerable spot in the human element is the friendly nature of the average American. This leaves us open to a certain amount of deception and possible exploitation. Espionage agents are groomed in discretion, social awareness, and social

aggressiveness, and they are told to go out and meet Americans. These foreign agents are talent scouts, observers, and recruiters who are asking pertinent questions about every American they meet: Who is this individual? Where is this person employed? Is this person a potential source of information for my country or organization?

Foreign agents are not careless or overt. They will not approach you at a party, thrust a drink into your hand, and pump you for classified information. Rather, they gradually try to assess your potential value to them before a commitment is made. The agent may try to build a friendship to gain your confidence and eventual cooperation, or may play upon your political or social beliefs to gain your trust. Agents often have a line to scientists or individuals who feel that research in this country would be hindered without a complete exchange of all information between nations of the world. A professor at one university recently told a Federal agent in the course of an interview that he felt the Soviet Union should be given all information in this country concerning his particular line of work. The professor was working on a type of sensor device. If hostile intelligence forces can find someone who feels that security is unnecessary or illegal, the foreign agent will indeed try to exploit this to gain information for the hostile country or organization.

Foreign agents are not looking for high-profile sources of information. They are just as interested in a GS-3 with a copy machine as they are in a GS-18 who sets policy. Even an employee without access to classified information is a potential information source in the event of a transfer to another office or agency. Agents cultivate the average employee, perhaps one who is dissatisfied with promotions, salary, or is in need of money. The only talent requirement is a willingness to cooperate.

### **Defend Yourself**

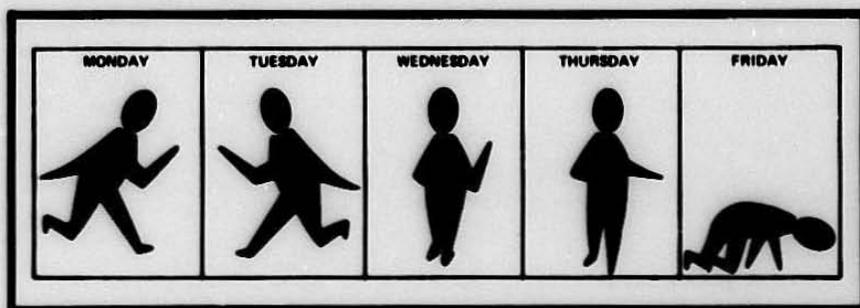
The only real solution to the espionage problem is to be aware of it. Realize that the potential is there and never place yourself in a position that would make you susceptible to foreign intelligence efforts. However, if a problem should arise, talk to your supervisor and contact your security officer. The security officer is the key individual who can give you advice and counsel if

needed. You may also decide to notify your local FBI office. But the important point here is to take action immediately. If you are out of the country and have problems with document storage, or if you notice anything unusual, report it to the closest U.S. Embassy or American Consulate at the earliest possible moment. Timeliness cannot be overstressed.

Remember, the potential for a breach of security is always with us. Your awareness of the problem and your awareness of proper security procedures may be the only things standing between you and a hostile intelligence agent.



## A Week's Worth



### Brian Usilaner

Dr. Usilaner is associate director, Accounting and Financial Management Division. Prior to joining GAO in 1973, he held several positions with the Office of Management and Budget, and served as the Executive Secretary to the President's Advisory Council on Management Improvement. Dr. Usilaner received his B.S. and M.S. degrees in industrial engineering from New York University and his D.Sc. in management science from George Washington University. He is currently a professor in the School of Business and Public Administration at George Washington University. Dr. Usilaner has been the recipient of several awards recognizing his Federal service.

### Monday

I woke up this morning thinking about summer. It's the first cold morning. Reality sets in; winter is coming. I waited in my car at the parking lot for the bus, timing my move to get to the stop just before the bus pulled away.

At the office, I started off this week by catching up on administrative matters: Firm assignment lists, Report of Assignments (J-1's), justifications for budget items, and requests for comments on this and that. I have learned that the later in the week I wait to take on these matters, the harder they are.

As associate director of the Accounting and Financial Management Division's (AFMD) National Productivity Group (NPG), I am responsible for planning and overseeing the work of the National Productivity issue area. This issue area was established about 4 years ago and currently has a budget of over 50 staff years. Our work covers the Federal, State, and local governments and the private sectors of the economy. Because of the increasing awareness and interest in productivity by the Congress, over 60 percent of our work is generated from congressional requests. Initially, our work concentrated on the productivity of the Federal work force. While still a primary focus, we have been increasing our efforts in the private sector. One of the reasons for this increase is the growing congressional concern, and another reason is the national recognition of productivity as a major factor in our country's economic performance.

I went to lunch with Eckhard Bennewitz, budget director of Metro. I've known "Benny" since he was deputy assistant secretary for financial management for the Army. He has always taken a deep interest in the field of

productivity. We discussed the performance measurement system that Benny designed for Metro managers. This is a management report that describes performance indicators and measures for the bus and rail systems. Measures of efficiency, quality of service, maintenance, safety, security, and financial performance are published and analyzed quarterly. This information is also used in the budget process.

I rushed over to the Brookings Institution to attend the 2-day Public Management Research Conference. Sponsored by the General Accounting Office, General Services Administration, Office of Management and Budget, and Office of Personnel Management, the purpose of the conference was to create a discussion between researchers and public sector managers on research needs and resources. The subject of this conference was "The Changing Character of the Public Workforce." Conference participants discussed changes in demographic patterns, technology, and values in the 1980's that may significantly affect the Federal work force. The work sessions examined the policy implications of these changes and attempted to identify the kinds of additional research needed.

John Naisbitt, publisher of *The Trend Report*, was the after-dinner speaker. He provided an entertaining view of what the 1990's hold for us. He started his speech with a long list of what he believed to be oxymora (a combination of contradictory words): jumbo shrimp, military intelligence, and efficient government. Some of Mr. Naisbitt's predictions for the 1990's included a truly integrated world economy, a shift to an information economy with industrial production

being done outside the U.S., and "bottom-up" society with a participat- ing democracy.

I got home in time to watch the second half of Monday night football. It was obvious that with only 10 min- utes to go, my team was not going to "cover." I went to bed.

### **Tuesday**

This morning I went directly to the Brookings Institution conference, and OPM treated us to coffee, juice, and rolls. We broke into discussion groups for the morning session, and my group discussed value changes and the pub- lic work force. We focused on how behavior and value changes in the work force create challenges and opportunities for management to bet- ter use and reward their employees. After lunch the conference recon- vened to hear reports from all discus- sion groups. We then discussed strat- egies for improving links between research and measurements. All in all, it was a thought-provoking con- ference.

I returned to the office and finished the day with some heavy work: return- ing phone calls, signing memos, and plowing through my inbox.

I got home in time to grab a quick bite to eat before rushing off to the Wheaton Boys' Club for basketball practice. Coaching my 13-year-old son's basketball team is both fun and frustrating. Jay Myers, of my staff, and I have been coaching for several years. I see why most basketball coaches are bald and look older than they are.

### **Wednesday**

I met with Don Patton of GAO's Office of Program Planning to go over a draft of the advance memo for our Program Planning session. Then I met with the National Productivity Group staff to prepare for the session. We attempted to anticipate possible ques- tions and prepare back-up books accordingly. We went through an exercise of having each responsible staff member defend the assignments planned for the next 18 months.

I spoke to Mr. Staats about speeches we prepared for his delivery at the Minneapolis Honeywell Confer- ence and at a meeting of the Women's Economic Roundtable. Pat Moran, GAO's Information Officer, informed us that the women's group will be a demanding audience with lots of ques- tions; consequently, the back-up book expanded.

I met a friend and former GAOer for lunch, John Moundalexis. He is now with IRS heading their management information systems staff. For old times sake, we went for Chinese food.

I spoke with Robin Reid of our Hous- ton office who is now on a year assignment with the American Pro- ductivity Center. We went over his assignments and discussed a possible report on the more than 30 regional productivity centers that exist. I finished the day by finalizing our Firm Assignment List for the next 3 months.

I attended the GAO honor awards ceremony and am still pondering Har- lan Cleveland's words of more govern- ance with less government. Jerry Rosow, president of Work in America Institute, received one of the Comptroller General's public service awards. I had many dealings with Jerry when he was at the Department of Labor and also in his present position. He has always been helpful to us.

### **Thursday**

I spoke with Jack Herrman of West- ingham about the company's newly established productivity center. Under the direction of a Vice President for corporate productivity, it will have a staff of more than 250 people. They will focus on quality, technology, inte- grated computer systems, and value analyses. The company has estab- lished an ambitious goal of improving its productivity by 6 percent a year. We plan to visit the center in the spring.

Herb Held from the American Pro- ductivity Center visited me to discuss his work on labor-management com- mittees. He also asked me to speak at an American Management Associa- tion conference on productivity to be held in 5 months. "How could I say I was busy with that much advance notice?", I said to myself. I had lunch with some of the NPG gang at Eat Street, a sandwich shop that recently opened. Their Italian subs are fantastic and fattening, but who cares?

I spoke to Jennie Stathis of GAO's Office of Congressional Relations about a letter from Congressman Paul Simon about the Government's in- volvement in the innovation process. I prepared some information for her to use in the response.

Next, I reviewed the task analysis for our assignment on the influence of office automation on Federal produc- tivity. We have found the time spent on a detailed and well thought out task

analysis is valuable and saves consid- erable time in carrying out the audit. The exercise of clearly establishing the issues and the major tasks for developing them at the beginning of a review is an indispensable part of assignment planning. This is an unsol- icited endorsement!

I drove to the Pentagon to teach a graduate-level course for George Washington University on human be- havior in organizations. I enjoy part- time teaching because it helps me to keep abreast of changes in the man- agement field. I also enjoy the class discussions and interesting dialogues with the students who work in various private and public organizations.

### **Friday**

I attended the AFMD group staff meeting. We discussed the division's award program and proposed changes to the processing of reports within the division that should decrease process- ing time. We also dealt with the estab- lishment of regional staffing goals by issue area (which will involve GAO's regional offices more in the strategic planning process) and the proposed performance valuation system for GAO. These meetings have provided the group heads with an opportunity to participate in the decisionmaking pro- cess of the division.

Marion Browne, my secretary for the past 6 years, reminded me that I'm going to be late for a meeting at the Department of Commerce. Thank goodness for Marion.

We met for a few hours with Elsa Porter, Assistant Secretary (Adminis- tration) at Commerce. I have known Elsa since she was the OPM's repre- sentative on the joint OMB-GAO-OPM productivity measurement project several years ago. Elsa is quite busy now in her role as transition officer for the Department. We discussed the Department's plans for establishing an industrial productivity center. We also discussed the Commerce-sponsored meeting between a small group of busi- ness leaders and Government officials to share experiences and viewpoints on common managerial problems and possible ways in which business and Government could become more effective in meeting their responsibil- ities. We hope all this will help develop better cooperation between the public and private sectors. The relationship is now viewed, for the most part, as an adversary one. Elsa would like this

type of meeting to be held on a continuing basis.

Ed Fritts, of the National Productivity Staff, and I worked up an outline for our report comparing the quality and productivity of Japanese and American products. In this review, requested by the House Ways and Means Committee, we visited several Japanese-managed firms in the United States, talked with executives of many American firms, and assembled a panel of 15 noted individuals from private industry, labor, academia, and Government for a 1-day roundtable discussion. While many significant differences were identified, there were three important management principles that, in general, set Japanese operations apart from their U.S. competitors: a harmonious working environment, emphasis on two-way communications, and the drive for perfection.

I finally sat down to dinner with my wife, Linnie. With her school and evening study hours and my involvement with the Boys' Club and teaching, a relaxing dinner together is rare—so rare that she asks for identification before serving dinner. But this is a good way to end the week and catch up on what happened in our lives during the last few days.



Judith Hatter



# Legislative Developments

## Railroad Accounting Principles Board

The Staggers Rail Act of 1980, to reform the economic regulation of railroads (Public Law 96-448, October 14, 1980), provides for the establishment of a Railroad Accounting Principles Board within and responsible to the legislative branch of the Government. The Board is composed of the Comptroller General, who is to serve as chairman, and six members to be appointed by him.

Within 2 years after the effective date of the law, the Board is to establish for rail carriers providing transportation subject to the jurisdiction of the Interstate Commerce Commission under Subchapter I of Chapter 105 of Title 49 of the United States Code principles governing the determination of economically accurate railroad costs directly and indirectly associated with particular movements of goods or such other costs as the Board believes most accurately represent the economic costs of such movements.

## End-of-Fiscal-Year Spending Limitation

The Department of Transportation and Related Agencies Appropriation Act, 1981, contains a general provision that no appropriations made available in the act are to be obligated in a manner that would cause obligations from the total budget authority available to any department, agency, or establishment, or any major administrative subdivision during the fiscal year ending September 30, 1981, to exceed 30 per centum for the last quarter of such fiscal year. The Office of Management and Budget may waive the requirement to avoid a serious disruption in the program or activity.

Not later than December 31, 1981, the Office of Management and Budget is to report to the Committees on Appropriations on the results and impact of the requirements and actions taken, including the effects upon procurement and apportionment processes. The Comptroller General is required to review this report and submit to the Committees on Appropriations an analysis of the report

and any recommendation deemed appropriate.

## Chesapeake Bay Research Coordination

The Chesapeake Bay Research Coordination Act of 1980 (Public Law 96-460) was enacted on October 15 to provide coordination of federally supported and conducted research efforts regarding the Bay.

The law provides for the establishment within the Department of Commerce of a separate office to be known as the Chesapeake Bay Research Office. Among other things, the Office is responsible for the preparation of an inventory of Federal and State research programs relating to the Bay area and the establishment of a Chesapeake Bay Research Exchange.

The Office is also required to make certain recommendations to the newly formed Chesapeake Bay Research Board, which is responsible for the development of a Chesapeake Bay Research Plan; review and evaluate Federal research programs pertaining to the Bay area; and prepare reports to the Congress on an annual basis.

When the act terminates on September 30, 1984, the General Accounting Office is required to submit to the Congress an evaluation of the effectiveness of the Board, the Office, and of the act itself.

## Farm Credit Act Amendments of 1980

On December 13, the Senate agreed to the House Amendment to S. 1465, to revise the Farm Credit System to serve the current needs of the agriculture industry.

The House substitute adds a new section 5.30 to the Farm Credit Act of 1971 which requires the Comptroller General to conduct an evaluation of programs and activities authorized under the 1980 amendment of this act. An interim report to the Congress is required no later than December 31, 1982; the final report no later than December 31, 1984.

The Comptroller General is to include in the evaluation the effect that

this act, as amended, will have on agricultural credit service provided by the Farm Credit System, Federal agencies, and other entities.

### **District of Columbia Financial Management System**

The conferees on the District of Columbia appropriation for fiscal year 1981 (H.R. 8061) indicate strong support for full implementation of the District's new \$38 million Financial Management System (FMS).

Because of the importance of the FMS and the adverse impact and ripple effect of changes to the system, the conferees direct District officials to obtain approval of the General Accounting Office *prior* to the implementation of any changes to the system after September 30, 1980.

### **Debt Collection**

Senator Jim Sasser of Tennessee introduced the Debt Collection Practices Improvements Act of 1980, S. 3246, on December 4.

The bill responded to the Comptroller General's recommendation made in his testimony before the Governmental Affairs Committee on the predecessor bill, S. 3160, Debt Collection Act of 1980.

As Senator Sasser explained:

*\*\*\*The bill does three things: First, it provides for an offset from the salary of a Federal employee who is indebted to the Federal Government. Second, it clarifies the statute of limitations provision of title 28 of the United States Code, by explaining that the section does not prevent the United States from collecting a claim against an individual by offsetting that amount against moneys payable by the United States to that individual. Finally, the bill amends the Internal Revenue Code to provide that the IRS may disclose a taxpayer's mailing address to an agency directly engaged in an activity pertaining to the collection of a Federal claim against that taxpayer. The bill also would allow an agency, under limited circumstances, to redisclose that information to consumer reporting agencies or debt collection agencies.*

*This bill complements and expands upon S. 3160,\*\*\*\**

S.3160 was not passed by the 96th Congress.

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### **Testimony Before Congressional Committees**

During the 96th Congress from January 15, 1979, to December 15, 1980, officials of the General Accounting Office offered testimony on 368 occasions before the Committees and Subcommittees of Congress on a variety of subjects.

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<sup>1</sup>Cong. Rec., Dec. 4, 1980, P. S15613.

# Reflections



**Diane E. Grant**



Since the *Staff Bulletin* stopped appearing in March 1960 and the *GAO Review* was not published until the winter of 1966, here are several interesting items taken from the 1961 spring issues of the *Watchdog*. Twenty years ago:

- Mr. Donald Scantlebury, director AFMD, was designated assistant director, Defense Division, to assist in the overall planning and supervision of the accounting, auditing, and investigation work conducted by the Office in the Navy Department in March 1961.

- June 10, 1961, marked the 40th anniversary of the creation and establishment of the U.S. General Accounting Office.

- Mr. Joseph Campbell, Comptroller General, sent a note to the staff expressing his hope that, "through the efforts of all, they shall meet the challenges and opportunities that our Country provides with devotion, enthusiasm, and excellence in the public interest."

Ten years ago, in the Spring 1971 issue of the *GAO Review*, you'll find that:

- Mr. Staats, Chairman of the Cost Accounting Standards Board, appointed four other members on January 21, 1971:

From the accounting profession:

- Herman W. Bevis, former Senior Partner of Price, Waterhouse & Co., New York City.

- Robert K. Mautz, Weldon Powell Memorial Professor of Accountancy, University of Illinois, Urbana, Ill.

From industry:

- Charles A. Dana, Manager of Government Accounting Controls, Raytheon Company.

From the Federal Government:

- Robert C. Moot, Assistant Secretary (Comptroller), Department of Defense, and formerly Administrator, Small Business Administration.

- On March 5, 1971, Mr. Staats, as Chairman of the Board, announced that the Board had selected Arthur Schoenhaut as Executive Secretary. He had served in the Federal Government since 1950. Until 1967 he was with the General Accounting Office and served as deputy director of the Civil Division from 1964 to 1967. Since 1967 he was Deputy Comptroller of the Atomic Energy Commission.

- Marvin Colbs, regional manager of

Atlanta, was designated deputy associate director for supply management in the Defense Division, Dec. 1970.

- Kenneth F. Lucke was designated as an assistant regional manager, Kansas City regional office, Feb. 1971.

# GAO Staff Changes



**Harry R. Finley**

Harry R. Finley has been designated as associate director in the International Division. He will head its Security and International Relations group and will be responsible for reviewing the overall coordination and conduct of foreign affairs by the State Department, the International Communication Agency, and the U.S. Arms Control and Disarmament Agency, as well as international activities of the Defense Department and civil departments and agencies.

Mr. Finley joined GAO in 1964. He has had responsibilities in a wide variety of areas in the Civil Division, International Division, and Office of Policy.

Mr. Finley graduated from St. Vincent's College (with honors) and received an M.B.A. from Indiana University. He is a CPA (Virginia) and a Certified Professional Manager. He is a member of the American Institute of CPAs, the American Society for Public Administration, and the Association of Government Accountants. In 1980, Mr. Finley received the Division Director's Award from the Office of Policy, and in 1974, GAO's Career Development Award.



**James D. Martin**

James D. Martin was designated manager, Dallas regional office, in November 1980. Since joining GAO in 1958, Mr. Martin has served in the European branch of the International Division, the Human Resources Division, and the former Civil Division.

Mr. Martin received a B.S. degree in accounting from Central Missouri State College in 1958 and attended the Program for Management Development at the Harvard Business School in 1967. He is a CPA (Virginia), a member of the American Institute of CPAs and the Association of Government Accountants.

Mr. Martin received the GAO Career Development Award in 1967; headed the Task Force on Health Facilities Construction Costs which received the Comptroller General's Award in 1973; Federal Government Accountants Association's (Washington chapter) Outstanding Achievement Award for 1973; and the Federal Government Accountants Association's Achievement of the Year Award for 1973.



**Allan I. Mendelowitz**

Mr. Allan I. Mendelowitz has been designated as associate director in the International Division. He will be responsible for GAO's reviews in the areas of international trade, energy, and finance.

Mr. Mendelowitz joined GAO in 1976 as an assistant director in the Program Analysis Division. He was promoted to senior economics specialist, GS-16, with the Program Analysis Division in 1979, and from January to June 1980, he was detailed to the Treasury Department to serve on the staff of the Chrysler Corporation Loan Guarantee Board. In June he was reassigned to the position of associate director (Program and Economic Analysis).

Mr. Mendelowitz received his B.A. degree in economics from Columbia University in 1966. He completed his graduate training in economics at Northwestern University and received an M.A. in 1969 and a Ph.D. in 1971. Following graduate school, Mr. Mendelowitz served on the faculty of Rutgers University and was a Brookings Institution Economic Policy Fellow. He has published articles in economic journals and has presented numerous seminars and professional papers.



### **Thomas D. Morris**

Thomas D. Morris has joined GAO as a Special Assistant to the Comptroller General in charge of all LCD and PSAD work.

Mr. Morris was formerly Commissioner, Federal Supply Service, GSA. He has held several high positions in the Department of Defense, the Bureau of the Budget, and the Department of Health, Education, and Welfare. Mr. Morris has had diversified experience in the private sector, including assistant to the president of the Champion Paper & Fibre Company.

Mr. Morris first joined GAO in 1970 as a Special Assistant to the Comptroller General. He was designated Assistant to the Comptroller General for Management Services in February 1971, and in April 1972, Assistant Comptroller General responsible for overseeing and assisting FGMSD, LCD, PSAD, and FPCD.

# **Other Staff Changes**

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**NEW SUPERVISORY  
MANAGEMENT  
ANALYST**

**Human Resources Division  
John W. Lainhart, IV**

**NEW SUPERVISORY  
GAO EVALUATOR**

**Community and Economic  
Development Division  
Keith Fultz**

**Energy and Minerals Division  
John A. Brown, Jr.**

**NEW SENIOR  
ATTORNEY**

**Office of General Counsel  
Richard B. Springer**

**RETIREMENTS**

<b>Adams, Inez H.</b>	<b>Secretary</b>	<b>Accounting and Financial Management Division</b>
<b>Chlan, Francis C.</b>	<b>Supervisory Systems Accountant</b>	<b>Accounting and Financial Management Division</b>
<b>Dallman, Myrtle B.</b>	<b>Library Technician</b>	<b>Office of Information Systems and Services</b>
<b>Dehnboedel, Howard L.</b>	<b>GAO Evaluator</b>	<b>FOD-New Orleans</b>
<b>Douglas, Mary O.</b>	<b>Employee Relations Assistant</b>	<b>Personnel</b>
<b>Heinbaugh, Jack S.</b>	<b>Supervisory GAO Evaluator</b>	<b>Procurement and Systems Acquisition Division</b>
<b>Johnson, Joe W.</b>	<b>Supervisory GAO Evaluator</b>	<b>Procurement and Systems Acquisition Division</b>
<b>Leonard, Mary P.</b>	<b>Secretary</b>	<b>General Counsel</b>
<b>Marshall, Powell P.</b>	<b>Supervisory Systems Accountant</b>	<b>Accounting and Financial Management Division</b>
<b>Martino, William L.</b>	<b>Supervisory GAO Evaluator</b>	<b>Community and Economic Development Division</b>
<b>Matsen, Jerome E.</b>	<b>GAO Evaluator</b>	<b>FOD-Kansas City</b>
<b>Nelson, Kenneth A.</b>	<b>Supervisory GAO Evaluator</b>	<b>Logistics and Communications Division</b>
<b>Pierce-Warren, Carolyn</b>	<b>Secretary</b>	<b>Personnel</b>
<b>Powell, George W.</b>	<b>Mail &amp; File Clerk</b>	<b>General Counsel</b>
<b>Schwebs, Dieter Horst</b>	<b>Supervisory Electrical Engineer</b>	<b>Procurement and Systems Acquisition Division</b>
<b>Spencer, Marjorie B.</b>	<b>Secretary</b>	<b>Accounting and Financial Management Division</b>
<b>Stenger, Michael A.</b>	<b>Management Analyst</b>	<b>FOD-Los Angeles</b>
<b>Sullins, Roberson E.</b>	<b>Supervisory GAO Evaluator</b>	<b>International Division</b>

# New Staff Members

The following new staff members reported for work during the period October 1, 1980 through December 15, 1980.

<b>Office of the Comptroller General</b>	McMahon, Susan H. Silva, Alexander A.	Health, Education & Welfare Department of the Navy
<b>Office of the General Council</b>	Saryn, Christine M.	U.S. District Court for the District of Columbia
<b>General Services and Controller</b>	Davis, Joyce A. Klekner, Arthur A.	Department of Agriculture Department of the Army
<b>Office of Budget and Financial Management</b>	Young, Deborah C.	Opportunity Industrializa- tion Center
<b>Personnel</b>	Ainsley, James A. Boissier, Telita L.  Curtis, Deborah A. Davis, Yvette D. Dickerhoof, Tammy J.  Douglas, Rose M.  Dyson, Aubrey M.  Hagans, Sandy C. Harrison, Vanessa D. Hurst, Mary L.  Knutkowiaki, Debra S. Lambert, Marie B.  Lee, Elizabeth  Luck, Carol Mellett, Margaret M. Moore, Sherrie A. Nickles, Joann D.  Rock, Tawanna L. Stroman, Claudia  Vernon, Dorothy E.	U.S. Army Engineer School Department of Health, Education & Welfare Smithsonian Institution International Science Inc. Allegany Community College Federal Credit Union Ft. Belvoir International Communica- tion Agency Department of Justice Federal Trade Commission Social Security Administration Department of Labor USDA Agricultural Marketing Service Community Services Administration Joan Borandt & Associates Mr. Steak Restaurant National Shriners Board of Education; Wichita, Kansas J. C. Penney Drug Enforcement Administration Department of Labor

**Accounting &  
Financial  
Management Division**

Kirsch, Barbara A.  
Ku, Sophia S.  
McElwee, Colleen M.  
Ricks, Rosa L.  
Tyler, Charles M.

Department of Housing &  
Urban Development  
Pension Benefit Guaranty  
Corporation  
National Aeronautics &  
Space Administration  
Department of Energy  
Department of the Army

**Community and Eco-  
nomic Development  
Division**

Corcoran, Deborah  
Meadows, Mary K.  
Riffe, Sherri A.

Department of Agriculture  
Minnesota Fabrics  
Department of State

**General Government  
Division**

Duszynski, Susan M.  
Jones, Nona M.  
Mills, Cynthia A.  
Perren, Cheryl A.  
Washington, Karen A.  
Wills, Anita A.

Richard O. Nelson &  
Associates  
Giant Food Store  
Citizens Bank & Trust  
Company of Maryland  
Hecht Company  
Department of  
Transportation  
Hecht Company

**Human Resources  
Division**

Jones, Sharon A.

The Washington Star

**Institute for Program  
Evaluation**

Barnes, Richard T.  
Burnes, Judith C.  
Fishbein, Ronald L.  
Hedrick, Terry E.  
Klein, Burma H.  
O'Dell, Michael J.  
Silberman, George  
Wallach, Harold C.  
Wisler, Carl E.

Research Administration  
Department of Education  
Department of Education  
Office of Policy, Planning &  
Evaluation  
Department of Education  
Bureau of Census  
Department of Justice  
Bureau of Census  
Department of Education

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**REGIONAL OFFICES**
**Atlanta**

Brown, Cheryl D.

Dunbar, Gary S.  
Rivera, Miriam**Dallas  
Denver**Baker, Bobbie Jean  
Olmedo, Tammy**Los Angeles**

Lewis, Paulette M.

**New York  
Raleigh**Hill, Laronda M.  
Johnson, Loria G.**Seattle  
Washington, D.C.**Foster, Joyce  
Cox, Margaret M.  
Massey, Kathy R.

Slusher, Jennifer V.

Environmental Protection  
Agency  
DeKalb Hospital  
Florida International  
University  
Grove Temporaries  
General Services  
Administration  
Unified School District;  
Los Angeles, California  
Ketchum Distributors  
Office of Personnel  
Management  
U.S. Forest Service  
Department of the Army  
Federal Aviation  
Administration  
Thomas Stone High School

**OFFICE OF THE COMPTROLLER GENERAL**

MINI SOURCE DIVISION

# Professional Activities

## Office of the Comptroller General

The Comptroller General, Elmer B. Staats, addressed the following groups:

The National Graduate University's Twenty-Second Institute on Federal Funding, "Oversight of Federally Sponsored Research and Development," Washington, Oct. 7.

The Institute for Social Research, The University of Michigan, Second Annual Founders Symposium Honoring Rensis Likert, "Doing More With Less: Maximizing Human Resources in the 1980's," Ann Arbor, Mich., Oct. 8.

Conference on Management of Case Processing, "Improving Productivity," College Park, Md., Oct. 14.

National Association of Accountants, Washington Chapter, "Federal Accountability/Financial Management," Washington, Oct. 15.

Federal Executive Institute Executive Leadership and Management Program for Executives of Inspector General Organizations, "Role and Functions of the U.S. General Accounting Office," Charlottesville, Va., Oct. 15.

Second Bilateral Meeting on Public Administration, United States-Mexico, "The Role of the General Accounting Office in Relation to the Executive Branch," Washington, Oct. 17.

GAO/AICPA Seminar on "The Procurement and Performance of Audits of Federally Assisted Programs," Opening Remarks, Cherry Hill, N.J., Nov. 5.

Federal Office Automation Conference, "Improving Federal Productivity Through Office Automation—A Challenge for Agency Managers," Washington, Nov. 6.

Second Annual CAD/CAM (Computer Aided Design/Computer Aided Manufacturing) Workshop, Honeywell, Inc., "Reversing the Decline in American Productivity," Minneapolis, Nov. 12.

GAO Seminar/Workshop, Intergovernmental Administration and Grants Management, "Intergovernmental Issues and Problems and the

Search for Workable Solutions," Easton, Md., Nov. 18.

Price Waterhouse & Co., Government and Other Long-Term Contractors Seminar, "Reflections on Service as Comptroller General of the United States and Chairman, Cost Accounting Standards Board," San Diego, Nov. 18.

The University of Michigan, Doctoral Students in Accounting, "Operational Auditing," Ann Arbor, Mich., Nov. 20.

National Association of Accountants, Ann Arbor Chapter, "Role and Functions of the General Accounting Office, Its Work in Productivity and Financial Management," Ann Arbor, Mich., Nov. 20.

The University of Michigan, Graduate School of Business Administration, "Reversing the Decline in American Productivity," Ann Arbor, Mich., Nov. 20.

American Association for Budget and Program Analysis, National Symposium on "Budget Reform—Is It Needed?" "The Continuing Need for Budget Reform," Washington, Nov. 21.

13th Corporate Accounting and Financial Reporting Institute, "Getting More For The Dollar Spent—The Challenge of The Eighties," Washington, Nov. 24.

National Contract Management Association, East Coast National Symposium, "Needed: A Program to Reverse the Decline in American Productivity," Washington, Dec. 2.

The American University, Political Science Honors Class, "Role and Functions of the General Accounting Office," Washington, Dec. 3.

The Women's Economic Round Table, "Reversing the Decline in American Productivity," Philadelphia, Dec. 5.

Rockefeller Public Service Awards for 1980, Presentation Ceremony, "Unsung Heroes of Service to the Public," Washington, Dec. 9.

The following are recently published articles of the Comptroller General: *Armed Forces Comptroller*, November 1980, Vol. 24, No. 4, "Well-Controlled Accounting Systems—A Must for the Eighties."

John D. Heller, Assistant Comptroller General, addressed the following groups:

Second Senior Financial Management Seminar for the Graduate School of the U.S. Department of Agriculture on "GAO's Relationship with Congress and the Executive Branch, Significant Accomplishments, and Future Predictions," Dec. 4.

Senior Senate Committee Staff on "GAO's Role in Holding Hearings for Legislation, Oversight, and Focusing on the Nomination Process" for the Congressional Research Service and the Senate Committee on Rules and Administration, Dec. 12.

## Office of Congressional Relations

Martin J. Fitzgerald, director, spoke to the Senators-elect and their staffs on basic principles to be observed in organizing a new senatorial office, Dec. 4.

M. Thomas Hagensted, legislative adviser, addressed the following groups:

Federal Executives Seminar for Treasury Managers on Dec. 3.

Chamber of Commerce's Corporate Executive Development Program, on GAO role, on Oct. 6.

Michael E. Motley, legislative adviser, spoke on GAO's role before the U.S. Chamber of Commerce's Corporate Executive Development Program on Oct. 27.

## Office of the General Counsel

William J. Secoler, general counsel: Spoke before the Brookings Institution Conference for Business Executives on "Functions of the General Accounting Office," Oct. 20.

Participated in GAO/AICPA Colloquium in Cherry Hill, N.J., Nov. 4-7.

Participated in Government Construction Contract Law Seminar, Fort Lauderdale, Fla., Nov. 12-14.

Seymour Etros, associate general counsel:

Spoke before the 21st Annual Western Briefing Conference, sponsored by the Federal Bar Association and

the Bureau of National Affairs, on "Survey of Regulatory Developments in Fiscal Year 1980," in San Francisco, Oct. 30.

Spoke before the Government Contracts Association on "Highlights in Legislation in Regulating Changes in Government Procurement," in Detroit, Nov. 6.

**Rollee H. Eires**, associate general counsel, participated at the annual ABA meeting in Hawaii, July 30-Aug. 6.

**Robert L. Higgins**, assistant general counsel, addressed the Washington, D.C., Chapter of the Society of Federal Labor Relations Professionals on GAO's new procedures relating to labor-management matters, Oct. 23.

**Ronald Wartow**, deputy assistant general counsel, addressed the Defense Advanced Procurement Management Course on "Problems in Formal Advertising," Crystal City, Va., Dec. 3.

**E. Jeremy Hutton**, senior attorney, spoke on "Access Enforcement Provisions of the General Accounting Office Act of 1980" at the Federal Bar Convention, Washington, Aug. 27.

**Marilyn G. Blatch**, attorney-adviser, addressed the Washington, D.C., Chapter of the Society of Federal Labor Relations Professionals on GAO's new procedures relating to labor-management matters, Oct. 23; and discussed the new procedures with staff of the National Federation of Federal Employees, Dec. 10.

**Jerald D. Cohen**, attorney-adviser, spoke before the Defense Advanced Procurement Management Course on "Problems in Formal Advertising," Tinker AFB, Okla., Nov. 4.

**Marilynn M. Eaton**, attorney-adviser, spoke before the Defense Advanced Procurement Management Course on "Problems in Formal Advertising," Fort Lee, Va., Sept. 17 and Dec. 10.

**Daniel A. Schwimmer**, attorney-adviser, discussed the new GAO procedures relating to labor-management matters with staff of the National Federation of Federal Employees, Dec. 10.

## Personnel

**Patricia A. Moore**, deputy director of personnel:

Participated with Maureen Bunyan of WDMV TV in a presentation entitled "The Working Woman of the 1980's." The session was sponsored by Latimer Chapter of Federally Employed Women (FEW), Dec. 4.

Participated in a workshop on "Mentors: How to Find Them; How to Use Them," sponsored by Latimer Chapter of Federally Employed Women (FEW), Nov. 18.

**David R. Schwandt**, group manager: Delivered a paper at the Second Annual OPM Training Director's Conference, entitled "Evaluation of the Training Activity," Oct. 28.

Spoke at the National Association of State Auditors, Comptrollers, and Treasurers on "Recruitment and Training of Auditors," Nov. 18.

Participated with **Carol Blumline**, chief, Counseling and Career Development Branch in a presentation entitled, "Training and Development: The Problem of Securing Resources and Support for T&D," at the First National Conference of the IPMA Federal Section, Dec. 18.

**Grace D. Wilkes**, personnel management specialist, wrote and presented readings for the convocation at the opening of the GSA Federal Women's Week Program, "Dawn of a Decade"—Women in the Eighties, Oct. 25.

**Jim Wilcox**, psychologist, spoke on "Stress Management" at the General Services Administration's Federal Women's Week program, Oct. 30.

**Lynne Hazard**, counseling psychologist, was the featured speaker at the Twelfth Annual Conference for Counseling at Wytheville Community College, in Wytheville, Va. She spoke on the "Counseling Needs of Adults," Nov. 14.

## Office of Program Planning

**Richard L. Fogel**, director: Spoke to the Graduate School of Public and International Affairs, University of Pittsburgh, on "Program Planning in GAO and Anticipating the Changing Needs of the Congress," Nov. 12.

Participated in a 2-day conference sponsored by American University on "Containing Cost Growth in Research and Development Projects in the Public and Private Sector," Dec. 10-12.

## Accounting and Financial Management Division

**Donald L. Scantlebury**, director: Spoke on "GAO and Its Efforts to

Combat White Collar Crime," at a meeting of the Virginia Society of CPAs, Arlington, Va., Sept. 26.

Spoke on "Quality Audits at the CPA Associates Government Seminar," Washington, Sept. 30.

Gave a presentation on combating fraud, waste, and abuse in Government, at the National Conference on the Prevention of Fraud, Waste and Abuse, University of Pittsburgh, Oct. 5.

Spoke on "White Collar Crime in Government—How Serious Is It and How Can We Combat It," at a meeting of the American Society of Military Comptrollers, Indianapolis, Oct. 20.

Gave a talk on "The Future of Accounting Information for Decision-making in Government," at a meeting of the Professional Accounting Advisory Board of the University of Illinois, Urbana, Oct. 24.

Gave a presentation on "The Problem GAO Has With Some of the CPA Audit Work it Reviews," at an AICPA/GAO Colloquium, Cherry Hill, N.J., Nov. 7.

Spoke on "GAO and Its Efforts to Combat White Collar Crime," at a meeting of the Washington Chapter of the Institute of Internal Auditors, Washington, Nov. 18.

Gave a presentation on "GAO Findings on Internal Control Weaknesses," at the Internal Control Seminar of the Association of Government Accountants and the Joint Financial Management Improvement Program, Washington, Nov. 24.

**Wilbur D. Campbell**, deputy director: Spoke on "Accounts and Accounting Records Needed by Governmental Agencies" at an International Seminar on Governmental Auditing, Mexico City, Oct. 6-8.

Spoke on "Action Needed to Better Protect Investors From Fraud In Purchasing Privately Placed Securities" at the North American Securities Administrators Association Annual Convention, Toronto, Canada, Sept. 16.

**George L. Egan, Jr.**, associate director:

Spoke on "Standards for Government Audits—The Role of the Internal Auditor" at the International Seminar on Governmental Auditing in Mexico City, Oct. 6-9.

Conducted a 2-day seminar on "Federal Audits of Government Programs" at the University of Hawaii, Oct. 16-17.

Conducted a workshop on Fraud and Abuse at the Association of Spanish Speaking CPAs annual meeting in Las Vegas, Nov. 12, 13, and 14.

Participated in a 1-day seminar on Internal Control at George Washington University, Washington, Nov. 28.

Chaired a workshop on procuring CPA audit work at an AICPA/GAO Colloquium, Cherry Hill, N.J., Nov. 7.

**Reinald J. Points**, associate director: Spoke on "New Developments in Government Accounting—A Federal Perspective" at a HUD Conference on Government accounting, Baltimore, Sept. 9.

Spoke on the "Need for an Accounting Standards Setting Body for Government" at an Association of Government Accountants at a Mid-Missouri Chapter Conference, Lake of the Ozarks, Nov. 14.

Spoke on "Recent Developments in Government Accounting" at an Association of Government Accountants, Baltimore Chapter meeting, Baltimore, Oct. 29.

**William Bredius**, group director: Spoke on the proposed revisions to GAO's audit standards before the Southeastern Intergovernmental Audit Forum, Raleigh, Sept. 25-26; Mid-American Intergovernmental Audit Forum, Kansas City, Oct. 2; Western Audit Forum, Carson City, Nov. 12-13; National Association of State Auditors, Comptrollers, and Treasurers, Hot Springs, Ark., Nov. 24 and 25; and the Pacific Northwest Audit Forum, Seattle, Oct. 23.

Presented a session on the GAO audit standards at Montana State Auditor's Annual Meeting, Helena, Oct. 24.

Spoke on "The GAO Audit Standards" before the Association of Government Accountants, Dallas Chapter, Oct. 6.

**John J. Adair**, deputy associate director, spoke on "The Vulnerability of Federal Agencies to Fraud" at the National Conference on the Prevention of Fraud, Waste, and Abuse in Government in Pittsburgh, Oct. 7.

**Joseph J. Denton**, senior group director, spoke on Government accounting systems at the Department of

Agriculture Graduate School Senior Financial Management Seminar, Washington, Oct. 23.

**Lawrence R. Sullivan**, group director, spoke on "What Internal Controls Are Expected?" before the Virginia Peninsula Chapter of the Association of Government Accountants in Norfolk, Va., Oct. 6.

**Robert L. Myer**, group director, spoke on "The Fraud Hotline" before the Army Inspector General in Crystal City, Va., Oct. 21.

**Walter L. Anderson**, associate director senior level, chaired a panel session on "Mission Support," at the Federal Computer Conference in Washington, Sept. 23.

**Brian L. Uellener**, associate director: Spoke on "The Federal Role in Improving Private Sector Productivity" at the Productivity Forum sponsored by the Work in America Institute, New York, Oct. 1.

Spoke on "Barriers to Productivity Improvement" at the Conference on Management of Case Processing at the University of Maryland, Oct. 14.

Spoke on "Approaches to Productivity Improvement in the Federal Sector" at the Transportation Department Workshop on Productivity, Washington, Nov. 5.

**Kenneth A. Poffack**, deputy associate director, had his article "GAO's Supplemental Standards for Auditing Computer-Based Systems" published in the Fall 1980 issue of *The EDP Auditor*.

**James R. Watts**, group director, spoke on "Electronic Funds Transfer" to the Association of Government Accountants, in Norfolk, Va., Oct. 21.

**Carl R. Palmer**, group director: Participated on two panels at the Annual Conference of the Computer Performance Evaluation Users Group; "Federal ADP Procurement" and "Compatible Computer System Acquisitions." The conference was held in Orlando, Fla., on Oct 20-23.

Participated in a Three Panel Session on "Efficiency and Reform of Federal Computer Procurement," before The Federal Computer Conference, Washington, Sept 22-24.

**Theodore F. Genter**, group director, was publicity chairman for the 16th Meeting of the Computer Performance Evaluation Users Group Conference, Orlando, Fla., Oct. 20-23.

**Herb Millstein**, senior evaluator: Moderated two sessions at the Conference on Management of Case

Processing, University of Maryland, on Oct. 14-16.

Spoke on "Project and Task Management and its Relationship to Productivity" at the Washington Management Institute, Washington, Dec. 4.

Spoke on "Information Technology and Productivity" at the National Conference on Government Information Systems, New Carrollton, Md., Dec. 9.

**Fred Tarpley**, economist, presented his article on "Productivity Venture Capital and Product Innovation" at the annual conference of the Product Development and Management Association, Boston, Oct. 21.

**Charles E. Fritts**, supervisory analyst, spoke on "Space Research, Technology Transfer, Venture Capital and Their Relationship to Productivity Growth in the United States," before the American Institute for Astronautics and Aeronautics, New York, Dec. 17.

**Joseph Myers**, supervisory analyst, spoke on "Productivity Improvement Through Office Automation" before the Government Micrographics Conference and Exposition, in Washington, on Sept. 10, and the International Word Processing Conference, Oct. 22.

**Kenneth M. Winne**, systems accountant, spoke on the JFMIP Certifying Officer Project at the Association of Government Accountants' Internal Control Seminar, Washington, Nov. 25.

**Ralph G. Running, Jr.**, senior evaluator, spoke on "GAO's Fraud Prevention Activities" before the Mountain and Plains Intergovernmental Audit Forum in Denver, Nov. 6.

**Gary W. Carbone**, senior evaluator, spoke on "GAO Hotline," at Radio Station WIVK's line talk show in Knoxville, Tenn., Nov. 30.

**John W. Laihart**, supervisory management analyst:

Was appointed Chairman of the Office of Management and Budget's ADP Controls Guidelines Committee and member of the Internal Controls Task Force.

Spoke on "Audit Selection and Approach" at the Institute of Internal Auditors 1980 Systems Auditability and Control Conference, in Atlanta, Oct. 14.

Spoke on "GAO's Reliability Assessment and Systems Review Techniques" at the Downeast Maine

Chapter, Institute of Internal Auditors EDP Auditing Conference, Portland, Nov. 12.

**Berry R. Snyder**, management analyst:

Represented GAO at the EDP Auditors Foundation Item Writers Workshop, Princeton, N.J., July 24-25.

Was appointed a member of both the ADP Controls Guidelines Committee and the Internal Controls Task Force of the Office of Management and Budget.

**Mike Beekin**, assistant chief, debt branch, and **Chris Farley**, supervisory management analyst, spoke at an Out-of-Service Debt Collection Workshop at a Joint Military Service's Information Exchange Program, Kansas City, Oct. 20-21.

**Charles M. Roberts**, consultant, gave a presentation on Cash Management Principles before the Northern Virginia Chapter of the Virginia Society of Certified Public Accountants on Oct. 21.

## Community and Economic Development Division

**Gene Birkle**, deputy director **John Landicho**, associate director, **Rennie Wood**, issue area planning director, and **Don Seranno**, supervisory evaluator, discussed GAO policies and procedures before a group of students in the Intergovernmental Graduate Program of the University of Southern California, Sept. 24.

**Frank Subalsky**, group director, was technical chairman at the National Association of Accountants' professional development seminar on "Accounting-People-Computers: An Update for the 80's" in College Park, Md., Nov. 7.

**Tom Kai**, evaluator, discussed GAO's work in the food and nutrition area at the National Nutrition Consortium Seminar on Nutrition Policy, in Washington, Nov. 17.

**John Violet**, issue area planning director, discussed GAO's role and activities and transportation issues in the 97th Congress at the GSA Transportation and Public Utilities Service Management Luncheon, Nov. 24.

**Bill Gehr**, associate director, discussed GAO's review on farmer-to-consumer marketing at the National Direct Marketing Conference in Washington, Dec. 4.

## Federal Personnel and Compensation Division

**Hy Krieger**, director:

Discussed "Consultants, Contractors, and Government Managers" at the Washington Operations Research Seminar at George Washington University, Oct. 6.

Spoke on "Early Retirement in the Federal Sector" before the President's Commission on Pension Policy, in Washington, Oct. 9.

Presented GAO's views on the need for pay adjustments for top Federal officials before the Commission on Executive, Legislative, and Judiciary Salaries, Washington, Oct. 15.

**Roselyn Kleeman**, associate director, spoke on:

Recent developments in Civil Service reform implementation at a meeting of the International Personnel Management Association, Washington, Sept. 10.

GAO's future work in training and development at the Second Annual Training Director's conference in Gettysburg, Pa., Oct. 27.

**Vincent DiCarlo**, deputy associate director, spoke on the Senior Executive Service and Performance Appraisal at the Federal Executive Institute in Charlottesville, Va., Nov. 19.

**Robert Shelton**, deputy associate director, spoke on Federal employee compensation issues at a plenary session of the International Personnel Management Association, in Washington, Dec. 18.

**Frank Frazier**, GAO evaluator, spoke at a meeting of the Washington Chapter of the Hispanic Employment Coordinators concerning "How to Make Special Emphasis Programs an Effective Part of EEO Policies," Oct. 23.

**Judy England-Joseph**, GAO evaluator, spoke on Performance Appraisal Coaching and Counseling Skills at the Federal Executive Institute, in Charlottesville, Va., Sept. 23.

**John Hansen**, GAO evaluator, spoke on GAO's report, "U.S. Ground Troops in South Vietnam Were in Areas Sprayed With Herbicide Orange," before the President's Interagency Work Group to Study the Long-Term Health Effects of Phenoxy Herbicides and Contaminants, in Washington, Oct. 3.

## General Government Division

**Paul Peener**, senior evaluator, spoke before a conference of the Council of State Governments in White Sulphur Springs, W.Va., on prospects for Federal assistance reform, Aug. 1980.

## Human Resources Division

**Robert E. Garbert**, senior evaluator, spoke on "The Role of Sheltered Workshops in Serving the Handicapped" at New York State Association of Rehabilitation Facilities conference, Swan Lake, N.Y., Oct. 27.

**Paul R. Reynolds**, senior evaluator, took part in a panel discussion on "Section 504 Technical Assistance Needs of Sheltered Workshops" sponsored by the Department of Health and Human Services, in Washington, Nov. 18-19.

**Charles J. Garols**, senior evaluator, discussed GAO's report, "Service Contract Act Should Not Apply to Service Employees of ADP and High-Technology Companies" (HRD-80-102, Sept. 16, 1980), at a conference sponsored by the Coalition for Common Sense in Government Procurement, in Washington, Nov. 19. He was accompanied by **Bernard L. Lewery**, GAO evaluator, Denver regional office.

**John W. Lankhart**, group director, spoke on "Internal Control for Automated Systems" at the Association of Government Accountants, Capital Regional and Joint Financial Management Improvement Program Internal Control Seminar, Nov. 25.

Spoke on "Integrated Test Facilities" at the North Texas Chapter, EDP Auditors Association, Dec. 12.

## Institute for Program Evaluation

**Eleanor Chelmsky**, director, discussed the plans and objectives of the Institute for Program Evaluation before members of the American Association for Budget and Program Analysis, Nov. 13.

**Garry McDaniels**, **Keith Marvin**, **Joseph DeRico**, **Wallace Cohen**, **Brian Keenan** and **Ronald Fishbein** participated in a panel discussion on the organization and objectives of the Institute for Program Evaluation before the Evaluation Research Society annual meeting in Washington, Nov. 20.

**Harold C. Wallach**, deputy associate director:

Co-authored a paper entitled "Multivariate Indicators of County Level Social/Demographic Characteristics" which appeared in the Oct. 1980 issue of *Review of Public Data Use*.

Presented a paper entitled "Toward a Typology of Counties with Applications in Human Services Delivery and Socioeconomic Impact Studies" at the Integrated County Level Data User's Workshop held in Oct. 1980 at the U.S. Geological Survey National Center in Reston. Hal also chaired the formal discussion group session at the conference on socioeconomic county-level data bases.

**Wallace M. Cohen**, policy group head, has been selected as Program Chairman of the 1981 National meeting of the Evaluation Research Society.

**Terry E. Hedrick**, GAO evaluator: Presented a paper on "Issues of Local Evaluation Capability in CETA Programs" at the annual meeting of the Evaluation Research Society, in Arlington, Va., Nov. 22.

Contributed to the annual meeting of the Association for the Advancement of Behavior Therapy—"Increasing the Immunization of High Risk Preschoolers: An Evaluation of Applied Community Interventions"—by Terry Hedrick and three coauthors from Kent State University.

Was awarded a certificate of Merit in the Community Psychology area, Nov. 2.

**Waverly Sykes**, principal operations research analyst:

Spoke on "The Use of Simulation and Quantitative Analysis in the Military," before the U.S. Army's Operations Research/Systems Analysis Executive Course in Washington, Oct. 22.

Was Chairman of the "Measures of Effectiveness" working group at the 46th Military Operations Research Symposium, in Newport, R.I., Dec. 2-4.

**Janet Shikles**, supervisory program analyst, was a panelist for the White House Conference on Aging meeting on how to make reports useful to Congress, Nov. 6.

**Ben Gettleb**, principal actuary, spoke to the Conference of Actuaries in Public Practice on problems faced by State and local pension plans, Oct. 2

**Antone Reeder**, actuary, became an Associate in the Society of Actuaries by passing a series of competitive examinations, the final one in May 1980. (Notice of this achievement has not previously appeared in the *Review*.)

**Chris Doyle**, actuary, became an Associate in the Society of Actuaries by passing a series of competitive examinations, the final one in Nov. 1980.

### International Division

**Allen I. Mendelowitz**, associate director, spoke on "The Chrysler Loan Guarantee: The Economic Arguments," before the Association of Government Accountants, New York Chapter, on Nov. 18.

**Allen Hovey**, international relations specialist:

Spoke on "Radio Free Europe/Radio Liberty and the Board for International Broadcasting," before the U.S. Advisory Commission on Public Diplomacy, in Washington, Oct. 2. Chaired a panel session on "Comparative Cultural Diplomacy" at an annual workshop of international program officers sponsored by the National Council for International Visitors in Washington, Dec. 4. He also briefed the 60-odd participants on GAO's mission and its recent work in international communication and educational affairs.

**William Slot**, **Steven Hachten**, and **Allen Hovey** conducted a class session of the Advanced Consular Course at the Foreign Service Institute, Oct. 24. Slot briefed the group of 16 on the work of GAO and Hovey and Hachten discussed ID's report to the Congress, "U.S. Consular Services to Innocents—and Others—Abroad: A Good Job Could Be Better with a Few Changes" (ID-81-9).

### Joint Financial Management Improvement Program

**Susumu Uyeda**, executive director: Gave a presentation on JFMIP and its major projects to the Peninsula Chapter, Association of Government Accountants, Norfolk, Va., Sept. 16-17.

Participated in DOD's Information Exchange and Commanders Conference and gave a presentation on the Importance of Internal Controls in Kansas City, Oct. 22-23.

**Doris Chew**, assistant to the executive director, coordinated a workshop on "Improving Productivity in Accounting and Finance Operations" in Washington, Sept. 4-5.

**Joseph Neiberger**, project director, coordinated a seminar on Internal Controls in Washington, Nov. 24-25.

### Logistics and Communications Division

**Irv Baker**, acting group director: Discussed GAO's review of industrial practices in classification of national security information, at an information security training seminar sponsored by the Naval Coastal Systems Center and the National Classification Management Society, in Panama City, Fla., Oct. 8.

Spoke on the "Classification of National Security Information by Contractors" at the Washington Chapter meeting of the National Classification Management Society, on Dec. 2.

**John Butcher**, senior evaluator:

Spoke on "The General Accounting Office View of State Records Created Through Federal Funding," at the Annual Conference of the Association of Records Managers and Administrators, in Boston, Oct. 20.

Was elected Communications Director of the Washington Chapter of the National Association of Accountants for 1980-1981.

**Ren King**, senior evaluator, spoke on "The Use of Computer-Aided Design Methods on Federal Building Design Projects," before the Architects in Government Committee of the American Institute of Architects, Nov. 13.

### Procurement and Systems Acquisition Division

**Walton H. Sholey, Jr.**, acting director, spoke on "The Weapon System Acquisition Process: Out of Balance with Defense Needs," at the Conference on Systems Acquisition Management sponsored by the American Institute of Industrial Engineers, in Washington, Oct. 22.

**Dr. John G. Bamby**, assistant to the director, for systems analysis discussed, "DOD's Relationship With GAO" at the Defense Systems Man-

agement College, Fort Belvoir, Va., Nov. 6.

Lester C. Farrington, Jr., senior evaluator, spoke on "GAO's Role in Test and Evaluation," at the Defense Systems Management College, Fort Belvoir, Va., Sept. 18.

James F. Wiggins, senior evaluator, spoke on "Federal Agency Requirements for Procurements Made With Federal Grant Funds," at the National Institute of Governmental Purchasing's 35th Annual Conference and Products Exposition, in Las Vegas, Oct. 6.

### Program Analysis Division

Morton A. Myers, director, was convener of a panel discussion on "Technological Change and the Public Workforce," at the Public Management Research Conference, Nov. 18.

Dennis J. Dugan, deputy director, spoke on "Inflation and Governments," before the New York Capital Chapter of the Association of Government Accountants, Albany, Oct. 22.

Kenneth W. Hunter, senior associate director:

Spoke on "The Auditing Function in Information Resource Management," at a Symposium on Information Resource Management, Sept. 24.

Discussed "Information Management: The Responsibility of the Federal Government," at the 1980 Military Librarians Workshop, in Monterey, Calif., Oct. 15.

Moderated a panel discussion on "Long Range Planning and Research into the Future," at the Fall Symposium of the American Association for Budget and Program Analysis, Nov. 21.

Osmund Fundingsland, associate director, participated in a panel on "Evaluating the State-of-Science," at the 1980 Annual Meeting of the Evaluation Research Society, in Arlington, Va., Nov. 20.

Mark Nadel, group director, spoke on "Measuring the Effectiveness of Regulation," before the American Bar Association Workshop on Insurance Regulation, in New York, Nov. 14.

Joseph Trojanowski, economist, presented a paper on "Financial Developments in the U.S. Merchant Marine—Trends Since 1965," before the National Advisory Committee on Oceans and Atmosphere Marine Transportation Panel, Nov. 7.

### Field Operations Division

#### Atlanta

Marvin Colbe, regional manager, spoke on "Carrying Out Oversight Functions—How GAO Interfaces with DOD" to the controller's course of the Air University, Maxwell AFB, Jan. 30.

#### Chicago

Stewart Semen, senior evaluator, made a presentation on purchasing and materials management in private hospitals at Illinois Society of Hospital Purchasing and Materials, Springfield, Sept. 25.

William J. Sched, assistant regional manager, discussed "Improving the Government Audit Process" at the Emerging Issues Conference sponsored by the Association of Government Accountants and Municipal Finance Officers Association, Dallas, Oct. 7.

Joseph W. Kegel, regional manager, served as chairman of the Conference of Members of the Midwestern Intergovernmental Audit Forum, Chicago, Oct. 14-15.

Karyn Bell and Jon Silverman, editors, and John Ross, senior evaluator, developed and presented a report writing course to Midwestern Intergovernmental Audit Forum members, Chicago, Oct. 15. Fred Wiener, senior evaluator, served as facilitator during the course presentation.

#### Cincinnati

John P. Carroll, regional manager, participated in the Professional Opportunity Seminar program at Miami University, Oxford, Nov. 12.

Michael J. Curro, evaluator: Spoke on "Evaluative Research" at the Audit Division Workshop, Kentucky Department for Human Resources, Cumberland Falls Park, Sept. 23.

Was a panelist on the "Coping with Mandates" Workshop at the National League of Cities annual Congress of Cities, Atlanta, Dec. 1.

Bruce Fairbairn, evaluator, is the FY 81 Membership Chairperson for the Greater Cincinnati Chapter of the American Society for Public Administration, Sept. 1980.

#### Denver

Floyd A. Gonzales, evaluator: As an "opportunities in accounting" panel member, spoke on accounting

opportunities in the Government at an accounting seminar sponsored by Emily Griffith Opportunity School, Denver, Dec. 11.

In his role as Hispanic Employment Program Manager, together with Lewis D. DeLeon and David E. Flores, evaluators, provided information to college students on the General Accounting Office's mission and employment opportunities at a Government Career Days Program sponsored by the Denver Federal Executive Board's Hispanic Employment Program Committee, Oct. 21-22.

#### Detroit

William Schoek, evaluator, presented a paper on "Urban and Rural Older People; Their Well-Being and Needs"; and William Laurie, evaluator, participated in a workshop on "Determining Functional Well-Being of Older People and Matching Services to Well-Being: The Practical How To" at the 33rd Annual Scientific Meeting of the Gerontological Society, San Diego, Nov. 23.

Don Ingersoll and William Smith, evaluators, together with Sharon Chamberlain, International Division, spoke on "New Approaches to Import Relief Measures Involving Products From Nonmarket-Economy Countries" at a seminar on East-West Trade Law, University of Pennsylvania School of Law, Philadelphia, Nov. 19.

#### Los Angeles

Vic Eli, senior evaluator: Spoke on "Auditing Government Projects" before a chapter of Beta Alpha Psi, the National Accounting Fraternity, at California State University, Los Angeles, Oct. 31.

Spoke on "What You Wanted to Know About GAO But Were Afraid To Ask" before the Graduate School of Management, California State University, Los Angeles, Nov. 3.

Taught "Developing and Documenting Audit Findings," an all-day course for Federal, State and local government auditors, for the Western Intergovernmental Audit Forum, Los Angeles, Nov. 4.

Fred Gallegos, senior evaluator: Spoke on "Professional Standards in the Field of EDP Auditing" before an EDP Auditing class at California State Polytechnic University, Pomona, Sept. 30.

Taught two courses on EDP Auditing for the Western Intergovernmental Audit Forum, Hawthorne, Oct. 6-7.

### Norfolk

Edwin J. Sontel, senior evaluator, moderated a panel on "Implementing a Productivity Measurement System Within Your Operations" at a workshop sponsored by the Joint Financial Management Improvement Program, Washington, Sept. 4-5.

### San Francisco

Bill Conway, regional manager; Hal D'Ambrogia, assistant regional manager; and Jack Birkholz, senior evaluator, participated in the Western Intergovernmental Audit Forum meeting, Carson City, Nev., Nov. 12-13.

Jeff Eichner, senior evaluator:

Was elected to serve on the AGA National Nominating Committee.

Spoke on "Recruiting—A Different Approach" before the San Francisco Chapter of the AGA, San Francisco, Nov. 22.

Together with Terry Shenks, management analyst, discussed "Careers for the Disabled in Information Processing" before the Intergovernmental Council on the Technology of Information Processing, Oakland, Oct. 29.

Jack Birkholz, senior evaluator:

Led a panel discussion on auditor independence at the emerging issues conference sponsored by the AGA and the Municipal Finance Officers Association, Dallas, Oct. 6.

Presented a seminar on developing audit findings that was sponsored by the Western Intergovernmental Audit Forum and the California Association of Auditors for Management, San Francisco, Nov. 7.

Spoke on the single audit concept at the AGA meeting, San Francisco, Nov. 18.

Conducted a seminar on preliminary surveys for the San Jose chapter of the Institute of Internal Auditors, Dec. 9.

Gave a talk on "Interviewing: An Art, Not a Science" at a meeting of The San Francisco chapter of the EDP Auditors, Dec. 16.

Together with Charlie Vincent, assistant regional manager, presented a seminar on operation auditing sponsored by the AGA and the Western Audit Forum, San Francisco, Oct. 13.

Don Miller, senior evaluator, presented a seminar on "Planning, Supervising, and Monitoring Audits" for a group of Federal, State, and county auditors, San Francisco, Sept. 16.

Robert McLafferty, senior evaluator, spoke on "Grievance Arbitration Systems Management in the Federal sector" before the Federal Mediation and Conciliation Services Advisory Committee, Washington, D.C., Oct. 24.

Elliot Smith, senior evaluator, spoke on GAO's role and responsibilities to the Accounting Class at Cananda College, Redwood City, Oct. 28.

### Seattle

Charles D. Mosher, senior evaluator, discussed GAO's report on problems small communities are having with Federal pollution control requirements at a national conference of Community Services Administration grantees, Washington, D.C., Sept. 10.

Robert J. Bresty, evaluator, addressed the Alaska Chapter, American Society for Public Administration, on "GAO—Who We Are And What We Do," Anchorage, Nov. 13.

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## **Annual Awards for Articles Published in The GAO Review**

Cash awards are presented each year for the best articles written by GAO staff members and published originally in *The GAO Review*. The awards are presented during the GAO Awards Program held annually in October in Washington.

One award of \$500 is available to contributing staff 35 years of age or younger at the date of publication and another is available to staff over 35 years of age at that date. Staff through grade GS-15 at the time they submit the article are eligible for these awards.

The awards are based on recommendations of a panel of judges designated by the Editor. The judges will evaluate articles from the standpoint of their overall excellence, with particular concern for:

- Originality of concept and ideas.
- Degree of interest to readers.
- Quality of written expression.
- Evidence of individual effort expended.
- Relevance to "GAO's mission."

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## **Statement of Editorial Policy**

This publication is prepared primarily for use by the staff of the General Accounting Office. Except where otherwise indicated, the articles and other submissions generally express the views of the authors and not an official position of the General Accounting Office.

Proposals for articles should be submitted to the Editor. Staff should concurrently submit a copy of their proposal letters to liaison staff who are responsible for representing their divisions and offices in encouraging contributions to this publication.

Articles should be typed (double-spaced) and generally not exceed 14 pages. Three copies of the final version should be submitted to the Editor. Article subject matter is not restricted but should be determined on the basis of presumed interest to GAO staff. Articles may be on technical or general subjects.

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