



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

B-118638-83

January 24, 1977

The Honorable Lawton Chiles  
Chairman, Subcommittee on the  
District of Columbia  
Committee on Appropriations  
United States Senate

Dear Mr. Chairman:

Your letter of September 22, 1976, requested us to determine the legality of using capital project funds from a National Park Service account to remodel a kitchen and a washroom which adjoin the office of the Director, Department of Recreation, District of Columbia. Your office subsequently agreed that we should expand the scope of our inquiry to include an examination of all capital funds spent by the Service on behalf of the Department of Recreation.

By agreement with the District of Columbia, the National Park Service performed maintenance and improvement services of recreation areas and facilities under the District's control. Funds appropriated to the District were transferred by the District to the Service, as authorized by law, for reimbursement for the work performed.

On June 10, 1975, the Service returned to the District \$205,035 which consisted of unexpended capital project fund balances of fiscal years 1966-1968 District appropriations. These funds were returned by the District to the Service. The funds were spent by the Service as authorized by the Department of Recreation.

Capital funds, once appropriated, usually remain available until expended. Capital projects usually include sites, plans, new construction and expansion of existing facilities. We reviewed appropriate law, policies, procedures and available records and discussed the use of the funds with District and Service officials.

In summary we determined that as of December 31, 1976:

--\$132,013 of capital funds were spent for operation and maintenance which are not legally authorized by the appropriation acts.

--About \$23,970 was spent or committed for capital projects without District and congressional committee reprogramming approval as required by District policy.

--Another \$19,858 was spent for administrative costs of the Service under an agreement which was not approved by the Mayor or the Federal Office of Management and Budget as required by the District of Columbia Self-Government and Governmental Reorganization Act.

The Director, Department of Recreation, on October 4, 1976, placed a moratorium on further use of these funds; \$29,194 remains unexpended.

Regarding your specific questions about the kitchen and the wash-room, we determined that:

--The total cost is \$2,644 and not \$1,548, as reported to you by the District. The difference is primarily the cost of labor performed by the Department and which had been excluded.

--About \$1,081, primarily for labor and materials, was paid from the District's fiscal year 1976 operating expense appropriation. The remaining \$1,563 was paid from capital funds with the Service. About \$430 out of the \$1,563 was spent for such items as a refrigerator and window blinds which the District considers to be operation and maintenance items and therefore they are not legally authorized by the appropriation acts. The rest of the \$1,563; that is, \$1,133 was spent for kitchen and washroom capital costs without required District and congressional committees' approval.

Details on the use of all the capital fund balances discussed in this letter will be presented in a report we are preparing to the Mayor. We will send you a copy when it is issued.

We conclude that the District Department of Recreation circumvented the intent for which the capital funds were appropriated and supplemented the District's appropriations. Adjustments required to transfer charges to the proper appropriation accounts could cause violations of the Anti-deficiency Act if sufficient funds are not available in prior years' appropriations.

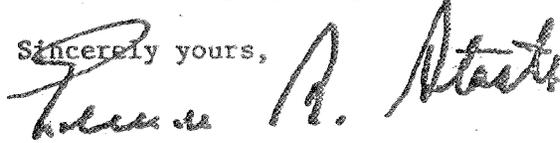
We are recommending that the Mayor adjust the appropriation accounts as necessary to properly record the expenditures discussed in this letter and emphasize to all concerned that they must adhere to laws, policies, regulations, and sound financial management procedures concerning the proper use of public funds.

On January 17, 1977, we discussed the contents of this letter with officials of the District's Office of Budget and Management Systems and

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Department of Recreation. They agreed to implement the recommendation.  
The views of the Service were also considered in preparing this letter.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Lawrence A. Staats". The signature is written in dark ink and is positioned to the right of the typed name.

Comptroller General  
of the United States