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REPORT OF THE  
COMPTROLLER GENERAL  
OF THE UNITED STATES



Relocating Employees From  
San Pedro To Los Angeles

U.S. Customs Service  
Department of the Treasury

The Customs Service is moving 35 employees from the customhouse in San Pedro to its regional office in downtown Los Angeles primarily (1) to improve supervision and control of regional employees, (2) to improve coordination of field activities, (3) to improve communication among field managers, and (4) to consolidate communication activities. GAO questioned whether it is necessary to move 19 of the employees who are involved in auditing and security investigations.

Customs does not believe it would be good management to leave the audit and investigative staffs at San Pedro. Also, Customs is trying to redirect its audit effort to broader program areas which might result in less audit work at the San Pedro office.

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MARCH 1, 1976

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

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01-7  
The Honorable Glenn M. Anderson  
The Honorable Alphonzo Bell  
The Honorable Charles H. Wilson  
The Honorable Mark W. Hannaford  
House of Representatives

This report is in response to your joint letter of July 2, 1975, concerning relocation of U.S. Customs Service employees from the customhouse in San Pedro to the Federal Building in downtown Los Angeles--a distance of about 25 miles. You asked us for our comments on the most appropriate and convenient location of the several functions of the Customs Service, including both the district and regional offices. 156

Your letter also noted many detriments to the move that had been pointed out to you. We have summarized below our views on the move and on the detriments and other factors mentioned in your letter. More detailed information on these matters is included in the appendix.

We made our review of the U.S. Customs Service activities at the customhouse in San Pedro, region VII headquarters in the Federal Building in downtown Los Angeles, and U.S. Customs Service headquarters in Washington, D.C. We discussed the move with various Customs and General Services Administration officials. We obtained data relating to space and staffing at both locations, and examined documents and records pertaining to the move.

RELOCATING EMPLOYEES TO LOS ANGELES

The relocation of 35 Customs employees from the customhouse in San Pedro to the Federal Building in downtown Los Angeles is the culmination of two separate agency actions. Since 1974, the regional office has actively planned to provide space in the Federal Building for the Sector Communications Unit that is located in San Pedro. The principal benefits of relocating this Unit, which was staffed by eight employees at the time of our review, apparently are: (1) to improve supervision and control by physically locating

this unit in the same building with the Regional Director of Enforcement Support who is responsible for directing this support activity and (2) to consolidate communications activities at the regional office which could then function as a true command center for Customs law enforcement efforts on a round-the-clock basis.

The other action was taken to implement a 1972 directive by the Commissioner of the Customs Service requiring field managers (Regional Management Team) to be located in the same city, the same building, and, if possible, in the same suite of offices. The objectives of this directive are to improve (1) coordination of field activities and (2) communication among field managers. This resulted in the movement of 5 people in the Office of the Regional Director of Investigations--the Director, 2 assistant directors, an administrative assistant, and 2 secretaries--and 21 people in the Office of Internal Affairs--the Director, 2 assistant directors, 7 auditors, 3 investigators and 7 secretaries.

We agree with the basic concepts of (1) having the members of the Management Team in the same location, and (2) not separating the supervisors from their subordinates. We, therefore, agree with Customs' decision to move the Sector Communications Unit and the six people in the Office of Investigations to Los Angeles.

The decision to move the entire Office of Internal Affairs, consisting of 21 people, to Los Angeles gives us some problems. It seemed to us that the Regional Management Team concept could have been accomplished by moving only the Director and his secretary to Los Angeles and leaving the 2 assistant directors and the 17 other employees in San Pedro. If the 2 assistant directors were left in San Pedro, they could continue to supervise the investigators and auditors and negate what we saw as the principal reason for moving the 19 other employees; i.e., to have the auditors and investigators in the same location as their supervisors.

We discussed with Customs headquarters officials our views on moving the entire Office of Internal Affairs to Los Angeles. They disagreed with us. It was their opinion that it is necessary for the assistant directors to be

collocated with the Regional Director to provide him with day-to-day information on their work which he uses as a member of the Regional Management Team. They believed that this could not be done successfully being 25 miles away. They also did not believe that it would be good management to physically separate the Regional Director from his two assistant directors or the assistant directors from the auditors and investigators whom they supervise. Also, according to headquarters officials, the emphasis of their review effort has recently changed and will necessitate more contact with other field offices. Also, there was concern that if the auditors were located at the district office there would be a tendency to concentrate review efforts at that office to the neglect of other offices in the region.

The expected benefits cited by Customs officials are intangible and thus we cannot determine whether Customs is correct in its belief that the long-term benefits will outweigh the cost and inconvenience in relocating the staff. Moreover, it is not clear at this time what effect Customs' efforts to redirect its audit effort will have on reducing the audit work carried out at the Los Angeles district office and increasing the work performed at other field locations.

#### OTHER MATTERS

Your letter also noted some detriments and other factors that had been pointed out to you concerning the move. We obtained the following information on these matters.

Your letter questioned whether the regional and the district offices should both be located in the customhouse in San Pedro. The customhouse currently lacks sufficient office space to accommodate the regional headquarters staff even if the ten Federal agencies, who currently use the port facilities, were evicted. Also, there appears to be some question of whether the customhouse's location is suited for a regional headquarters.

Newspaper accounts of the planned move had cited different cost estimates. The difference in the estimates seems to be principally attributable to changes in the number of people that would be involved in the move. In May 1975, the initial plans to centralize the Regional Management Team

provided for relocating 83 employees--62 from the Office of Investigations and 21 from the Office of Internal Affairs-- at an estimated cost of \$721,000. Final plans for implementing the Regional Management Team concept provided for relocating 27 employees. While only limited data was available, General Services Administration and Customs estimate that for these 27 employees altering the Federal Building and relocating telephones and offices will cost \$162,715.

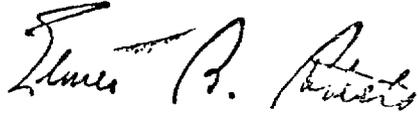
The above estimates do not include the cost to relocate the Sector Communications Unit. The regional office, in requesting authorization from headquarters, to relocate this Unit, estimated that it would cost \$41,500. This estimate was based on relocating six employees and was never revised upward to cover all eight employees that are being relocated. Also, Customs estimates that additional costs could be incurred if employees decide to relocate their residence due to the change in official duty station.

A new GS-11 position will be established in San Pedro to supervise the Office of Investigations' employees who will remain there. We also believe the cost of this position should be considered as a cost of collocating the Regional Management Team.

You had also expressed concern that the move will force lower paid clerical employees affected by the move to seek new jobs. Five of the 35 employees scheduled for relocation are classified as clerical. We discussed this matter with Customs officials in September 1975 and were advised that none of the clerical employees had obtained other positions but that three of the five employees had indicated that they would seek other jobs rather than relocate.

One area of concern surrounding the planned move was whether this was the initial phase of a plan to move the entire or a major portion of the Los Angeles district office located in San Pedro to the Federal Building in Los Angeles. Information furnished to us during our review did not sustain this allegation.

to have discussed the matters contained in this report with the U.S. Customs Service and have considered their views in preparing it.



Comptroller General  
of the United States

GAO REVIEW OF RELOCATING U.S. CUSTOMS  
SERVICE EMPLOYEES FROM SAN PEDRO TO LOS ANGELES

CUSTOMS FIELD ORGANIZATION

Headquarters of the U.S. Customs Service, under the supervision of the Commissioner of Customs who is appointed by the Secretary of the Treasury, is located in Washington, D.C. The Service is decentralized and most of its personnel are stationed throughout the country, where its operational functions are performed.

Establishment of  
regional and district offices

The Regional and District Office Field Organization, as it is known today, resulted from a 1964 comprehensive management study. The study report, which contained 230 recommendations, gained wide distribution and review and became the subject of much public discussion and congressional interest. Some of the recommendations in the report concerning reorganization were formally submitted by the President for congressional approval as Reorganization Plan No. 1 of 1967.

The report included many recommendations to effect reorganizing the headquarters and field services which were not specifically included in the Reorganization Plan, but which depended on the Plan for their effective implementation. Such recommendations included those pertaining to realigning district offices and establishing six regions with headquarters at Boston, New York, Baltimore, New Orleans, San Francisco, and Chicago.

During the congressional hearings on the Reorganization Plan, the establishment and location of the proposed regional offices was questioned at length. As a result, the Secretary of the Treasury initiated an additional study of regionalization and subsequently established nine regions rather than six, including one at Los Angeles.

The proper field structure has been a continuing question for the Customs Service. For example, in 1970 the Department of the Treasury concluded that the number of regions should be reduced from nine to six and that Los Angeles was one of the offices that should be abolished. However, no action was taken.

Organization of  
field officesRegions

Generally, the regional office is located in the largest port in the geographic boundaries of the region. The regional office, headed by the Regional Commissioner, directs and supervises all Customs activities within the region, except those relating to the Office of Investigations and the Office of Internal Affairs. Some of the specific functions of the regional office include:

- Directing and functionally supervising regional operations, such as assessing and collecting import duties and taxes and controlling carriers, persons, and articles entering or departing the U.S.
- Directing the administration of the Customs patrol operations.
- Directing and functionally supervising budget, accounting, and personnel programs.
- Operating the Customs information system and all enforcement communication systems within the region.

The regional office administers and provides resources and administrative support to the districts, ports, and stations. While not under the Office of Regional Commissioner, the Offices of Internal Affairs and Investigations depend on the regional office for all their administrative support. Operationally, the regional office is responsible for liquidating complex change and drawback entries and reviewing importers' protests of decisions on the classification and value of merchandise.

As of August 30, 1975, the Los Angeles regional office's staff (region VII) consisted of 209 employees (including 20 that were temporarily employed during the summer of 1975), of which 143 were stationed in the Federal Building in downtown Los Angeles. Of the 61 regional staff not stationed in the Federal Building in Los Angeles, 21 were stationed in San Pedro, California; 22 were stationed in Tucson, Arizona; and 18 were stationed in San Diego, California.

Districts

District offices provide operational direction to ports-of-entry and Customs stations under their jurisdiction. Ports-of-entry are places designated by the Secretary of the Treasury at which a Customs officer is assigned with authority to accept entries of merchandise, to collect duties, and to enforce the various provisions of the Customs and related laws. Customs stations are places other than ports of-entry at which Customs officers or employees perform the aforementioned duties. The significant difference between a port-of-entry and a station is that the salary and expenses of the Customs officer required for entering a vessel at a station must be reimbursed to the Government by the owner, master, or agent of the vessel.

District offices, in addition to providing administrative and operational supervision to other ports-of-entry within their geographical boundaries, are also ports-of-entry and, as such, engage in a wide variety of activities. These activities include inspecting and releasing imported cargo, clearing passengers traveling by all types of carriers, accepting estimated duties and taxes at time of entry and entering and clearing vessels and aircraft.

A breakdown of the permanent staffing as of August 30, 1975, by districts, ports-of-entry and stations under the jurisdiction of the Los Angeles Region is as follows:

<u>Locations</u>	<u>Number of employees</u>
Los Angeles district office (note a):	345
Ports-of-entry:	
Los Angeles International Airport, California	189
Port San Luis, California	1
Las Vegas, Nevada	24
San Diego district office:	38
Ports-of-entry:	
Calexico, California	101
San Ysidro, California	248
Tecate, California	24
Andrade, California	5
Nogales district office:	153
Ports-of-entry:	
Phoenix, Arizona	12
Lukeville, Arizona	19
Naco, Arizona	7
Douglas, Arizona	42
Yuma, Arizona	25
San Luis, Arizona	23
Sasabe, Arizona	2
Stations:	
Tucson, Arizona	4
Lochiel, Arizona	1

<sup>a</sup> Located at San Pedro, California.

<sup>b</sup> One individual located at the Nogales district office.

<sup>c</sup> Three individuals located at the Los Angeles District office.

#### Regional Counsel

The Regional Counsel provides legal advice and support to the Regional Commissioner and his staff. However, the Office of Regional Counsel reports to the Chief Counsel's Office at Customs headquarters.

Some of the specific activities engaged in by the Regional Counsel include

- Reviewing civil liability and forfeiture decisions to insure proper interpretation and application of statutes, regulations, and headquarters guidelines.
- Preparing and/or reviewing manuals and training materials on the subject of criminal and civil laws enforced by Customs.
- Consulting and maintaining liaison with attorneys of the Justice Department on Customs cases pending before the courts.
- Handling legal questions concerning reimbursable compensation under the Customs overtime laws.

In region VII, the Regional Counsel Office was staffed by three attorneys and one clerical person as of August 30, 1975, and was physically located with the regional office in Los Angeles.

#### Office of Investigations

The Office of Investigations is the professional investigative arm of the Customs Service and is responsible for investigating all violations of Customs laws and regulations applicable to the importing public. These include smuggling, waterfront pilferage, misrepresentation of imports, and special enforcement programs. Regional investigating activities are directed by a Regional Director of Investigations, who reports directly to an Assistant Commissioner for Investigations in Washington, D.C. The Regional Director of Investigations has three key operational responsibilities:

- To direct and coordinate all Office of Investigations activities within the region.
- To maintain a close working relationship with other members of the Regional Management Team to insure that Investigations field activities are properly coordinated with other Customs Service field operations.

--To function as the special agent-in-charge within the district office having the same name as the regional city.

The Regional Director of Investigations may be assisted by not more than two senior special agents--one functioning as an assistant for general investigations and the other functioning as an assistant for fraud investigations. These assistants maintain close contact with the special agents-in-charge at the various district offices in the region and their counterparts at headquarters to insure that field investigations are carried out in conformance with program and policy directives established by headquarters Office of Investigations.

Staffing of professional investigators in region VII for the Office of Investigations, as of August 30, 1975, is shown below:

<u>Location of staff</u>	<u>Investigators assigned</u>
<u>District offices</u>	
San Pedro, California	54
Nogales, Arizona	7
<u>Ports-of-entry</u>	
San Ysidro, California	19
Calexico, California	5
San Luis, Arizona	2
Douglas, Arizona	3
Phoenix, Arizona	3
<u>Stations</u>	
Tucson, Arizona	4
Total	<u>97</u>

Each district is supervised by a special agent-in-charge, who reports to the Regional Director of Investigations. Field offices at ports-of-entry having a port director are supervised by resident agents, who report to the district special agent-in-charge.

#### Office of Internal Affairs

Unlike the Office of Investigations, Internal Affairs personnel in region VII are not dispersed at district and field

offices. The staff is currently stationed at the custom-house in San Pedro and travel to the various district and field offices throughout the region. The objectives of the Office of Internal Affairs are to assure

- personnel integrity,
- prudent expenditure of resources, and
- productive, cost beneficial programs.

These objectives are accomplished with the use of internal auditors and criminal investigators.

In each region, Internal Affairs activities are under the direction of a Regional Director of Internal Affairs who reports to the Assistant Commissioner for Internal Affairs in Washington, D.C. The Regional Director has the following responsibilities:

- Plans, implements, and evaluates the internal security and internal audit activities in the region.
- Recommends changes in programs, goals, and policies to headquarters.
- Establishes and maintains continuing communications with other members of the Regional Management Team.

The Regional Director of Internal Affairs is assisted by two assistant regional directors, one for internal audit and the other for security. The Assistant Regional Director of Audit advises the Regional Director of Internal Affairs on all internal audit matters in the region and acts for the Regional Director in his absence. He also reviews subordinates' work, plans and assigns work, evaluates work performance, interviews candidates for vacant positions, and identifies and provides for developmental and training needs of subordinates. The Assistant Regional Director of Security advises the Regional Director of Internal Affairs on matters relating to the overall management of the regional security program. In addition, he has first-line responsibility for supervising a staff of investigators. As of July 25, 1975, the staffing for region VII Office of Internal Affairs was as follows:

<u>Position</u>	<u>Number assigned</u>
Director	1
Assistant Director	2
Investigator	8
Auditor	7
Secretary	3
Total	<u>21</u>

#### HISTORY OF PROPOSED MOVE

The relocation of 35 Customs employees from the custom-house in San Pedro to the Federal Building in downtown Los Angeles is the culmination of two separate agency actions. Since 1974, the regional office has actively planned to provide space in the Federal Building for the Sector Communications Unit that is located in San Pedro. The other action was taken to implement a 1972 directive by the Commissioner of the Customs Service requiring field managers (Regional Management Team) to be located in the same city, the same building, and, if possible, in the same suite of offices.

#### Relocation of regional office staff

In 1974, Customs concluded that the space for the Los Angeles regional office personnel was insufficient due to significant increases in staff. Plans were developed with the General Services Administration for certain alterations and additional space at the Federal Building. Space was provided in these plans to house the Sector Communications Unit which is housed at the customhouse in San Pedro.

Considerable revisions were made in the plans during 1974 and 1975. By the middle of September 1975, about 40,000 square feet of space had been allocated to Customs in the Federal Building and although some work remained to be done, most of the space had been substantially renovated.

Before the Presidential Reorganization Plan No. 2 of 1973, effective July 1, 1973, which transferred from Customs to the Drug Enforcement Administration, certain responsibilities for enforcement of narcotics laws, the Office of Investigations directed and supervised the Sector Communications Unit. At that time, the Unit's primary responsibility was to provide radio communication

services for the agents in the field and coordinate communication services for special projects.

Since the implementation of the Reorganization Plan, the sector communications units are now supervised by the Regional Commissioner and provide all communication support for all Customs personnel. The services provided include radio communication, teletype, facsimile, and TECS (a sophisticated Treasury telecommunication network used in many enforcement programs). Current plans provide for establishing 12 communications units--1 in each of the 9 Customs regions and 1 each in Alaska, Hawaii, and Customs headquarters in Washington, D.C. To date, five units have been moved to correspond with this plan.

On March 31, 1975, the Regional Commissioner in region VII requested approval from the Assistant Commissioner (Enforcement Support) to relocate the Sector Communications Unit to Los Angeles. The Regional Commissioner pointed out that by locating the Unit in the regional office all communications functions would operate from one location, and that it then would operate as a true command center for Customs law enforcement efforts on an around-the-clock basis. The Regional Commissioner also pointed out several administrative benefits from locating the Unit at the regional office including better managerial control.

On June 25, 1975, the Assistant Commissioner (Enforcement Support) approved the Regional Commissioner's request to locate the Sector Communications Unit in Los Angeles.

#### Collocating Regional Management Teams

As noted previously, the responsibility for Customs activities within a region is divided among the Regional Commissioner, Regional Counsel, Regional Director of Internal Affairs, and Regional Director of Investigations. Customs refers to these officials as the "Regional Management Team."

To alleviate problems in coordinating Customs field activities, the Commissioner of Customs, on September 26, 1972, issued a directive requiring the Assistant Commissioner for Administration, with the participation of the Assistant Commissioner for Security and Audit (now titled Assistant Commissioner for Internal Affairs), the Assistant Commissioner for Investigations, the Chief Counsel, and all Regional Commissioners, to immediately begin to develop a plan to locate in the same building the Regional Commissioner, the Regional Counsel, Director of Security and Audit (now known as Regional

Director of Internal Affairs) and the Special Agent-in-Charge (now known as the Regional Director of Investigations). The first formal plans to implement the Commissioner's directive in region VII were prepared in May 1975. These plans provided for relocating the Offices of Internal Affairs and Investigations from San Pedro to downtown Los Angeles--a distance of about 25 miles. The move would have involved 83 persons--62 from Investigations and 21 from Internal Affairs--at an estimated cost of \$721,000. During the next few months the plans were revised several times. On May 27, 1975, the Commissioner advised the Regional Management Team of his decision that the entire Internal Affairs staff should be relocated but only the regional staff of the Office of Investigations would be relocated. The Regional Director of Investigations interpreted this to mean himself, his two assistant directors, an administrative assistant, and two secretaries.

Prior to collocation, Customs headquarters had plans to establish a Deputy Regional Director of Investigations (subsequently titled Assistant Regional Director of Investigations), who would concurrently assume both a second-in-command responsibility for the region and the responsibility as special agent-in-charge for the investigative activities at San Pedro. Before implementing this plan, the Commissioner directed collocation of the Regional Management Team staff. The Assistant Commissioner for Investigations decided that the person appointed to the new position would also be stationed at the Federal Building in Los Angeles, thus precluding the deputy from functioning in the dual role as first planned. As a result, another position was established for a special agent-in-charge who would be stationed at the customhouse in San Pedro and would supervise the Office of Investigations staff remaining at San Pedro.

In June 1975, GSA was advised of the collocation plans, and 9,000 square feet of additional office space in the Federal Building in downtown Los Angeles was requested for 6 persons from Investigations and 21 from Internal Affairs. An additional 23 parking spaces were also requested.

Based on estimates prepared by the General Services Administration and Customs, the costs for collocating Investigations and Internal Affairs will amount to \$162,715 for the following items:

<u>General Services Administration</u>	
Alterations at the Federal Building	\$160,000
<u>Customs</u>	
Telephone relocation	1,715
Relocation of offices	<u>1,000</u>
Total	<u>\$162,715</u>

According to Customs officials, the General Services Administration estimated that the cost of relocating six people of the Sector Communications Unit will be \$41,500. No revised estimate was available for relocating the eight employees of the Sector Communications Unit.

In addition, as noted above, because of the separation of duty stations between the supervisor and his employees, a new GS-14 position was established to supervise the Office of Investigations staff remaining at San Pedro. Therefore, an annual recurring cost for the new GS-14 position (the current annual salary for that grade at the entry step is \$26,861), including the cost for office space, furniture, and supplies and any associated cost of the position, such as secretarial costs, should also be considered a cost of collocating the Office of Investigations.

Additional costs could be incurred under the Administrative Expense Act of 1946, as amended (5 U.S.C. 5724 and 5724a) which provides that Federal employees who meet certain qualifying conditions may be reimbursed by the Federal government for certain expenses for relocating their residences due to a change in official duty station. The Customs Service estimates that about \$4,500 would be reimbursed to each qualifying employee who moved.

In October 1975, we were informed by Customs officials that they were not aware of any firm plans by employees involved in the relocation to change their places of residence.

On January 7, 1976, we were advised by a Customs official that final implementation of the Regional Management Team concept in region VII was expected to be completed in February or March 1976. The status of Customs' efforts to collocate its field managers in other regions in the United States was as follows:

<u>Region</u>	<u>Status</u>
San Francisco	Underway
Miami	Underway
New Orleans	Underway
Chicago	Completed
Baltimore	Completed
Houston	Completed
Boston	Completed
New York	Completed

The decision to collocate the Regional Management Team was not based on a formal study nor has any formal analysis been made where collocation has been implemented to ascertain the advantages or disadvantages of the collocation concept. Various Customs headquarters officials have expressed the view that where collocation has been achieved, coordination of field activities and cooperation among field managers has greatly improved. We were advised that these views were developed primarily by the Headquarters officials through discussions with field managers.

#### Status of move

The status of Customs collocation efforts in the Los Angeles region as of December 18, 1975, was as follows:

- Other Federal agencies which had occupied the seventh floor of the Federal Building in downtown Los Angeles have been relocated elsewhere in downtown Los Angeles.
- Renovation of the seventh floor of the Federal Building has been virtually completed.
- Customs personnel previously located on the second, third, and fourth floors of the Federal Building have been moved to the seventh floor.
- The only remaining task to complete collocation involves moving equipment, furniture, and records of the 35 people from San Pedro to the Federal Building in downtown Los Angeles. Customs expects to complete this task by March 1976.

OPINION OF MOVE

In your letter you asked for our opinion as to the most appropriate and convenient location of the several functions of the Customs Service, including both the district and regional offices. We have not reviewed this matter on a Service-wide basis, but the following are our views on this question insofar as the Los Angeles region and the proposed move is concerned.

We adopted the following criteria in judging whether the proposed move would result in the most appropriate and convenient location of the Customs Service functions in the Los Angeles region:

- Although the benefits of locating the members of the Regional Management Team in the same location are intangible, we accepted Customs' view that the location of all the members of the team in the same building makes good management sense.
- Supervisors should be located with the employees responsible to them.
- The primary consideration insofar as convenience of location is concerned should be the convenience of the Government. If two locations are about equal insofar as Governmental convenience is concerned, the convenience of the employees should be considered because of the effect it can have on the ability of the Government to hire and retain capable employees.
- Consideration of cost-benefit factors. In this instance most of the benefits are intangible and, therefore, cannot be compared directly with the costs. We obtained cost information only to determine if it appeared reasonable in relation to the supposed benefits.

Using the above criteria, our views on the proposed movement of each of the activities involved follow.

Sector Communications Unit--The Unit services the entire region and in our view should be located in the same building as the person responsible for its operation.

It is our understanding that the Unit is being moved to the Regional Office because (1) that office is now responsible for its operations and desires closer control and supervision of the Unit, (2) the Unit will provide communications support for all Customs activities in the region, and (3) communications systems are now being expanded to support the Regional Management Team. The Assistant Commissioner for Enforcement Support, in approving the move of the eight people, expressed the opinion that the long-term advantages of the move far outweigh any short-term disadvantages.

In our view, the arguments presented by Customs for relocating the Unit from San Pedro to the Regional Office seem logical.

Office of Investigations--The original plan was to move this entire unit to Los Angeles. The final plan is to move only the Regional Director and his immediate staff and secretaries.

We believe that the rationale presented by Customs for locating the Regional Management Team in Los Angeles is logical and that Customs has arrived at a good solution to their problem by leaving the employees concerned with Los Angeles district activities in San Pedro and moving those with regionwide responsibilities to Los Angeles.

Office of Internal Affairs--The decision to move this entire unit to Los Angeles gave us the most problems. Deciding on the proper location of the staff would be easier if the staff was not already located in San Pedro. While this Office has regionwide responsibilities, it has apparently been able to operate effectively from San Pedro. The question which we attempted to resolve is whether the benefits to be derived from relocating the staff were greater than the costs and detriments of the move.

To meet the concept of having the Management Team in one location, we believe that the Regional Director and a secretary should be in Los Angeles. We questioned, however, whether it was necessary to move the entire unit to Los Angeles.

We suggested to the Customs Service that it consider leaving the 2 assistant directors and the 17 other employees in San Pedro. This would solve the problem of supervision,

which, as we understand it, was one of the principal reasons for moving the auditors and investigators. Customs did not agree with us because they believe that the assistant directors should be in the same location as the Regional Director to assist him in his duties as a member of the Regional Management Team. Also, it would not be good management to physically separate the director from his two assistant directors or the assistant directors from the auditors and investigators whom they supervise. We were advised that the Regional Director of Internal Affairs needs to consult with his assistant directors on a continuing basis and that consultation by telephone or periodic meetings would not be desirable. A Customs official advised us that if the Office of Internal Affairs staff were all of the same discipline they might consider leaving them in San Pedro and adding an onsite supervisor. However, since they have different responsibilities as auditors and investigators, they believe it would not be justified to add another layer of supervision.

We pointed out that in the past the greatest amount of work at any one location in the region has been at the district office in San Pedro. Furthermore, since that office is the largest field office in the Region, it seemed logical that there would continue to be a heavy concentration of work there, and that stationing personnel at that site would decrease travel costs and potential loss of productive time. Customs officials stated that in the past 10 months they have tried to change the direction of their audit effort from a top-to-bottom look at district office operations to broader program areas. Also, past budget constraints on travel resulted in more work being performed at the Los Angeles district office than planned.

Headquarters officials were concerned that when the auditors were physically located at the district office, they naturally tended to plan future work in that office rather than considering program areas which might involve work at other locations.

We recognize that benefits would result from locating all of the staff at the regional office. We were, however, concerned that these benefits would not justify the cost and inconvenience involved in relocating the staff. Customs officials believe that the long-term benefits of relocating the entire staff far outweigh the one-time cost and inconvenience of the move.

The expected benefits cited by Customs officials are intangible and thus we cannot determine whether Customs is correct in its belief that the long-term benefits will outweigh the cost and detriments of the move. Moreover, it is not clear at this time what effect Customs' efforts to re-direct its audit effort will have on reducing the audit work carried out at the Los Angeles district office and increasing the work performed at other field locations.

#### OTHER MATTERS

##### Location of the regional office

The Congressmen, in requesting us to review the planned relocation of Customs employees, asked for our comments with respect to the most appropriate and convenient location of the several functions of the Customs Service, including both the district and regional offices.

Both General Services Administration and Customs officials informed us that because of the substantial space and alterations already committed to Customs in the Federal Building, no real consideration was given to collocating at any other sites. Also, Customs officials oppose the common location of regional headquarters and district operations on the basis that it results in unwarranted attention to the district located with the region and weakens the authority of the district director and his staff.

We were advised by the General Services Administration that the customhouse at San Pedro is not considered appropriate space for locating the offices of the Regional Commissioner for the following reasons:

- While suited for district operations serving the port, the area is not suited for a regional headquarters which should be centrally located near the center of commerce and other Federal, State, and local law enforcement agencies.
- The customhouse lacks sufficient space to accommodate the regional headquarters staff.
- The 10 other Federal agencies located in the customhouse deal with users of port facilities and would have to be relocated in that area, even if evicted, to make room for regional headquarters.

The customhouse in San Pedro, completed in 1967, contains 184,988 square feet of space as follows:

<u>Type</u>	<u>Square feet</u>
Office space	70,602
Storage space	72,773
Special use space	20,775
Corridors, rest rooms	<u>20,838</u>
Total	<u>184,988</u>

At the time of our review, Customs occupied 43,612 square feet of the office space, 7,110 square feet of the special use space (such as file, reproduction, and conference rooms), and 65,700 square feet of storage space. Vacant space was as follows:

<u>Type</u>	<u>Square feet</u>
Office	3,530
Storage	2,728
Special use	<u>200</u>
Total	<u>6,458</u>

The remaining space was assigned to 10 other Federal agencies, a cafeteria, and a credit union:

<u>Type</u>	<u>Square feet</u>
Office	23,460
Storage	4,345
Special use	<u>13,465</u>
Total	<u>41,270</u>

The Los Angeles regional office space requirements are about 51,000 square feet. The unused space and the space currently used by other agencies--in the event that they were relocated to other facilities--would not be adequate to house the regional office.

Clerical employees to be relocated

The Congressmen expressed a concern that the move will force lower paid clerical employees at San Pedro to seek new jobs.

Of the 35 employees scheduled to relocate, 5 are classified as clerical. Their grades, salaries (entry step), and classification are as follows:

<u>Number</u>	<u>Grade</u>	<u>Salary</u>	<u>Classification</u>
1	GS-8	\$12,222	Secretary
3	GS-7	11,046	Secretary
1	GS-5	9,946	Secretary

According to the Director of Internal Affairs, the three GS-7 secretaries informally advised him that they would seek other jobs rather than accept the inconvenience of relocating. We were informed by the Regional Director of Investigations that the GS-8 secretary will relocate unless she finds a comparable position at San Pedro. At the time we completed our field work in September 1975, none of the clerical employees had obtained other positions.

Future plans for locating the Los Angeles district office

One area of concern surrounding the planned collocation was whether this was the initial phase of a plan to move the entire or a major portion of the Los Angeles district office located in San Pedro to the Federal Building in Los Angeles.

We found no evidence of any plan to move the district office out of the customhouse in San Pedro. As previously noted, Customs officials oppose the common location of regional headquarters and district offices on the basis that it results in unwarranted attention to the district located with the region and weakens the authority of the district director and his staff. We also discussed this matter with the General Services Administration who advised us that Customs has not requested additional space in Downtown Los Angeles to relocate any district function or personnel from San Pedro. The Regional Commissioner informed us that no such move is planned and that the space vacated by the relocation will be retained by Customs and turned over to the

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district office. We also discussed this matter with Customs headquarters officials who advised us that they were unaware of any plans to move additional Customs employees from the customhouse in San Pedro to downtown Los Angeles.