



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

161244

Accounting and Information  
Management Division

B-279500

September 30, 1998

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

The Honorable James A. Leach  
Chairman  
The Honorable John J. LaFalce  
Ranking Minority Member  
Committee on Banking and Financial Services  
House of Representatives

Subject: Commemorative Coin Program: Atlanta Centennial Olympic Properties

Pursuant to the Doug Barnard, Jr.-1996 Atlanta Centennial Olympic Games Commemorative Coin Act, as amended, and in light of the objectives of Section 303 of Public Law 103-186 to strengthen accountability over commemorative coin surcharge proceeds received after December 14, 1993, we audited the use of surcharge proceeds received by the Atlanta Centennial Olympic Properties (Olympic Properties) through September 30, 1996.<sup>1</sup> Olympic Properties was established to implement a marketing program to market the right to use Olympic-related emblems in a manner consistent with the spirit and image of the Olympic Games and the Olympic movement. The Doug Barnard, Jr.-1996 Atlanta Centennial Olympic Games Commemorative Coin Act, Public Law 102-390, enacted on October 6, 1992, (amended 1995) provided that the Secretary of the Treasury, in cooperation with Olympic Properties, develop and implement a marketing program to promote and sell the commemorative coins issued for the Atlanta Olympic Games. All coin surcharge proceeds were to be paid to

<sup>1</sup>Any transaction involving coin surcharges after September 30, 1996, would be subject to an annual audit by an independent public accountant as provided in 31 U.S.C. 5134(f)(2) (Supp. II 1996).

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Olympic Properties. The act authorized Olympic Properties to use surcharge proceeds for expenses incurred in connection with the coin program. After paying expenses, Olympic Properties was required to distribute the remaining net proceeds equally to the Atlanta Committee for the Olympic Games, Inc. (ACOG) and the United States Olympic Committee (USOC).

We determined that Olympic Properties received about \$22.9 million in coin surcharge proceeds from the U.S. Mint through September 30, 1996. Olympic Properties' financial statements were audited for calendar years ended 1991 through 1996 by an independent public accounting firm.<sup>2</sup> The financial statements for calendar year 1996 showed that Olympic Properties' cumulative revenues from all sources were about \$658 million and cumulative expenses were about \$120 million. In addition, these statements showed cumulative cash disbursements to ACOG of about \$198 million and cumulative cash disbursements to USOC of about \$68.6 million.

Olympic Properties established a variety of accounts to record its expenses, but was not required to, and did not, separately account for its use of surcharge proceeds received through September 30, 1996. Instead, Olympic Properties combined surcharge proceeds with other revenue and charged expenses against the combined revenue account. As a result, neither Olympic Properties nor we could determine specifically how Olympic Properties used its surcharge proceeds to promote and sell commemorative coins issued for the Atlanta Olympic Games and, after paying its expenses, whether Olympic Properties distributed the remaining net proceeds equally to ACOG and USOC. Section 5134 of Title 31, United States Code, as amended by Public Law 104-208, addressed this issue with provisions that now require recipients who receive surcharge proceeds on or after September 30, 1996, to (1) separately account for the receipt and expenditure of surcharge proceeds and (2) obtain annual financial audits by an independent public accounting firm until all surcharge proceeds are expended or placed in trust.<sup>3</sup>

In conducting our work, we obtained direct confirmation from the U.S. Mint of the amounts of surcharge proceeds transferred to Olympic Properties through September 30, 1996. We traced those amounts to Olympic Properties' bank statements and reviewed Olympic Properties' accounting for the surcharge

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<sup>2</sup>Olympic Properties does not yet have audited financial statements for 1997.

<sup>3</sup>Section 529 of the Treasury, Postal Service, and General Government Appropriations Act, 1997, as enacted by Section 101(f) of Public Law 104-208, the Omnibus Consolidated Appropriations Act, 1997, also repealed Section 303 of Public Law 103-186, effective September 30, 1996.

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proceeds. Our audit was performed in accordance with generally accepted government auditing standards from March 1998 through August 1998, at the office of Olympic Properties and its records storage facility located in Atlanta, Georgia. We requested comments on a draft of this report from the Chief Financial Officer for the Atlanta Centennial Olympic Properties. We had not received comments by the time we finalized our report.

Copies of this report will be sent to interested parties and will be made available to others on request. Please contact me at (202) 512-9489 if you or your offices have any questions about this report.

A handwritten signature in black ink, appearing to read 'Theodore C. Barreaux', written in a cursive style.

Theodore C. Barreaux  
Associate Director, Audit Oversight  
and Liaison

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