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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

HUMAN RESOURCES DIVISION

APRIL 21, 1981

B-202785

The Honorable J. Clay Smith, Jr.
Acting Chairman, Equal Employment
Opportunity Commission

Dear Mr. Smith:

Subject: Equal Employment Opportunity Commission Needs to Improve Its Administrative Activities (HRD-81-74)

The results of our review of the Commission's administrative activities are discussed in the enclosure to this letter, which also contains recommendations to you for strengthening these activities, particularly in the district offices. Although work was done only at headquarters and two district offices, we believe the problems identified may be applicable at other district offices. Some of our findings corresponded to results of studies by the Commission's Office of Administration and by the U.S. Office of Personnel Management.

In general, Commission administrative activities, particularly in district offices, need improvement. Our major concerns about the district offices are that the operations services units are not fully functioning as intended, too many people may be assigned to the legal units, property controls are inadequate, certain equipment is underutilized, and imprest fund levels exceed needs and required cash verifications were not made. We discussed the results of our work with Commission officials, and their comments are included where appropriate.

This report contains recommendations to you on pages 7, 10, 14, 15, and 17 of the enclosure. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

(209583)

We are sending copies of this report to the Director, Office of Management and Budget; the Chairmen of the four above-mentioned Committees; and the Chairmen of the Senate Committee on Human Resources and the Subcommittee on Employment Opportunities, House Committee on Education and Labor.

Sincerely yours,

Gregory J. Ahart
Director

Enclosure

Contents

ABBREVIATIONS

EEOC	Equal Employment Opportunity Commission
ELI	Early Litigation Identification
FEP	fair employment practices agency
WPE	word processing equipment

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

NEEDS TO IMPROVE ITS ADMINISTRATIVE ACTIVITIES

BACKGROUND

On January 29, 1979, the Equal Employment Opportunity Commission (EEOC) reorganized its field offices. Before that time, EEOC had (1) 32 district offices, which were responsible primarily for enforcing title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e), (2) five regional litigation centers, and (3) seven regional offices, which handled administrative support (e.g., personnel and payroll) for the field offices. With the reorganization, EEOC eliminated the regional offices and litigation centers and transferred their functions to 22 enlarged district offices. EEOC also created 25 area offices, 10 of which were previously district offices, to help the district offices process charges of employment discrimination. Each district has a director responsible for the overall management of the office who reports to the Director, Office of Field Services, in EEOC headquarters. In addition, 17 district offices are responsible for managing area offices.

Each district office has an operations services unit, which provides administrative support, with headquarters guidance, in such matters as budgeting, personnel, supplies, and maintenance of records and a reporting system. The units are authorized the following key staff:

--The chief, operations services unit (GS-12), is responsible for supervising the unit's activities. The incumbent's duties include planning, directing, and controlling all of the office's administrative activities; advising the office on the adequacy of space and facilities; making recommendations on the adequacy, suitability, maintenance, or replacement of office equipment; helping to select office employees and providing technical supervision to the personnel management specialist; and identifying employees' developmental and training needs.

--The personnel management specialist (GS-11) is responsible for providing staff assistance and technical management advice for office staffing, personnel recruitment and selection, employee-management relations, labor-management relations, and employee development and training. The incumbent, assisted by a personnel clerk, makes many substantive judgments based solely on his or her knowledge of, and technical expertise in, staffing needs and personnel management principles and concepts.

--The program analyst (GS-9) is responsible for developing and implementing a system to monitor, review, and evaluate the office's program effectiveness; monitoring operating budgets, obligations, and resource allocations; and providing analytical data on the office's program operations.

Each operations services unit is under the general direction and control of the district office director. However, the unit receives technical guidance, advice, and support from two headquarters organizational components: the Office of Program Planning and Evaluation for budget, reporting, and fiscal matters, and the Office of Administration for all other matters.

Scope, objectives, and methodology

We undertook this general review of EEOC's administrative activities partly in response to complaints received over the past several years alleging abuses in this area. Also, we wanted to assess how well the district offices' operations services units were carrying out their activities and how adequate and useful were the supervision and guidance they received from headquarters. We looked into the full range of EEOC administrative activities, including procurement practices, furniture and equipment use and control, imprest funds, personnel activities, and resource allocations.

We did our work between February and October 1980 at EEOC's headquarters in Washington, D.C., and at the Indianapolis, Indiana, and Cleveland, Ohio, district offices. We selected these offices because they were near our Cincinnati regional office, which had resources available to do the fieldwork and staff familiar with EEOC's enforcement activities.

We interviewed managerial and supervisory personnel at the two district offices as well as the staff in the operations services units. We reviewed and analyzed relevant records, directives, and guidance furnished by EEOC headquarters and the qualifications of operations services unit personnel.

At EEOC headquarters we interviewed officials and staff of the Office of Field Services, Office of Administration, and Office of Program Planning and Evaluation, inquiring into their responsibilities and activities, particularly as they related to district office operations services units. We also reviewed relevant records and reports related to these matters at EEOC's headquarters offices. In addition, we spoke with U.S. Office of Personnel Management staff about their reviews of EEOC district offices' personnel activities and reviewed copies of their reports.

NEED TO IMPROVE STAFFING OF OPERATIONS SERVICES UNITS AND RECONSIDER THEIR ROLE

The operations services units in the two offices we visited were not fully carrying out their duties. The units had mostly inexperienced staff, who were not doing all the tasks required by their job descriptions, in part because they lacked sufficient time or expertise. Consequently, these units were not adequately carrying out some administrative functions; e.g., vendors were not paid promptly and personnel actions were not always in compliance with Office of Personnel Management requirements. As of March 1981, EEOC was working with the Office of Personnel Management to reorganize the units.

Operations services unit personnel were not performing some required duties

The key positions in the operations services units in the Indianapolis and Cleveland district offices were staffed primarily with individuals who had little experience in or training for their jobs. Four of these individuals were promoted to their positions from within EEOC, while two were hired from other Federal agencies.

EEOC's position description for the operations services unit chief describes this individual as the district office's technical expert for information gathering, paperwork management, office communication processes, resource allocation and utilization, and other office management areas. However, in one office the incumbent had little experience in these areas and had been selected from among the office's title VII enforcement staff; he had a master's degree in music appreciation and his managerial experience involved managing a high school band. In the other office the position was vacant; the district office director had removed the incumbent, who had also been promoted from the enforcement staff, because he did not adequately carry out the position's duties. According to EEOC headquarters and field officials, such staff removals also occurred at other district offices.

A similar situation prevailed for the other two key positions.

--The program analyst's duties include maintaining district office budget and fiscal records. However, at both offices the incumbents had mainly clerical backgrounds and no experience in fiscal matters.

--The personnel management specialist's duties include the entire range of personnel functions, such as recruiting and promoting staff. At one office, the incumbent had 4 years of experience in personnel administration at another Federal agency. However, at the other office the position was vacant, having been held last by a person with 6 months of experience as a personnel clerk in headquarters.

The operations services units' staff in Indianapolis and Cleveland had difficulties in performing their functions. At both offices, for example, the units' chiefs and program analysts were not familiar with EEOC's budget and procurement process, particularly the documentation and records requirements. As a result, EEOC headquarters was not promptly paying vendors' bills partly because it was not receiving proper documentation with invoices from the two offices. Many bills were unpaid for months, and vendors threatened to cease doing business with the offices. These offices had this problem although headquarters issued budget and fiscal guidelines to all district offices and provided 2-1/2 days of training for their operations services units' staff in such matters. Also, a headquarters fiscal official visited all district offices for about a day to explain requirements.

An EEOC headquarters fiscal official said the volume of telephone calls all district offices made to headquarters requesting clarification of budget and fiscal matters was so great that it interfered with the headquarters staff's work. Consequently, in a memorandum to district offices, headquarters limited the time district offices could call to 2 hours each day--between 3 and 5 p.m. However, the problems the Indianapolis, Cleveland, and other district office staffs were having with their fiscal and budget responsibilities are apparently diminishing as they become more familiar with the requirements by working with them daily and by calling headquarters' personnel to discuss problems as they arise.

The operations services unit in one district office we visited experienced difficulties in carrying out its personnel administration responsibilities because of its staff's inexperience. A headquarters review of the office's personnel activities disclosed that some personnel actions, such as certifications of individual job applicants and promotions, did not conform to Federal personnel requirements and showed a lack of understanding of those requirements. The personnel management specialist at this office had only about 6 months of experience in personnel matters, which she gained at EEOC headquarters by assisting in planning the January 1979 reorganization. At the other office visited, the personnel specialist had several years of personnel experience in another Federal agency and did not encounter such problems.

Headquarters' reviews of personnel administration in other EEOC district offices disclosed similar problems, as did Office of Personnel Management reviews made during 1980. These reviews showed that some questionable actions had been taken by the personnel management specialists, while others were done by the personnel clerks when the former positions were vacant. These reviews indicated that the problems were widespread.

To address these problems, in July 1980 the Office of Administration's personnel division began reviewing and certifying all applicants for vacancies in district office personnel management specialist positions. In addition, during fiscal year 1980 division representatives visited nine district offices (including Indianapolis) to provide technical assistance to the personnel staff, and during fiscal year 1981 they plan to visit (1) another 11 offices (including Cleveland) for this purpose and (2) 5 offices to review personnel activities in-depth. Also, EEOC headquarters held two 4-day training sessions for all district office personnel management specialists in September 1979 and April 1980. Recognizing the continuing problems with personnel administration in the district offices, the Office of Administration is developing a personnel management training program for implementation in the spring of 1981.

We believe that the need for such training is acute and that EEOC should (1) expedite the development and implementation of the training program and (2) make personnel visits to all district offices not yet visited.

The operations services unit chief in one office said he did not perform some major duties listed in his job description because he was never asked to do them. These duties included

--making program analyses to determine enforcement program effectiveness and efficiency,

--identifying developmental and training needs for district office staff, and

--performing special tasks, such as directing reviews of program efficiency.

He stated that these tasks were inappropriate for him because most of them were outside his technical expertise, his grade level was too low to effectively carry them out, and they were beyond what he considered administrative functions.

The program analysts in both offices performed only the duties relating to monitoring operating budgets, obligation control, and resource allocations. These are only some of the duties listed in their position descriptions. The other requirements of the position concern monitoring and evaluating enforcement program activities. The incumbents said that the fiscal and budgeting work was so demanding and time consuming that they had no time for other duties. In one office the budget and fiscal duties were deemed the most significant in the operations services unit. Headquarters and district office officials generally knew that budget analysts spent most of their time on the budget and fiscal tasks and were not doing the other duties.

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EEOC headquarters officials said that they knew the operations services units in Indianapolis, Cleveland, and other district offices were having problems performing their administrative functions, and they attributed the problems generally to the confusion attendant to EEOC's reorganization and the influx of new staff. They also cited two factors that probably contributed to the selection of individuals who were not fully qualified for positions in the operations services units: EEOC's policy not to have a reduction-in-force, and its desire to fill all vacancies by the end of fiscal year 1979. The officials explained that EEOC's policy not to use reduction-in-force procedures is a provision in its collective bargaining agreement with its employees' union.

As of March 1981 EEOC was working with the Office of Personnel Management to reorganize the operations services units.

Conclusions

The operations services units in the Indianapolis and Cleveland district offices were not fully carrying out their administrative functions. This was partly attributable to inexperienced staff, insufficient training, and key personnel concentrating on only certain tasks. The problems in staffing the unit chiefs' positions, the limited work done by the program analysts, and problems in personnel activities were echoed in EEOC officials' comments about the units in other district offices. Also, EEOC and Office of Personnel Management reviews of personnel activities in other district offices identified similar conditions. Therefore, the conditions at the Indianapolis and Cleveland offices may be representative of the situation in other district offices as well.

In working with the Office of Personnel Management to reorganize the units, EEOC should determine what tasks are to be performed by their staffs. It also should ensure that qualified people are placed in the key positions, that the staff is provided adequate training, and that these units and their staffs' performance are monitored.

Recommendations

We recommend that the EEOC Acting Chairman direct the Executive Director to ensure that, in the reorganized operations services units,

--qualified persons are assigned to key positions,

--adequate training is provided to staff,

--all required tasks are performed by assigned staff, and

--performance is monitored by the Office of Administration.

NEED TO EVALUATE DISTRICT OFFICES' LEGAL STAFFING

EEOC needs to assess the legal staffing in its district offices. Our survey showed that the Indianapolis and Cleveland legal units were overstaffed and that this might also be true elsewhere.

Overstaffing of Indianapolis and Cleveland legal units

In reorganizing its district offices in January 1979, EEOC relied on its experience to estimate the litigation workload that its offices could expect and used these estimates to determine the offices' legal staffing. This analysis was the basis for attorneys being hired and assigned to district office legal units. EEOC developed a litigation workload criterion which states that an attorney should be able to handle 10 "cases" at a time. A case is any legal matter or action an attorney would handle and includes litigating charges, enforcing subpoenas, and monitoring consent decrees.

However, the litigation workloads at the Cleveland and Indianapolis district offices as of May and June 1980, respectively, were substantially below the 10-cases-per-attorney criterion. As shown on the following page, Cleveland averaged 5.1 cases per attorney, while Indianapolis averaged 1.8.

District office	Number of attorneys	Caseload: Suits	Caseload: Monitoring	Caseload: Other	Caseload: Total	Average attorney caseload
Cleveland	14	49	22	0	71	5.1
Indianapolis	9	10	3	3	16	1.8

The two offices' charge processing activities did not contribute much to the litigation workloads. Our analyses showed that 40 of the suits in Cleveland and 4 in Indianapolis were either cases transferred from EEOC's former Chicago litigation center with the January 1979 reorganization or cases received from the Department of Labor in July 1979 when EEOC was transferred authority to enforce the age discrimination and equal pay acts. The Cleveland and Indianapolis offices had developed only nine and six cases, respectively, from their own district office charge caseloads since the reorganization.

The Cleveland and Indianapolis attorneys agreed that their litigation workloads were low and did not meet EEOC's criterion. However, they expected the workloads to increase in fiscal year 1981. They said that legal cases take time to develop and that their staffs were new and inexperienced during fiscal year 1980. In addition, they stated that, besides processing cases, attorneys also assist the compliance staff in investigating charges in the administrative process by advising investigators about the data that should be obtained during charge investigation and helping identify and process charges for the Early Litigation Identification (ELI) program. 1/

Possible legal overstaffing nationally

Our analysis of available data at EEOC headquarters for all district offices' legal workloads indicated that they were far below 10 cases per attorney.

District offices' legal units report monthly on the number of cases initiated for the month and the number filed during the fiscal year. Although these reports are to be submitted to headquarters, we could not determine EEOC's total legal workload with precision because headquarters did not have complete data for all offices. For example, some offices had not filed reports for months, some offices' reports were incomplete, and others' were incorrect. Our analyses of this data showed that EEOC's litigation workload was 926 cases, an average of about 3 cases for each

1/Under this program, EEOC expands to a class charge individual charges filed with it that have class impact potential.

of the 304 attorneys assigned to district offices as of June 30, 1980; this workload ranged from 1.2 to 5.0 cases per attorney.

Litigation workload	Cases
Suits filed	603
Subpoenas and interventions	45
Consent decrees monitored	278
Total	926

EEOC headquarters officials disagreed that district office legal units were overstaffed. They said it takes several years for a district office to develop a litigation program and that the offices were just beginning to do this. They added that they have increased the ELI program's goals for fiscal year 1981 and estimated that one of every four charges in the program will be processed by the legal units.

However, our analysis of data on district offices' charge processing activities identified little potential for significantly increasing litigation. Most charges were administratively closed either through the rapid charge system (e.g., determined not to have merit or otherwise settled) or after further investigation in the district offices' continued investigation and conciliation units; few cases were referred to the offices' legal units for litigation consideration. For example, district offices reported that, from October 1979 through April 1980, they forwarded 604 charges from their continued investigation and conciliation units to their legal units for litigation consideration. The district offices' legal unit activity data, discussed earlier, showed that, through May 1980, 503 charges had been rejected for litigation.

Moreover, the litigation potential for ELI charges appears minimal. Although EEOC believes that a significant amount of litigation will be generated through ELI, EEOC data showed that, from October 1, 1979, through May 31, 1980, only 7 of the 283 ELI charges that were closed were referred for litigation. Most charges either were closed through conciliation (116 charges) or were put into the normal charge resolution process (108 charges).

Therefore, it appears that EEOC's charge workload does not have the potential for significantly increasing its litigation because most charges are resolved administratively without litigation. In particular, it appears that the ELI program will not provide the litigation workload that EEOC officials believed it would.

Conclusions

EEOC needs to reassess its legal staff resource allocations in district offices because these offices appear to have more legal staff than they need. The 3-cases-per-attorney workload is much less than EEOC's 10-cases-per-attorney criterion, and the charge workload does not appear to have the potential for producing a much higher legal workload.

Recommendations

We recommend that the EEOC Acting Chairman direct the Executive Director to reassess district office legal units' resource allocations and potential workload and adjust their staffs as appropriate.

INADEQUATE BASIS USED TO AUTHORIZE
DISTRICT OFFICE ACQUISITION
OF CERTAIN EQUIPMENT

In several instances, EEOC headquarters authorized district offices to acquire certain office equipment, such as word processing and micrographic equipment. However, the equipment has not been used enough to justify its purchase or continued lease. If leased equipment is being underused, it should be returned to vendors. Controls should be established to ensure that future procurements are made only after needs are completely analyzed and alternatives considered.

Word processing equipment
underutilized

General Services Administration guidelines provide that word processing equipment (WPE) 1/ is best suited for typing applications that have a high ratio of repetitive (unchanged) lines to original typed lines. The equipment's high playback typing speed as compared with original copy typing is its major benefit. The guidelines also say that such equipment should be used at least 8 hours daily. Examples of suitable WPE applications include revising and updating directive systems, telephone directories, contracts, legal briefs, and lengthy reports containing much standard material. Examples of inappropriate WPE use include short material (three pages or less), material that is primarily original typing (i.e., less than 40 percent repetitive typing), multiple copies of originals to the same addressee when reproduced copies of good quality can be obtained, and form letters.

1/Word processing is the manipulation of textual material through a keyboarding device capable of controlled storage, retrieval, and automated typing.

Each EEOC district office leases a Linolex machine. This equipment serves both as a limited-use WPE for district office use and as a unit for transmitting data to headquarters. Since EEOC installed a new computer system in 1980, however, the Linolex machine has been used less frequently as a data transmission unit. Its primary application now is WPE.

The Linolex in the Indianapolis district office averaged only about 4 hours use each day. The office made a typing workload analysis in February 1980 which showed that its six legal clerks were typing only a little more than 1 hour each day and that the typing workload for the entire office was only eight pages per day for each typist. However, the office leased new WPE in May 1980 for legal unit use.

Such a lease was possible because EEOC headquarters officials decided that each district office's legal unit needed its own WPE and authorized each office to spend up to $8,000 annually to lease one of four types of WPE. EEOC made this decision partly because the Linolex machine could not take legal size paper, but the decision did not include a cost-benefit study. Both EEOC and the General Services Administration require that such equipment be determined cost effective before it is acquired.

During fiscal year 1980, all EEOC's district offices had Linolex machines, renting for a total of $240,240. EEOC headquarters data showed that each office also had at least one other type of WPE and five offices had more than one. For fiscal year 1980, the rental of all these additional units totaled $144,820.

Office of Administration studies in July 1980 showed that all types of leased WPE in the district offices were underutilized. However, as of November 1980, this Office had not acted to return the underused equipment.

EEOC headquarters officials acknowledged that some district offices could be underusing their WPE, but believed this probably resulted more from a failure to be innovative in using WPE than from a lack of workload. They said some offices were using their WPE full time because they had devised "imaginative" applications for it, such as addressing envelopes and typing forms. These types of WPE applications, however, are inconsistent with General Services Administration guidelines. While such applications may keep WPE in use full time, they may not be cost effective.

Other equipment underutilized

EEOC headquarters has authorized district offices to obtain micrographic equipment and telecopiers. The micrographic equipment, which consists of a portable camera and a reader/copier and uses microfilm, is intended primarily for the legal units to use in obtaining copies of documentation in employers' records. Telecopiers were also authorized primarily to assist the legal units during litigation to provide a quick response for copies of documents needed during a trial. EEOC officials said that the inability to quickly provide such copies was a problem in some court cases.

In November 1979, the Indianapolis office purchased micrographic equipment for about $2,200 and 40 rolls of film for about $200. However, this equipment has not been used much. As of July 1980, the office had used less than one roll of film, and the film had an expiration date of August 1981. A district office official told us that, during fiscal year 1981, use of the equipment increased and that the office was using about one roll per month. Also, he said that the equipment was being used for processing charges, not just litigating them. He added that 20 to 25 rolls of film had been sent to the Chicago district office.

The Indianapolis office installed a $2,800 telecopier in April 1980. Through August 5, 1980, the unit had not been used to receive messages, and it had been used only three times to transmit messages, none of which was to assist the legal unit in litigation. An official in Cleveland's legal unit stated that its telecopier was used to send information to EEOC's Office of General Counsel to assist in its review of cases Cleveland referred for litigation. During the 6-week period June 17 to July 25, 1980, Cleveland used its telecopier five times to transmit. After our fieldwork, officials of the two district offices told us that during fiscal year 1981 their telecopier use had generally increased to an average of about once per week. However, they stated that the increase was attributable mostly to using the telecopiers for administrative purposes, not for litigation.

Studies by the Office of Administration have shown that the district offices' telecopiers and micrographic equipment are generally underutilized. According to available data at EEOC headquarters, nine district offices have purchased telecopiers for a total of about $23,000. These data also showed that all district offices have micrographic equipment, some of which is leased and some owned; headquarters, however, did not have data available on the total annual cost of the equipment.

Audiovisual equipment purchased in 1979 not used

At the end of fiscal year 1979, EEOC headquarters purchased audiovisual equipment costing about $4,000 for each of its 22 district offices and 65 State and local fair employment practices agencies (FEPs) at a total cost of about $350,000. This equipment included a television monitor and a video cassette recorder/playback unit. According to headquarters officials, they purchased the equipment to give each district office and FEP a training capability. They planned to put training programs on cassettes and send them to district offices and FEPs; this would reduce training costs and result in savings because it would eliminate travel to headquarters for training.

However, this equipment was still in cartons in the Indianapolis and Cleveland district offices at the time of our review. The offices' officials told us that they had received no information from headquarters on this equipment. Headquarters officials said that the training materials were being prepared but that their schedule had slipped about 6 months, partly because of the Federal hiring freeze in 1980.

We do not believe that it was reasonable for EEOC to purchase the audiovisual equipment for each field office and FEP. EEOC could have spent substantially less money if it had provided for district offices to share equipment with FEPs, since they are usually close to one another. For example, the Indianapolis district office and the Indiana State FEP are within several blocks of each other, and two local Indiana FEPs (East Chicago and Gary) are within a few miles of each other and close to EEOC's Chicago district office. To effectively use this equipment, EEOC needs to expedite completion of the related training materials.

Conclusions

EEOC has incurred substantial costs to lease and purchase equipment for its district offices which has been significantly underutilized. This occurred because EEOC officials assumed a need for the equipment without analyzing district offices' requirements. Underutilized leased equipment should be returned to the lessors, and EEOC should take actions to maximize the use of purchased equipment. EEOC should also expedite the completion of audiovisual training materials to ensure effective use of the equipment purchased. Furthermore, EEOC needs to institute controls to ensure that adequate studies are conducted of equipment needs and that alternatives are considered before acquisitions are made.

Recommendations

The EEOC Acting Chairman should direct the Executive Director to (1) have unneeded leased WPE and other equipment returned to the lessors, (2) expedite the completion of audiovisual training materials, and (3) institute controls to ensure that equipment is purchased only after needs have been assessed and alternatives considered.

DISTRICT OFFICES LACK PROPERTY CONTROLS

The two district offices we visited generally did not know what property they were accountable for, what they had, or where it was located. They lacked controls over the accountability for office furniture and equipment, as they neither required receipts when portable equipment was issued to employees nor maintained adequate inventory records for property. Required Federal ownership tags or labels were not affixed to all furniture and equipment.

District offices have not complied with EEOC property management requirements

EEOC Order 321, revised on October 22, 1979, requires district offices to establish a property management system. Among other things, it requires the offices to set up records describing property on hand and its location, issue receipts for portable property (e.g., portable calculators and dictaphones), and identify EEOC ownership of Federal property.

The Cleveland and Indianapolis offices had not complied with these requirements at the time of our review. The offices' records did not show how much property they were accountable for, where it was located, or to whom it was assigned. In addition, the offices did not use property receipt forms when issuing property to staff members or record such issuances. Operations services unit staff said they were not aware of the order's requirements. Also, property tags were not attached to furniture and equipment purchased during the past several years. Operations services unit staff said they did not tag the property because they lacked adequate staff.

Need for complete and accurate inventory records

Beginning with fiscal year 1979, to improve property management EEOC's Office of Administration was given authority to purchase furniture and equipment for all district and headquarters offices. Previously each office had authority to purchase its own furniture and equipment, which resulted in some offices purchasing property while others had excess quantities of similar property.

The Office of Administration, recognizing that EEOC property records were not adequate, ordered each office to take a property inventory and report the results to headquarters.

The Indianapolis and Cleveland district offices submitted their inventory reports to headquarters in January 1980. However, these reports were incomplete and inaccurate; they did not include all property on hand and some property was erroneously classified. For example, Indianapolis did not report 13 typewriters which were in its storeroom; five adding machines, some of which were still in their cartons; and two dictaphones.

The offices' failure to report inventory accurately and completely impairs EEOC's efforts to manage the purchase of furniture and equipment. For example, in May 1980 the Indianapolis office submitted a requisition to the Office of Administration to purchase 15 new typewriters. Since its January 1980 inventory report did not show that there were 13 typewriters in storage, Office of Administration staff did not question the purchase request. However, when we informed the Office's staff of the unused typewriters, they denied the purchase request.

Based on the number of inaccuracies the Office of Administration's analysis of district offices' inventory reports identified, the Office started to visit all district offices to verify their inventory reports. Eight such visits were made during fiscal year 1980, and 13 more are planned by June 1981. A July 1980 visit to Indianapolis disclosed a number of inaccuracies, including the office's underreporting 13 typewriters and misclassifying adding machines and calculators. The visit also identified shortages of calculators and dictation equipment when the reported inventory was compared to purchase orders on file. EEOC found similar conditions at other offices.

Conclusions

EEOC does not have adequate control over its property. Its property records are not accurate, increasing the potential for the purchase of unneeded furniture and equipment. The Office of Administration needs to obtain an accurate record of EEOC's property and speed up its onsite inventory visits to the district offices.

Recommendation

We recommend that the EEOC Acting Chairman direct the Executive Director to ensure that accurate property inventory records are established, maintained, and monitored at its offices as soon as possible.

NEED TO IMPROVE IMPREST FUND ADMINISTRATION

Under Department of the Treasury auspices, EEOC established at each district office an imprest fund to pay certain expenses and to meet emergency expense needs that cannot be met through the normal procurement process. The imprest funds in the two district offices we visited were not administered in accordance with Treasury requirements. Fund levels exceeded needs, and quarterly cash verifications were not made. From information available at EEOC headquarters, it appeared that fund levels at other district offices also exceeded needs.

District office imprest fund levels exceed needs

In June 1976, the Department of the Treasury issued a procedures and instructions manual for imprest funds. Section 3 of the manual suggests that, for imprest funds of less than $10,000, the funding levels be established at 1 month's needs.

Through fiscal year 1979, the Indianapolis and Cleveland district offices had imprest funds of $200 and $150, respectively. During fiscal year 1980 EEOC headquarters increased each district office's fund to $1,000 for meeting 2 months' expenses. EEOC requested Treasury to make the increases because (1) the district offices had received additional enforcement responsibilities and staffing and (2) the offices had not used the existing imprest funds much since it took Treasury a long time (4 to 6 weeks) to replenish the funds, which resulted in the offices using them only for emergency purposes.

Our analyses of the Indianapolis and Cleveland district offices' imprest fund usage showed that the fund level of $1,000 exceeded the offices' needs for a 2-month period. One office's fund averaged a disbursement of $330 for 2 months, while the other's averaged $630. Thus, it appeared that the imprest fund levels at these offices could be reduced. In addition, our analysis of imprest fund reimbursement data available at EEOC headquarters showed that all district offices appeared to have higher than necessary imprest fund balances. Nationally, district offices' imprest fund expenditures averaged about $477 for 2 months.

A headquarters official told us in September 1980 that Treasury requested the district office imprest fund levels to be reduced because they appeared to exceed the 2-month requirement. However, EEOC planned to discuss the request with Treasury and attempt to retain the funds at their present level, partly because the district offices want to use imprest funds regularly for staff travel advances of $200 or more. However, this proposal appears questionable because Treasury's manual provides that imprest funds may be used for travel advances in excess of $150 only in emergencies. Also, during 1980 the Indianapolis and Cleveland offices made few travel advances from the imprest funds in excess of $150.

Unannounced cash verifications not performed

Section 1008 of Treasury's imprest fund manual states that agencies should make unannounced verifications of imprest fund cash balances at least quarterly. Neither the Indianapolis nor the Cleveland office had such verifications made. At one office, the fund cashier was unaware of the requirement and stated that no verification had been made during the year she had been the cashier. At the other office, the operations services unit chief stated that quarterly verifications were routine but that a record was kept of them only until the next audit. However, he could not provide us with the most recent verification report. An EEOC headquarters fiscal official agreed that quarterly verifications should be made.

Conclusion

The Indianapolis and Cleveland district offices have not administered their imprest funds in accordance with Treasury requirements. Fund levels are about twice as high as they should be, and required quarterly cash verifications were not made. Also, it appears that imprest fund levels at all district offices are higher than necessary.

Recommendations

We recommend that the EEOC Acting Chairman direct the Executive Director to ensure that district offices administer their imprest funds in accordance with Treasury regulations by (1) reviewing all offices' imprest fund use and reducing their fund levels to the amount needed for 2 months and (2) emphasizing to office directors the need for quarterly cash verifications.