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Accounting and Information
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October 12, 1994

The Honorable Donald W. Riegle, Jr.
Chairman

The Honorable Alfonse M. D'Amato
Ranking Minority Member
Committee on Banking, Housing, and Urban Affairs
United States Senate

The Honorable Henry B. Gonzalez
Chairman

The Honorable James A. Leach
Ranking Minority Member
Committee on Banking, Finance and Urban Affairs
House of Representatives

Public Law 102-414, the World War II 50th Anniversary Commemorative Coins Act (Coins Act), dated October 14, 1992, requires that we conduct annual audits of the use of coin surcharge proceeds by the American Battle Monuments Commission. To receive any transfer of coin surcharge proceeds, the Commission first needed congressional authorization to construct a World War II memorial. Public Law 103-32, the World War II Memorial Authorization Act, dated May 25, 1993, authorized the construction of a memorial and established a Treasury fund for the coin proceeds.

Specifically, the Memorial Authorization Act authorized the Commission to construct a memorial on federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict. This act also authorized the Commission to invest in interest bearing obligations of the United States any amounts in the Treasury fund not required to meet current expenses.

We determined that during the period May 25, 1993, through September 30, 1993, the Commission received \$3,447,088 in coin surcharge proceeds from the U.S. Treasury. As required by Public Law 103-32, these proceeds were initially

GAO/AIMD-95-9 American Battle Monuments Commission

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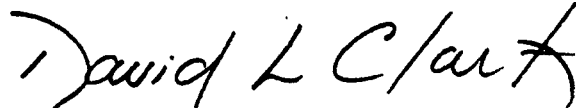
deposited in a Treasury fund. We further determined that as of September 30, 1993, the Commission had not spent any of the coin surcharge proceeds towards the design and construction of a memorial. Also, as of that date, the Commission had cash on hand of \$84,987¹ to meet possible expenses, and had invested all of the remaining coin surcharge proceeds in interest bearing obligations of the United States as authorized by the Memorial Authorization Act.

To comply with Public Law 102-414, we obtained direct confirmation from (1) the U.S. Mint of the amounts of coin surcharge proceeds transferred to the Commission and (2) the U.S. Treasury for the investments made by the Commission in interest bearing obligations of the United States. Further, the Commission stated that no coin surcharge proceeds had been used as of September 30, 1993, for the design and construction of the memorial, which we found to be supported by accounting records and Treasury financial reports. We performed our work in accordance with generally accepted government auditing standards.

As required by the Coins Act, we will annually audit and report on expenditures of coin surcharge proceeds by the Commission for the World War II memorial.

We are sending copies of this report to the Chairmen and Ranking Minority Members of the House and Senate Committees on Veterans' Affairs and other interested parties. Copies will be made available to others on request.

If you or your staffs have any questions about this report, I can be reached at (202) 512-9489.



David L. Clark
Director, Legislative Reviews
and Audit Oversight

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¹This balance in the Treasury fund includes the receipts of \$1,402 of private donations for the memorial as authorized by Public Law 103-32 and interest income earned on the investments.