

September 2000

OLYMPIC GAMES

**Federal Government
Provides Significant
Funding and Support**





G A O

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

General Government Division

B-282746

September 8, 2000

The Honorable John D. Dingell
Ranking Minority Member, Committee on
Commerce
House of Representatives

The Honorable John McCain
Chairman, Committee on Commerce,
Science and Transportation
United States Senate

In response to your requests, this report provides information on (1) the amount of federal funding and support provided to the 1984 and 1996 Summer Olympic Games, and planned for the 2002 Winter Olympic Games, and the types of projects and activities that were funded and supported and (2) the federal policies, legislative authorizations, and agency controls in place for providing the federal funds and support to the Olympic Games. In addition, as you requested, this report provides the results of our evaluation of the following five projects: (1) development of the Ocoee Whitewater Rapids Slalom venue for the 1996 Summer Olympic Games, (2) use of federal employees to provide security during the 1996 Games, (3) payment of Atlanta Paralympic Organizing Committee staff salaries, (4) payment of Paralympic Games' opening ceremony entertainers costs, and (5) veterans assistance during the Paralympic Games.

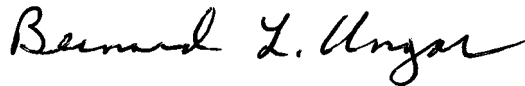
This report contains matters for congressional consideration and recommendations to the Director of the Office of Management and Budget (OMB), the Administrator of the General Services Administration, and the Secretary of Veterans Affairs.

As agreed, unless you publicly announce its contents earlier, we plan no further distribution of this report until 15 days after its issue date. At that time, we will send copies of this report to Senator Ernest Hollings, Ranking Minority Member of the Senate Committee on Commerce, Science, and Transportation; and Representative Tom Bliley, Chairman of the House Committee on Commerce. We are also sending copies of this report to Senators Orrin Hatch and Robert Bennett and Representatives James Hansen, Merrill Cook, and Chris Cannon of Utah. Copies of this report will also be made available to the Director of OMB; the Secretaries of the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, the Interior, Housing and Urban Development, Labor, State, Transportation, the Treasury, and Veterans Affairs; and the U.S. Attorney General. We are

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also sending copies to the Directors of the Corporation for National and Community Services, Environmental Protection Agency, Federal Communications Commission, Federal Emergency Management Administration, General Services Administration, National Aeronautics and Space Administration, Social Security Administration, Tennessee Valley Authority, and U.S. Information Agency and the U.S. Postmaster General. We will make copies available to others upon request.

If you have any questions about this report, please contact me at (202) 512-8387 or ungarb.ggd@gao.gov. Key contributors to this assignment were Tammy R. Conquest, Michael Rives, John Parulis, David Bennett, Alan Belkin, Jessica Botsford, and Syrene Mitchell.

A handwritten signature in black ink that reads "Bernard L. Ungar". The signature is written in a cursive style with a long, sweeping tail on the letter 'g'.

Bernard L. Ungar
Director, Government Business
Operations Issues

Executive Summary

Purpose

The federal government has provided increasingly significant funding and support for the Olympic Games when held in the United States. Concerned about this rising cost and the appropriateness of the federal funding and support for certain Olympic-related projects and activities, you requested that GAO review federal funding and support for the 1984 Summer Olympic Games held in Los Angeles, CA; the 1996 Summer Olympic Games held in Atlanta, GA; and the planned 2002 Winter Olympic Games held in Salt Lake City, UT. In response, this report answers the following questions:

- What were the amounts of federal funding and support provided to the 1984 and 1996 Summer Olympic Games, and planned for the 2002 Winter Olympic Games,¹ and the types of projects and activities that were funded and supported?
- What are the federal policies, legislative authorizations, and agency controls in place for providing federal funds and support for the Olympic Games?

In addition, you asked GAO to use its professional judgment to select and review some of the Olympic-related projects and activities to determine if federal funding and support were provided in accordance with the underlying laws and applicable requirements. Accordingly, GAO selected and evaluated the following five projects: (1) development of the Ocoee Whitewater Slalom venue for the 1996 Summer Olympic Games, (2) use of federal employees to provide security during the 1996 Summer Olympic Games, (3) payment of Atlanta Paralympic Organizing Committee (APOC) staff salaries, (4) payment of Paralympic Games' opening ceremony entertainer costs, and (5) veterans assistance during the Paralympic Games. GAO's specific reasons for selecting these projects are discussed in the objectives, scope, and methodology section of chapter 1.

Background

The Olympic Games take place every 4 years, with the Summer Games and Winter Games alternating on a 2-year cycle. Each of these Games is awarded by the International Olympic Committee (IOC)² to a host city, not to its country. Since 1904, cities in the United States have been selected to host the Olympic Games eight times—more than those of any other country. In the United States, unlike in other countries, the host city, not

¹ The 1996 Olympic Games and the planned 2002 Winter Olympic Games also include the Paralympic Games. The Paralympic Games were not a part of the 1984 Olympic Games.

² The IOC is an international, nongovernmental, nonprofit organization that is primarily responsible for supervising the organization of the Olympic Games.

the federal government, is generally responsible for hosting the Olympic Games.

The Ted Stevens Olympic and Amateur Sports Act (Amateur Sports Act), 36 U.S.C. 220501 et. seq., which was originally enacted in 1978 as the Amateur Sports Act, gives the U.S. Olympic Committee (USOC),³ among other things, exclusive jurisdiction over all matters pertaining to the participation of the United States in the Olympic Games, including the representation of the United States in such Games and the organization of the Games when held in the United States.

The Amateur Sports Act was amended in 1998 to incorporate the Paralympic Games under the umbrella of USOC. The Paralympic Games are for disabled athletes and are held immediately following the Olympic Games. Although organized separately, the 1996 Summer Olympic Games marked the first time that the Paralympic Games were held in conjunction with Olympic Games in the United States.

Results in Brief

The federal government provides significant funding and support for the Olympic Games when they are held in the United States. At least 24 federal agencies reported providing or planning to provide a combined total of almost \$2 billion, in 1999 dollars,⁴ for Olympic-related projects and activities for the 1984 and 1996 Summer Olympic Games and the 2002 Winter Olympic Games. Specifically, the federal government provided about \$75 million in funding and support for the 1984 Summer Olympic Games in Los Angeles and about \$609 million for the 1996 Summer Olympic Games in Atlanta, and has provided or plans to provide about \$1.3 billion for the 2002 Winter Olympic Games in Salt Lake City.⁵ This is in addition to the Olympic organizing committee's costs to host the Games. According to data obtained from Olympic organizing committee officials, it cost or is expected to cost the organizers about \$602 million to stage the 1984 Summer Olympic Games; \$2 billion for the 1996 Summer Olympic Games; and an estimated \$1.4 billion for the 2002 Winter Olympic Games.

Of the almost \$2 billion of funding and support from the federal government, about \$513 million was provided or planned to be provided for projects or activities related to planning and staging the Olympic

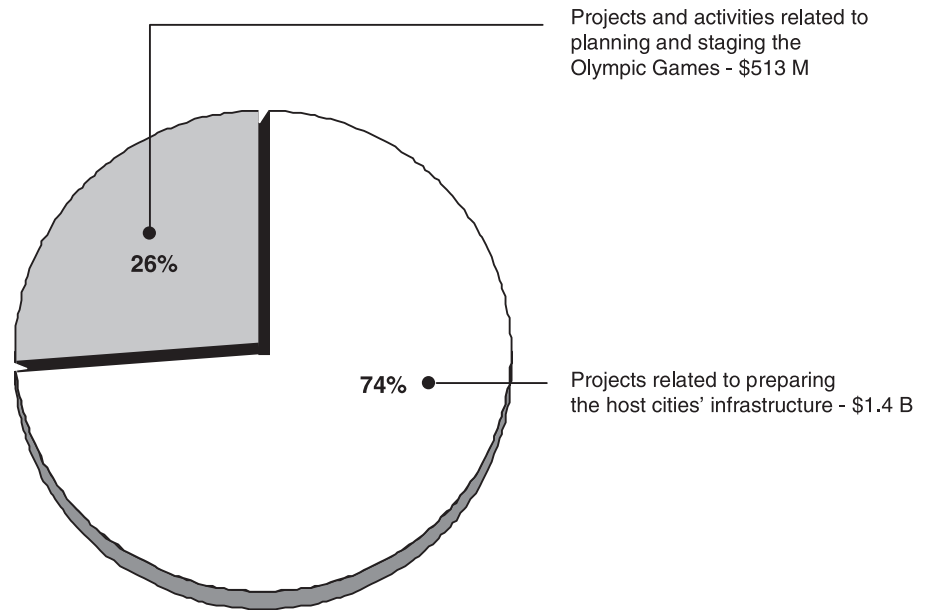
³ USOC is a federally chartered private organization that is primarily responsible for coordinating and developing amateur athletic activities in the United States.

⁴ All financial information presented in this report is in constant 1999 dollars, except where noted.

⁵ Each Olympic Game varied widely in terms of size, scope, and location, thus making it difficult to make comparisons.

Games, such as providing security or transporting spectators; these funds would not have been provided if the Games were not held in the United States. The remaining \$1.4 billion has been provided or planned to be provided for infrastructure projects, such as highway, transit, and capital improvements, that are related to preparing the cities of Atlanta and Salt Lake City to host the Olympic Games, as shown in figure 1. These projects will also benefit the host city and state after the Games are held. According to federal officials, most of these funds would have been awarded to these cities or states even if they had not hosted the Olympic Games, although the funds could have been provided later if the Games were not held.

Figure 1: Proportion of Federal Funding and Support Provided to Prepare Host Cities for Olympic Games



N = \$2 billion in 1999 dollars.

Source: OMB and various other federal agencies.

However, no governmentwide law or policy exists that defines the federal government's overall role in funding and supporting the Olympic Games when hosted in the United States. Nor is there a single federal agency that has the responsibility to oversee and monitor the federal funding and support provided for the Olympic Games. Nonetheless, federal agencies have helped and continue to help fund and support various aspects of the Olympic Games, in response to requests for federal assistance from state and local governments and Olympic organizing committees. Federal

assistance has been requested because these entities have not had enough resources to provide for the infrastructure improvements necessary to prepare the host city or to plan and stage all aspects of the Olympic Games when hosted in the United States.

In some cases, Olympic-related expenditures by federal agencies were made using funds specifically designated by Congress in agencies' authorizing and/or appropriations legislation. In other cases, Olympic-related expenditures were not specifically designated by Congress but were approved by the agencies, generally, in accordance with their normal funding procedures. However, in some cases it was difficult to determine the amount of federal funding and support because federal agencies generally did not track or report their funding and support for the Olympic Games, except when they were specifically requested to do so by the Office of Management and Budget (OMB). OMB began requesting federal agencies to report to it regarding how much federal funding and support they had provided after the 1984 Summer Olympic Games. Although GAO found this reported information to be helpful, in some cases the information that the agencies provided to OMB for the 1996 Summer Olympic Games was not always complete or reported in a consistent manner.

Federal funding and support were used in accordance with statutory authority and applicable requirements for three of the five 1996 Summer Olympic Games projects that GAO specifically reviewed for this purpose. Of the remaining two projects reviewed, the expenditures for one were not in accordance with the underlying statutory authority and expenditures for the other did not comply with all applicable administratively imposed requirements.

This report contains matters for congressional consideration and recommendations to the Director of OMB, the Administrator of the General Services Administration (GSA), and the Secretary of Veterans Affairs (VA) to address these issues. Most of the agencies that provided comments on a draft of this report provided technical changes that we incorporated where appropriate. However, GSA, VA, and the U.S. Disabled Athletes Fund, Inc., disagreed with our conclusion that GSA's and VA's use of federal funds for Paralympic-related activities was not in accordance with statutory or administratively imposed requirements. GSA also disagreed with our recommendation that it take action to ensure the appropriate use of federal funds for the Olympic and Paralympic Games.

Principal Findings

Almost \$2 Billion in Federal Funding and Support Provided or Planned for Los Angeles, Atlanta, and Salt Lake City Olympic Games

The federal government provided about \$75 million in funding and support for the 1984 Summer Olympic Games in Los Angeles; the majority of this funding was used to help provide safety- and security-related services during the Games. The \$75 million in federal funding and support would not have been provided if the 1984 Summer Olympic Games had not been held in the United States.

In contrast, the majority of the federal funding and support that were provided for the 1996 Summer Olympic Games, which were held in Atlanta, and planned for the 2002 Winter Olympic Games in Salt Lake City, is reported to be for infrastructure projects in preparing the host cities for the Olympic Games—projects that did or will benefit the host cities and their states after the Games. For example, the federal government provided about \$609 million for the 1996 Summer Olympic Games in Atlanta, of which about \$424 million was spent for highway, transit, public housing, and other capital improvements. Similarly, the federal government has provided or plans to provide about \$1.3 billion for the 2002 Winter Olympic Games in Salt Lake City, of which about \$1 billion has been provided or is planned for highway and transit projects that Utah and Salt Lake City officials wanted to have completed in time for the Games. According to federal officials, the majority of the funds would have been provided to the host cities and states for infrastructure projects, such as highways and transit systems, regardless of the Olympic Games because many of the projects had been planned long before the cities were selected to host the Games. However, some federal officials were not always able to document which of the specific infrastructure projects would or would not have been funded if the Olympic Games were not held.

No Governmentwide Law or Policy on Federal Funding and Support for the Olympic Games

No governmentwide law or policy exists that defines the federal government's overall role in funding and supporting the Olympic Games when hosted in the United States. Nonetheless, many federal agencies have been involved in helping to fund and support various aspects of the Olympic Games when hosted in the United States. Historically, the state and local governments and Olympic organizing committees have not had enough resources to provide the infrastructure improvements necessary to prepare the host city or to plan and stage all aspects of the Olympic Games; thus, requests for federal assistance have been made.

In some cases, Congress has specifically designated funds for the Olympic Games. For example, Congress specifically designated about \$690 million of the almost \$2 billion in federal funding and support provided for the 1984 and 1996 Summer Olympic Games and planned for the 2002 Winter Olympic Games. The remaining \$1.3 billion was approved by federal agencies, generally in accordance with their normal funding procedures.

Although decisions regarding federal funding and support have generally been made by Congress or federal agencies on a project-by-project basis, for the 1996 Summer Olympic Games and the 2002 Winter Olympic and Paralympic Games, the President established a White House task force chaired by the Vice President and co-chaired by the Assistant to the President and Cabinet Secretary and the Assistant to the President and Director of Intergovernmental Affairs to coordinate federal involvement in the Olympic Games. The Task Force comprises representatives from OMB and various other federal agencies. There is no statutory requirement for a single federal agency to oversee and monitor the appropriateness of federal funding and support for the Olympic Games. In addition, GAO found that federal agencies generally did not track or report their funding and support for the Olympic Games, except when they were specifically requested to do so by OMB. After the 1984 Summer Olympic Games, OMB began requesting federal agencies to report to it regarding how much federal funding and support they provided for the Olympic Games when hosted in the United States.

Although this reported information was helpful, in some cases, the information that the agencies provided to OMB for the 1996 Summer Olympic Games was not complete or provided in a consistent manner. For example, OMB reported federal expenditures of about \$329 million for the 1996 Summer Olympic Games. However, information GAO collected from the agencies after these Olympic Games showed that the federal government spent about \$609 million, which is a difference of \$280 million. One reason for the difference is that OMB's request for data was made before the 1996 Summer Olympic Games, and OMB did not collect additional information after the Games.

Federal Agencies Did Not Use Funds Appropriately for Two of Five Olympic-Related Projects GAO Reviewed

As agreed with its requesters, GAO evaluated five projects that were part of the 1996 Summer Olympic Games and determined that three of the five projects were carried out in accordance with the underlying statutory authority and were consistent with applicable requirements. These three projects were the development of the Ocoee Whitewater Slalom venue, use of federal employees to provide security, and payment of Paralympic Games' opening ceremony entertainer costs. Although GAO determined

that the Ocoee project was funded in accordance with the law, there are no studies or evaluations showing that the expenditures to build the Ocoee Whitewater Slalom venue would have benefited or did benefit public use after the 1996 Summer Olympic Games.

For the remaining two projects, GAO determined that one did not comply with the applicable administratively imposed requirements, and that the other was not in accordance with the underlying statutory authority. Specifically, GAO determined that GSA's use of about \$2 million to pay the salaries of APOC staff was not consistent with the express language of the Memorandum of Agreement that stated GSA would not pay the salaries of APOC employees. In the case of the other project, GAO determined that VA's use of a \$2 million special purpose grant for veterans that was used to largely assist nonveterans during the 1996 Paralympic Games was not consistent with a provision in the conference report that was incorporated into the Appropriations Act for Fiscal Year 1995. This provision stated that the \$2 million was "for the assistance of veterans who are participating in the 1996 Paralympic Games."

Matters for Congressional Consideration

Despite the lack of a specifically authorized governmentwide role in the Olympic Games, the federal government has, in effect, become a significant supporter of the Games when hosted in the United States. Accordingly, Congress may want to consider enacting legislation to establish a formal role for the federal government and a governmentwide policy regarding federal funding and support for Olympic Games when hosted in the United States.

Recommendations

GAO recommends that OMB (1) track and periodically report to Congress federal agencies' planned and actual funding and support for the Olympic Games hosted in the United States, beginning when a U.S. city is awarded the right to host the Games through the completion of the Games and (2) provide guidance to agencies on what data should be compiled to ensure consistency and completeness, and request all federal agencies to provide information, including those that do not normally report to OMB. GAO also recommends that GSA and VA implement policies and controls to ensure the appropriate use of federal funds for the Olympic and Paralympic Games hosted in the United States.

Agency Comments

GAO provided copies of a draft of this report to the heads of the federal agencies that provided federal funding and support for the Olympic Games; OMB; the White House Task Force on the 2002 Winter Olympic and Paralympic Games; the Salt Lake City Olympic Organizing Committee; the Los Angeles Olympic Organizing Committee; the U.S. Olympic

Committee; and the U.S. Disabled Athletes Fund, Inc., for comment. GAO's summary of the comments it received and its evaluation of these comments are included at the end of chapter 5.

Most of the agencies and organizations with comments provided technical changes regarding the amount of federal funding and support provided to the Olympic Games, which GAO made where appropriate. OMB concurred with GAO's recommendations to it. However, GSA disagreed with GAO's conclusion that its use of federal funds to pay the salaries of APOC staff was not consistent with the express language of the Memorandum of Agreement, which stated that GSA would not pay the salaries of APOC staff. GSA did not provide any additional information or explanation that would cause GAO to change its conclusion.

VA agreed with GAO's recommendation but believed that its use of federal funds designated for veterans, which were used to assist nonveterans during the 1996 Paralympic Games, was consistent with congressional intent. GAO believes that there is no legal basis for changing its conclusion that VA's use of these funds was inconsistent with the applicable statutory provision.

The U.S. Disabled Athletes Fund, Inc., also expressed concern regarding how GAO addressed several issues associated with the Paralympic Games. However, it did not provide a basis for changing any of GAO's conclusions.

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Abbreviations

ACOG	Atlanta Committee for Olympic Games
APOC	Atlanta Paralympic Organizing Committee
CNCS	Corporation for National and Community Services
CRS	Congressional Research Service
DOD	Department of Defense
DOE	Department of Energy
DOT	Department of Transportation
EPA	Environmental Protection Agency
FBI	Federal Bureau of Investigation
FCC	Federal Communications Commission
FEB	Federal Executive Board
FEMA	Federal Emergency Management Agency
GSA	General Services Administration
HHS	Department of Health and Human Services
HUD	Department of Housing and Urban Development
IOC	International Olympic Committee
ITS	Intelligent Transportation Systems
LAOC	Los Angeles Olympic Organizing Committee
MARTA	Metropolitan Atlanta Rapid Transit Authority
MOA	Memorandum of Agreement
OIG	Office of Inspector General
OLC	Office of Legal Counsel
OMB	Office of Management and Budget
OSTS	Olympic Spectator Transit System
OTS	Olympic Transportation System
PDD 62	Presidential Decision Directive 62
SLOC	Salt Lake City Olympic Organizing Committee
SSA	Social Security Administration
TEA-21	Transportation Equity Act of the 21 Century
TVA	Tennessee Valley Authority
USDA	United States Department of Agriculture
USIA	U.S. Information Agency
USOC	U.S. Olympic Committee
VA	Department of Veterans Affairs

Introduction

Concerned about the rising costs of federal funding and support for the Olympic Games over the years and the appropriateness of funding for certain projects, you requested that we review federal funding and support for the 1984 Summer Olympic Games held in Los Angeles, CA; the 1996 Summer Olympic Games held in Atlanta, GA; and the planned 2002 Olympic Winter Games in Salt Lake City, UT. In response, this report answers the following questions:

- What were the amounts of federal funding and support provided to the 1984 and 1996 Summer Olympic Games, and planned for the 2002 Winter Olympic Games,¹ and the types of projects and activities that were funded and supported?
- What are the federal policies, legislative authorizations, and agency controls in place for providing the federal funds and support to the Olympic Games?

In addition, you requested that we use our professional judgment to select and review some of the Olympic-related projects and activities to determine if federal funding and support were provided in accordance with the underlying laws and applicable requirements. Accordingly, we selected and evaluated the following five projects: (1) development of the Ocoee Whitewater Slalom venue for the 1996 Summer Olympic Games, (2) use of federal employees to provide security during the 1996 Summer Olympic Games, (3) payment of Atlanta Paralympic Organizing Committee (APOC) staff salaries, (4) payment of Paralympic Games' opening ceremony entertainer costs, and (5) veterans assistance during the Paralympic Games.

When reviewing the data in this report, several points need to be considered. First, it was not possible to precisely calculate the total amount of federal funding and support for the Games because there is no requirement nor was there any federal agency that determined or accounted for this information in a systematic manner.² Consequently, some costs, such as personnel costs, were included by some agencies, but not included by other agencies in their information. Second, we were dependent upon the federal agencies to identify and determine how much

¹ The 1996 Summer Olympic Games and the planned 2002 Winter Olympic Games also include the Paralympic Games. The Paralympic Games were not a part of the 1984 Olympic Games.

² Although it is beyond the scope of this report, some of the federal spending is likely to be offset by increased revenue resulting from the Olympic Games being held in the United States. For example, foreign tourists who otherwise would not have visited the United States could generate additional revenue for the federal government.

of the federal funding and support was provided or planned for the Olympic Games and how much federal funding and support would have been provided to the host cities regardless of the Games.

Third, each of the Olympic Games varied widely in terms of size, scope, and location; thus, comparisons among the events would be difficult. Fourth, much of the federal funding and support reported for the 2002 Winter Olympic Games is planned and may change between when we collected our data and 2002. This accounts for some of the changes in planned, expended, and congressionally designated amounts identified in this report as compared with the preliminary information in our December 1999 report on federal funding and support provided for the Olympic Games.³ Fifth, all financial information presented in this report is reported in constant 1999 dollars, except where noted.⁴

Background

The Olympic Games take place every 4 years with the Summer Olympic Games and the Winter Olympic Games being held on an alternating 2-year cycle. These Games are competitions between athletes in individual or team events, not between countries and are the exclusive property of the International Olympic Committee (IOC). The IOC owns all rights, including the organization, broadcasting, recording, representation, and reproduction of the Olympic Games. The rights to host the Olympic Games are awarded by the IOC to a host city, not to its country. For example, Salt Lake City will host the 2002 Winter Olympic Games, not the U.S. government.

In the United States, the Amateur Sports Act gives the U.S. Olympic Committee (USOC), among other things, exclusive jurisdiction over all matters pertaining to the participation of the United States in the Olympic Games, including the representation of the United States in such Games and the organization of the Olympic Games when they are held in the United States. The purpose of the Amateur Sports Act was to address amateur athletic activity in the United States. It was not intended to address or define the appropriate role of the federal government in supporting and funding the Olympic Games. Nor is there any other governmentwide legislation or policy that addresses this issue.

³ Olympic Games: Preliminary Information on Federal Funding and Support (GAO/GGD-00-44, Dec. 21, 1999).

⁴ Our conversion to 1999 dollars is less than precise in some cases because the yearly data were not always available for each of the Olympic Games. Also, in some cases, the numbers may not total because of rounding.

The federal government has no formal role in the selection of the U.S. city that is chosen to submit a bid to the IOC to host the Olympic Games. According to IOC's charter, only a city that is approved by the National Olympic Committee⁵ can apply to host the Olympic Games. The IOC's charter further states that in the event that there are several candidates in one country that are bidding on the same Olympic Games, the National Olympic Committee is responsible for determining which city may submit a bid to host Olympic Games. In the United States, once USOC selects the city that may submit a bid to the IOC to host the Games, according to USOC officials, the President of the United States, as a matter of formality, concurs with that decision and submits a letter to the IOC recommending that the U.S. city be selected.

Although governments in other nations generally play a major role in organizing and financing the cost of hosting the Olympic Games when one of their cities is selected, in the United States, it is generally the responsibility of the host city, not the federal government. For example, the New South Wales⁶ government is the underwriter for hosting the 2000 Summer Olympic Games in Sydney. As such, the New South Wales government is to finance the cost of providing venues; facilities; infrastructures; and government services, such as transportation, security, and health. According to data obtained from the Salt Lake City Olympic Organizing Committee (SLOC),⁷ the New South Wales government plans to contribute about 57 percent of the \$5.18 billion that is needed to host the 2000 Games in Sydney, and the Japanese government contributed about 58 percent of the estimated \$2.84 billion to host the 1998 Winter Olympic Games in Nagano, Japan. According to SLOC's data, these cost estimates do not include the governments' costs for national security and transportation.

According to a Congressional Research Service (CRS) report,⁸ significant U.S. federal funding and support for security-related services and other projects and activities related to hosting the Olympic Games essentially began with the 1960 Winter Olympic Games. Before that time, state, local, and private sources provided all of the financing of the Games, dating back

⁵ In the United States, USOC is the National Olympic Committee.

⁶ New South Wales is one of Australia's eight states and territories and is home to Sydney, which is the host city for the 2000 Summer Olympic Games.

⁷ SLOC is the private organization established by Salt Lake City and USOC to plan and stage the 2002 Winter Olympic Games.

⁸ The Financing of Olympic Games Held in the United States, 1904-1960: A Brief Overview, Congressional Research Service, Feb. 3, 1997.

to when the Olympic Games were first held in the United States in St. Louis, MO, in 1904.⁹ According to the CRS report, two fiscal developments occurred at the time of the 1960 Winter Olympic Games in Squaw Valley, CA, that profoundly affected the cost and financing of hosting the Olympic Games. These developments were the inauguration of the sale of television broadcast rights in the Olympic Games and the introduction of federal financing and military assistance for the Games.

The resulting televised, worldwide spotlight and access to federal assistance encouraged the Squaw Valley Olympic organizers and subsequent host city organizers to produce bigger, more spectacular, and more costly Olympic Games than the one before, according to CRS reports. As a consequence, Olympic- and host city-related planning, construction, and security costs soon outpaced state, local, and private resources. To cover the difference, state, local, and private entities relied increasingly on the federal government for assistance. For example, according to CRS data, the federal government provided about \$20 million, or about 25 percent, of the approximately \$80 million spent to host the 1960 Winter Olympic Games in Squaw Valley. About \$16 million in federal funds was used to construct the Olympic Sports Arena, and almost \$4 million was used for armed forces equipment and personnel. Such federal assistance has continued to this day, as discussed in chapter 2.

The Paralympic Games are held immediately after the Olympic Games and are for disabled athletes. Although organized separately, the 1996 Summer Olympic Games marked the first time that the Paralympic Games were held in conjunction with the Olympic Games in the United States. On October 21, 1998, the Amateur Sports Act was amended to incorporate the Paralympic movement under the umbrella of USOC.¹⁰ On May 27, 1997, SLOC was awarded the rights to host the Paralympic Games.

⁹ Since 1904, a U.S. city has been selected to host the Olympic Games eight times—more than any other country. In 1904, St. Louis, MO, hosted the first Olympic Games held in the United States, followed by Lake Placid, NY, which held the Winter Olympic Games in 1932. Los Angeles, CA, held the Summer Olympic Games in 1932; Squaw Valley, CA, held the Winter Olympic Games in 1960; Lake Placid, NY, held the Winter Olympic Games in 1980; Los Angeles, CA, held the Summer Olympic Games in 1984; Atlanta, GA, held the Summer Olympic Games in 1996; and Salt Lake City, UT, plans to hold the Winter Olympic Games in 2002.

¹⁰ P. L. 105-277.

Objectives, Scope, and Methodology

As you requested, this report discusses the following objectives:

- To determine the amounts of federal funding and support provided to the 1984 and 1996 Summer Olympic Games, and planned for the 2002 Winter Olympic Games; and the types of projects and activities that were funded and supported.
- To determine the federal policies, legislative authorizations, and agency controls in place for providing the federal funds and support to the Olympic Games.

In addition, you requested that we use our professional judgment to select and review some of the Olympic-related projects and activities to determine if federal funding and support were provided in accordance with the underlying laws and applicable requirements. Accordingly, we selected and evaluated the following five projects: (1) development of the Ocoee Whitewater Slalom venue for the 1996 Summer Olympic Games, (2) use of federal employees to provide security during the 1996 Summer Olympic Games, (3) GSA's payment of APOC staff salaries, (4) the Department of Education's payment of Paralympic Games' opening ceremony entertainer costs, and (5) the Department of Veterans Affairs' (VA) assistance of nonveterans during the Paralympic Games.

To address the first 2 objectives, we made a governmentwide inquiry by contacting the Office of Management and Budget (OMB) and 24 other federal agencies regarding their federal funding and support for the Olympic Games. Additionally, we researched legislative databases dating back to 1979; reviewed numerous reports; and interviewed the appropriate federal, state, and local government officials and representatives of several private organizations to identify, document, and discuss the federal government's involvement with the Olympic Games held in Los Angeles in 1984 and Atlanta in 1996, and planned for Salt Lake City in 2002.

The following federal agencies reported some federal funding and support for the Olympic Games:

- Corporation for National and Community Services (CNCS)
- Department of Agriculture (USDA)
- Department of Commerce (Commerce)
- Department of Defense (DOD)
- Department of Education (Education)
- Department of Energy (DOE)
- Department of Health and Human Services (HHS)

- Department of Housing and Urban Development (HUD)
- Department of the Interior (Interior)
- Department of Justice (Justice)
- Department of Labor (DOL)
- Department of State (State)
- Department of Transportation (DOT)
- Department of the Treasury (Treasury)
- Department of Veterans Affairs (VA)
- Environmental Protection Agency (EPA)
- Federal Communications Commission (FCC)
- Federal Emergency Management Agency (FEMA)
- Federal Executive Board (FEB)
- General Services Administration (GSA)
- Social Security Administration (SSA)
- Tennessee Valley Authority (TVA)
- U.S. Information Agency (USIA)¹¹
- U.S. Postal Service (Postal Service)

At each of these agencies, we obtained, to the extent possible, supporting information for the agencies' planned; approved; and actual funding and expenditures for the Olympic Games as shown in agency records, such as budget allocations, grant applications and awards, contracts, and corresponding expenditure reports. We used this information to document and describe federally funded or supported Olympic-related projects or activities. Because of the large number of federal agencies and projects and activities related to the Olympic Games, our verification of the information provided by the agencies generally consisted of collecting and reviewing available supporting documentation to determine whether agency policies and procedures for authorizing, distributing, and accounting for federal funding and support for Olympic-related projects and activities were in place. In some cases, such documentation was not always available. For example, in the case of the 1984 Olympic Games, OMB data were generally the only information available at the time of our review. Although information was generally available for the 1996 Summer Olympic Games and the 2002 Winter Olympic Games, some of the information on federal funding and support for the 2002 Games is preliminary and, therefore, are, subject to change.

We also interviewed officials from the Amateur Athletic Foundation of Los Angeles,¹² the Atlanta Committee for Olympic Games (ACOG), SLOC,

¹¹ The U.S. Information Agency was dissolved, and its activities were incorporated into the Department of State in October 1999.

USOC, and the U.S. Disabled Athletes Fund, Inc., regarding any information that they maintained on federal funding and support for the Los Angeles, Atlanta, and Salt Lake City Olympic Games and the Paralympic Games. Further, we interviewed members of the White House Task Force on the 2002 Winter Olympic and Paralympic Games regarding the task force's role in approving and monitoring the use of federal funds provided to the Olympic Games. Finally, we contacted CRS staff who had previously issued several reports¹³ on federal funding and support for the Olympic Games. We expanded upon the information that CRS reported by obtaining additional details and updating the information.

Our third objective was to determine whether the federal funds and support provided for five Olympic-related projects and activities that were part of the 1996 Summer Olympic and Paralympic Games were actually used in accordance with the underlying laws and administrative requirements. Our evaluation included only the five projects discussed below; we did not evaluate the other Olympic-related projects and activities discussed in this report. Specifically, we selected the Ocoee Whitewater Slalom venue because the U.S. Forest Service (Forest Service) paid for the majority of the venue's construction cost, which is ordinarily the responsibility of the Olympic organizing committee. We also selected the use of (1) federal employees to provide security during the Olympic Games while remaining on their respective agencies payroll and (2) federal funds by VA to assist nonveterans during the Paralympic Games because the authority for agencies to use federal resources for these purposes was unclear and appeared to be somewhat unusual relative to the missions of the agencies involved. Finally, we selected the payment of Paralympic Games' opening ceremony entertainer cost because the use of federal funds to pay for entertainment can be inconsistent with certain appropriations law principles. We subsequently reviewed appropriations statutes; enabling legislation; agency policies, procedures, and regulations; and the cognizant agency's financial records and correspondence files to determine whether the funding and support provided was in accordance with the underlying laws and applicable requirements.

We requested comments on a draft of this report from the heads of the 24 federal agencies previously listed,¹⁴ OMB, the White House Task Force on

¹² The Amateur Athletic Foundation of Los Angeles is the successor to the 1984 Los Angeles Olympic organizing committee.

¹³ For example, CRS Report for Congress: Federal Financing of the 1996 Atlanta Summer Olympic Games, CRS, Sept. 22, 1998.

¹⁴ Excluding the U.S. Information Agency, which is now incorporated into the Department of State.

2002 Winter Olympic and Paralympic Games, SLOC, the Amateur Athletic Foundation of Los Angeles, USOC, and the U.S. Disabled Athletes Fund, Inc. We received written comments on the substance of the draft from OMB, VA, GSA, the U.S. Disabled Athletes Fund, Inc., SLOC, and the National Aeronautics and Space Administration. Their comments are discussed in chapter 5 and reprinted in appendixes IV through IX.

We also received written or oral comments of a technical nature from USDA, DOD, DOE, HHS, the Interior, Justice, DOL, DOT, the Treasury, EPA, FEMA, TVA, the Amateur Athletic Foundation of Los Angeles, and the White House Task Force on the 2002 Winter Olympic and Paralympic Games. We incorporated these comments in this report as appropriate. In addition, in August 2000, we were informed orally or in writing that CNCS, Education, HUD, the State Department, FCC, the Postal Service, SSA, and USOC had no comments on the report. Regarding Commerce, the GAO Liaison said, on August 25, 2000, that, with the exception of the National Weather Service, none of Commerce's components had comments on the report. According to this official, the National Weather Service had not indicated whether or not it had comments.

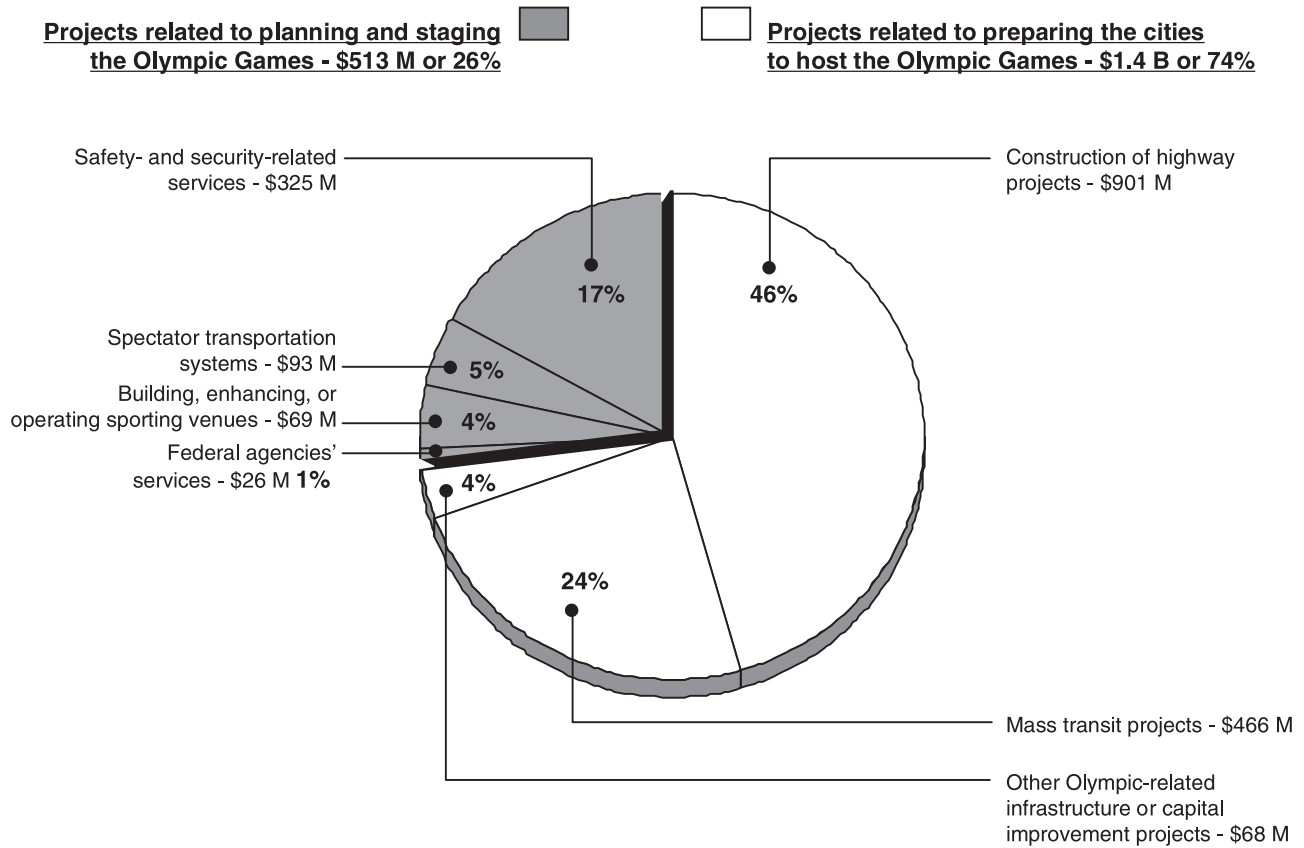
We conducted our review in Atlanta, GA; Denver, CO; Los Angeles, CA; Salt Lake City, UT; and Washington, D.C., from April 1999 through August 2000 in accordance with generally accepted government auditing standards.

Almost \$2 Billion in Federal Funding and Support Provided or Planned for 1984 and 1996 Summer and 2002 Winter Olympic Games

Overall, the federal government provided or plans to provide almost \$2 billion in federal funding and support, as measured in 1999 constant dollars, for Olympic-related projects or activities for the 1984 Summer Olympic Games in Los Angeles, 1996 Summer Olympic Games in Atlanta, and the planned 2002 Winter Olympic Games in Salt Lake City. Of the almost \$2 billion, about \$75 million was provided for the 1984 Summer Olympic Games, about \$609 million was provided for the 1996 Summer Olympic Games, and about \$1.3 billion has been provided or planned for the 2002 Winter Olympic Games. In addition, according to data obtained from Olympic organizing committee officials, it cost the organizers another \$602 million to stage the 1984 Summer Olympic Games; \$2 billion for the 1996 Summer Olympic Games; and the 2002 Winter Olympic Games are expected to cost an estimated additional \$1.4 billion.

As shown in figure 2.1, approximately \$513 million of the \$2 billion in federal funding and support is planned or was used for projects or activities related to planning and staging the Olympic Games. These funds generally would not have been provided if the Games were not hosted in the United States. Of the \$513 million, about \$325 million was provided or is planned for safety- and security-related services during the Olympic Games; about \$93 million has been provided or is planned to help provide spectator transportation systems during the Games; about \$69 million has been provided or is planned to help build, enhance, or operate various sporting venues for the Games; and about \$26 million has been provided or is planned for the increase in federal agency services during the Games. The remaining \$1.4 billion of the almost \$2 billion in federal funding and support has been provided or is planned for projects related to preparing the cities of Atlanta and Salt Lake City to host the Olympic Games, as is also shown in figure 2.1. Most of the \$1.4 billion, about \$901 million, has been provided or is planned for the construction of various highway projects in Atlanta and Salt Lake City. In addition, about \$466 million, of the \$1.4 billion, has been provided or is planned for mass transit projects, and about \$68 million was provided or is planned for other Olympic-related infrastructure or capital improvement projects that state and local government officials wanted to have completed in time for the Games. According to federal officials, the majority of the funds would have been provided to the host cities and states for infrastructure projects, such as highways and transit systems, regardless of the Olympic Games because many of the projects had been planned long before the cities were selected to host the Games. However, some federal officials were not always able to document which of the specific infrastructure projects would or would not have been funded if the Olympic Games were not held.

Figure 2.1: Projects Related to Preparing Host Cities for Olympic Games Accounted for Most of the \$2 Billion in Federal Funding and Support



N = \$2 billion in 1999 dollars.

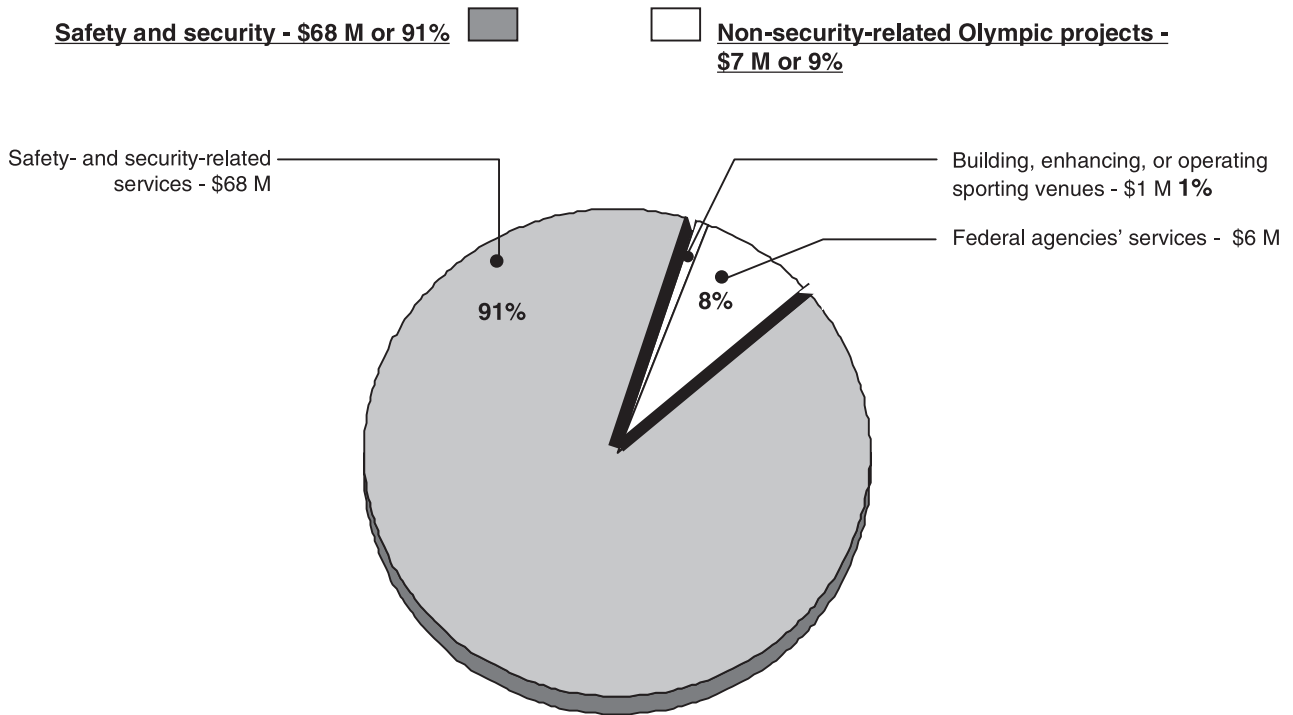
Note: Numbers may not add due to rounding.

Source: OMB and various other federal agencies.

About \$75 Million in Federal Funding and Support Used to Help Plan and Stage the 1984 Summer Olympic Games in Los Angeles

Eleven federal agencies reported to OMB that they provided about \$75 million in federal funding and support (in 1999 dollars) to help plan and stage the 1984 Summer Olympic Games in Los Angeles. Generally, these funds would not have been provided if Los Angeles had not hosted the Games. Most of this funding and support, or about \$68 million, was used to help provide safety- and security-related services during the planning and staging of the Games, and the remaining \$7 million was for non-security-related services, as shown in figure 2.2.

Figure 2.2: Safety- and Security-Related Services Accounted for the Majority of the Federal Funding and Support That Were Provided During the 1984 Summer Olympic Games



N = \$75 million in 1999 dollars.

Source: OMB and various other federal agencies.

According to a DOD official, since the terrorist attack during the 1972 Summer Olympic Games in Munich, providing adequate safety and security during the Olympic Games has become of paramount importance during the staging of the Games. It has also become a major logistical and financial undertaking for the Olympic organizing committees as well as state and local law enforcement agencies. For the 1984 Summer Olympic Games, Los Angeles Olympic organizing committee (LAOC) and state and local law enforcement officials requested assistance from the federal government, in particular DOD. According to LAOC officials, requests for federal assistance were made because they did not have the resources to provide the personnel, expertise, equipment, and supplies to protect the hundreds of athletes and foreign dignitaries as well as to secure the 3 Olympic villages and 23 venues that were spread over a 500-square-mile area.

In response to LAOC and state and local officials' requests, DOD provided about \$47 million of the \$68 million in federal funds that were used for safety- and security-related services. Some of the types of support provided by DOD included communications equipment; Olympic village intrusion-detection devices; bomb-detection and disposal services; and aviation support and equipment, such as helicopters, lights, and flight gear, that the local law enforcement agencies said they could not provide. Other federal law enforcement agencies, such as the Federal Bureau of Investigation (FBI), U.S. Customs Service, and U.S. Secret Service also provided safety- and security-related services for the 1984 Summer Olympic Games.

The remaining \$7 million were provided for non-security-related services of which about \$1 million was used to help enhance or operate selected Olympic sporting events, and about \$6 million was used to cover the increases in agencies' workloads caused by the increase in the number of visitors to Los Angeles during the Games. For example, USDA's Animal and Plant Health Inspection Service provided inspection and quarantine services for the horses participating in the Olympic equestrian events. The National Oceanic and Atmospheric Administration provided special weather forecasting services for all of the events. Other federal agencies, such as USIA, increased their normal agency services to promote international understanding and relations among the spectators by increasing the number, frequency, and distribution of public information programs during the Olympic Games.

Unlike the Olympic Games in Atlanta and Salt Lake City, federal agencies did not report any federal funding or support for highway, mass transit, or other capital improvement projects in Los Angeles as being Olympic-related. According to former LAOC officials, Los Angeles city officials did not develop, modify, or accelerate the city's planned highway, transit, or other capital improvement projects to prepare the city to host the Games.

According to LAOC officials, Los Angeles city officials believed that host cities for Olympic Games held before 1984 often overextended themselves by trying to complete state-of-the-art Olympic venues and related capital improvement projects. Such action pushed those host cities into debt that remained long after the Olympic Games were over. As a result, Los Angeles city officials decided that they (1) would not undertake any new construction or capital improvements specifically for the Olympic Games and (2) would encourage spectators to use the transit or bus systems in place at the time or simply drive their cars to the Olympic events. To further support their decision, city officials included a clause in their host

city contract with the IOC, stating that the city would not permit any Olympic-related capital improvement projects, unless each project was fully and privately funded in advance of its construction.

In addition to the \$75 million in federal funding and support, LAOC also received about \$53 million of the \$107 million from the sale of Olympic commemorative coins by the U.S. Mint.¹ In oral comments on a draft of this report, on August 28, 2000, the President of the Amateur Athletic Foundation of Los Angeles said that USOC received the remaining \$54 million. The Mint earned a profit of \$15 million from the Commemorative Coin Program. Congress authorizes a Commemorative Coin Program primarily as a means of honoring certain events and individuals and raising funds for the coins' sponsors. Under the Commemorative Coin Program in effect at the time that the Los Angeles Olympic coin was produced, income from surcharges, which were included in the coin's price, was paid to sponsoring agencies, such as the Olympic organizing committees. According to a Mint official, the \$107 million is considered non-taxpayer funds because the Commemorative Coin Program receives no appropriated funds. Therefore, we have not included these funds as part of the \$75 million in federal funding and support provided to the 1984 Summer Olympic Games.

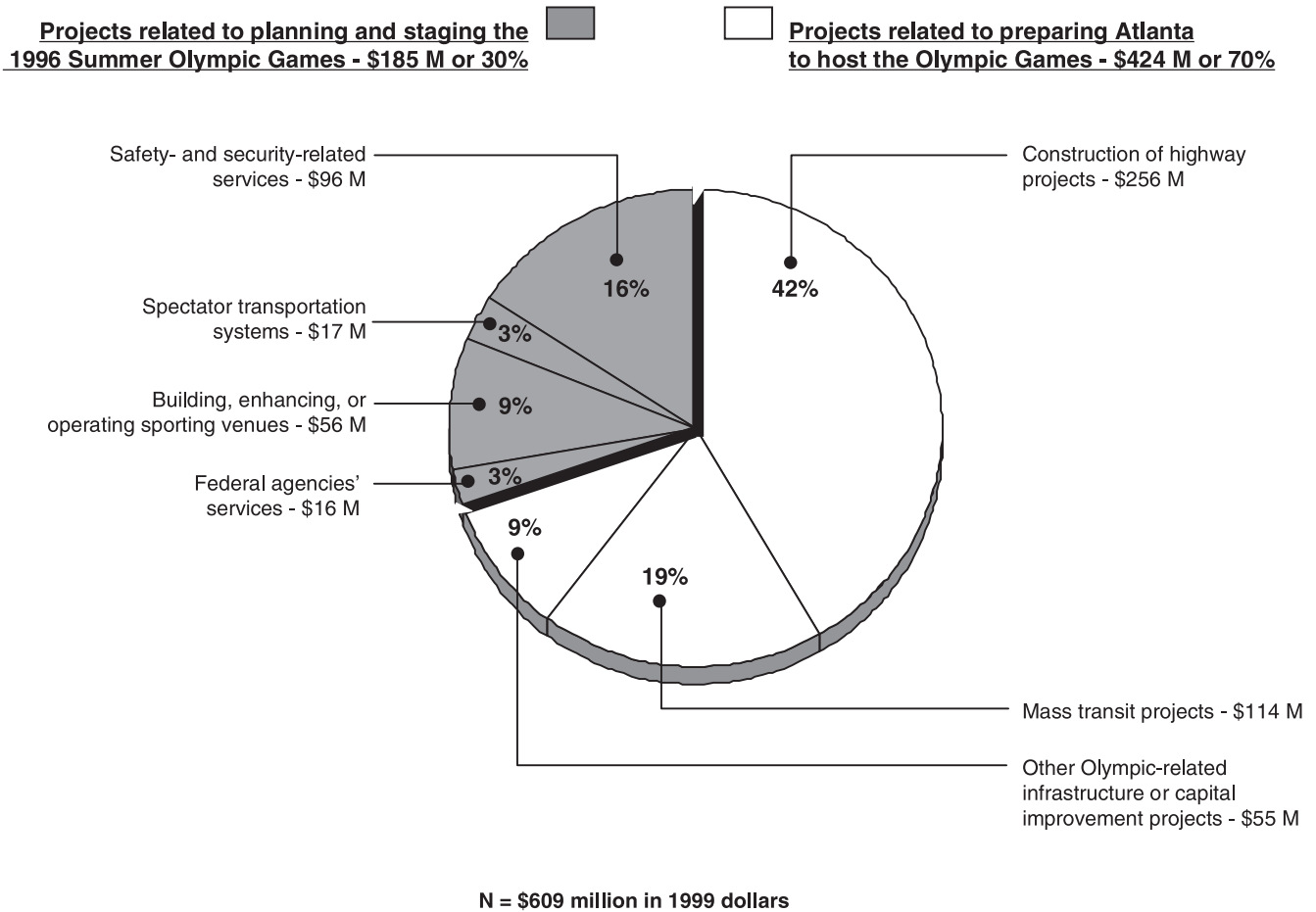
Appendix I provides detailed information on the amounts and types of federal funding and support that the 11 federal agencies provided to the 1984 Summer Olympic Games.

About \$609 Million in Federal Funding and Support Provided for the 1996 Summer Olympic Games in Atlanta

Twenty-four federal agencies reported providing about \$609 million in federal funding and support (in 1999 dollars) for the 1996 Summer Olympic Games in Atlanta. About \$185 million of these funds was for projects and activities related to planning and staging the Games. The remaining \$424 million was provided for projects, such as highways, transit systems, and other capital improvements, that were related to preparing the host city for the Games and that state and local government officials wanted to have completed in time for the Olympics Games (see fig. 2.3).

¹ U.S. Mint: *Commemorative Coins Could Be More Profitable* (GAO/GGD-96-113, Aug. 7, 1996).

Figure 2.3: Projects Related to Preparing Atlanta to Host the 1996 Summer Olympic Games Accounted for the Majority of the Federal Funding and Support



Note: Numbers may not add due to rounding.

Source: OMB and various other federal agencies.

According to DOT and other agency officials, most of the \$424 million provided for highway, transit, and other capital improvement projects would eventually have been provided, regardless of whether Atlanta was selected as the host city for the 1996 Olympic Games. However, these officials identified these specific projects as Olympic-related because their completion generally had to be accelerated for Atlanta to successfully host the Games. However, DOT officials stated that the \$17 million spent on the Olympic Transportation System would not have been provided if the Olympic Games had not been held in the United States. In addition, \$22 million provided for the construction of the Ocoee Whitewater Slalom

venue for the 1996 Summer Olympic Games also appears to fall into this category.

Appendix II provides detailed information on the amounts and types of federal funding and support that 24 federal agencies provided to the 1996 Summer Olympic Games.

About \$185 Million in Federal Funding and Support Provided for Projects and Activities Related to Planning and Staging the Games

The federal government was involved in virtually all aspects of planning and staging the 1996 Olympics Games in Atlanta. As shown in figure 2.3, about \$185 million of the \$609 million in federal funding and support was used to help (1) provide safety- and security-related services during the Games; (2) build, enhance, and operate venues for the Games; (3) transport spectators to and from the sporting venues; and (4) meet the increase in agencies' workloads caused by an increase in the number of visitors to Atlanta during the Olympics.

Federal Agencies Provided About \$96 Million for Safety- and Security-Related Services During the Games

The federal government spent about \$96 million to help provide safety- and security-related services during the 1996 Summer Olympic Games. As with the Games in Los Angeles, safety and security issues related to the Olympic Games in Atlanta were of significant concern to the federal government, particularly because of the size, scope, and magnitude of the event. The 1996 Summer Olympic Games were the largest Olympic event at that time, with (1) 31 venues located in 8 cities from Miami, FL, to Washington D.C.; (2) more than 10,700 athletes from 197 countries; and (3) daily visitors to the Games reaching a high of more than 750,000 people. Consequently, according to federal law enforcement officials, federal funding and support were needed because ACOG and the state and local jurisdictions did not have the resources or expertise to adequately plan and implement the necessary security requirements.

Among the federal agency officials, DOD officials reported providing the largest amount of funds and support—\$36 million—for safety- and security-related services for the 1996 Summer Olympic Games. Included in the \$36 million were the incremental costs associated with providing about 15,000 military personnel from 45 states and territories. Incremental costs were those incurred above the usual personnel salary, benefits, and related expenses and included costs such as extra travel, per diem, supplies, and equipment to support the Games. At the peak of the Olympic Games, about 6,500 troops were involved with providing security at the venues. According to a DOD report,² this was the first time that DOD had provided

² FORSCOM and the 1996 Summer Olympic Games, DOD, May 1999.

military forces to supplement the local security forces supporting the Olympic Games.

Another 1,000 troops were also used as bus drivers to transport athletes, coaches, officials, and military and law enforcement personnel to various Olympic venues. According to DOD officials, military personnel were used as bus drivers because ACOG and local law enforcement agencies could not provide them. The estimated cost to provide the military bus and van drivers was \$978,450, including \$105,800 for commercial drivers' licenses and \$300,000 for training.

In addition to the military personnel, DOD assisted in the following areas:

- aviation,
- communications,
- explosive ordnance,
- emergency response,
- facilities,
- physical security, and
- training.

Because local sources were not adequate, several federal law enforcement agencies were also requested to provide personnel to help perform safety- and security-related services that normally would have been done by local law enforcement agencies. For example,

- Customs Service officers were used to patrol the Atlanta rapid transit system,
- Deputy U.S. Marshals provided security on selected buses carrying athletes from selected countries or teams considered more at risk, and
- Drug Enforcement Administration officers were used to perform security functions at sporting venues.

Federal law enforcement agencies also increased their staffing levels in carrying out their mission-related responsibilities, such as preventing terrorism and drug interdiction.

Other federal civilian agencies were also called upon to provide safety- and security-related services for the 1996 Summer Olympic Games at a cost of almost \$1.8 million. For example, ACOG requested federal assistance to meet a shortage in security personnel that was identified about 2 months before the Olympic Games were scheduled to start. In response to ACOG's request, the U.S. Attorney General on May 17, 1996, exercised her authority

under 18 U.S.C. sections 112, 1116, and 1201 to request that up to 1,000 federal civilian agency employees in Atlanta help ACOG provide security at the Games. These volunteers were to monitor and operate magnetometers (metal detectors) and assist with the movement of athletes and spectators while they continued to receive their federal salaries.

In addition to providing security personnel, federal funds were also used to support other local law enforcement responsibilities. For example, two grants totaling about \$5.6 million from Justice's Office of Justice Programs were awarded to the Georgia Criminal Justice Coordinating Counsel for Olympic-related activities. One grant for \$1.4 million was for security planning, and the other grant for \$4.2 million was used to pay the overtime costs of the Atlanta Police Department.

About \$56 Million in Federal Funding and Support Provided to Help Build, Enhance, and Operate Olympic Venues

The federal government provided about \$56 million to help build, enhance, and operate several Olympic venues. Most notably, the Forest Service and TVA provided about \$22 million of the approximately \$33 million needed to help build and operate the Ocoee Whitewater Slalom venue, which was located in the Cherokee National Forest in Tennessee. The remaining \$11 million included about \$4 million from the Tennessee Ocoee Development Agency for planning and construction of the venue, about \$2 million from ACOG for television broadcast, and almost \$5 million from Tennessee for venue operations.

According to Forest Service officials, the whitewater rafting event was not on the original list of Olympic sporting events. However, after Tennessee state and local officials approached ACOG and asked that it be included, ACOG agreed to do so, provided it did not have to finance the development and operation of the venue. The state and local officials subsequently approached the Forest Service, TVA, and others to obtain the requisite funding and approvals.

Forest Service officials chose a section of the Ocoee River that was normally not used for whitewater rafting because TVA diverted the water to a power-generating station. The Forest Service then provided about \$17 million to reengineer the riverbed to meet Olympic Games requirements. Specifically, the Forest Service awarded construction contracts to make irreversible changes to the riverbed to (1) reduce the river's width by about one-half, (2) modify the water flow, and (3) make the river "cable-ready" by implanting cables and connections for the media's use during the Games. TVA provided about \$3 million to build the scale model that was used for the venue's overall development and to upgrade facilities at the venue site. TVA then released the required amount of water during the

time of Olympic trials and the Games. To release the water during the 1996 Summer Olympic Games cost TVA an additional approximately \$2 million in lost power-generation revenue.

In addition to the Forest Service and TVA, other federal agencies provided funding and support to help complete, enhance, or operate other venues during the Olympic Games in Atlanta. For example,

- The Natural Resources Conservation Service provided about \$331,000 to purchase flowers, shrubs, and grass for Olympic venues and city parks.
- DOE provided about \$3.5 million for projects associated with energy efficiency and renewable energy. Some of those projects included the installation of solar electrical systems at the Olympic swimming venue and geothermal heat pumps at two Georgia Institute of Technology dormitories in the Olympic village.
- EPA provided about \$313,000 to build a bike path to access the Olympic Centennial Park area and about \$7 million for sewer system construction related to the Olympic stadium.
- The Economic Development Administration provided grants totaling about \$1.2 million for the city to develop sewer and related infrastructure improvements for the area around the Olympic Stadium and grants totaling about \$1.3 million for economic studies and business promotions related to the Olympic Games.
- DOT prepared and posted highway, bridge, and related signs directing traffic to Olympic venues and other Olympic-related locations at a cost of about \$1.6 million.
- The National Oceanic and Atmospheric Administration provided weather forecasting services for all of the events during the staging of the Games at a cost of about \$1.1 million.

Finally, 10 federal agencies provided about \$23 million, or about one-fourth, of the \$84 million required to plan and stage the Paralympic Games, which immediately followed the 1996 Summer Olympic Games. About \$17 million of the approximately \$23 million in funding and support was used to help pay for organizing committee administration costs; opening, closing, and award ceremonies; and other related costs associated with staging the Paralympic Games.

About \$17 Million in Federal Funds Used to Help Provide the Spectator Transportation System During the Games

According to DOT officials, during the 1996 Summer Olympic and Paralympic Games in Atlanta, an estimated 11 million spectators made an estimated 25 million transit trips on a transportation system that was principally funded and supported by the federal government. Specifically, DOT provided approximately \$17 million to state and local transit and transit planning agencies to pay for the delivery, operation, and return of the 1,500 buses, which were borrowed from communities throughout the United States. These buses were used as the principal transportation system for Olympic spectators and Paralympic athletes. The local transit agencies allocated and used about \$11 million for the regular Olympic Games and about \$6 million for the Paralympics Games.

About \$16 Million Provided to Increase Agency Services During the Games

Seven federal agencies provided about \$16 million for increased services during the Olympic Games. Most notable, USIA reported spending almost \$8 million to provide information about the Games. In addition, the Postal Service provided about \$4 million to increase the number of (1) clerks available at post offices close to the venues and (2) deliveries to the Olympic village during the Games. Other agencies, such as the National Park Service, State Department, Federal Aviation Administration, EPA, and Justice, also reported providing a combined total of about \$4 million to increase their normal agency services (see app. II).

About \$424 Million in Federal Funding and Support Used for Projects Related to Preparing Atlanta for the Games

With the worldwide focus on Atlanta, federal, state, and local government officials sought to ensure that highways, transit systems, and other capital improvement projects—especially those critical to supporting the Olympics—were completed before the Games began. Highway, transit, and capital improvement projects, which cost the federal government about \$424 million, accounted for most of the federal funding provided to the 1996 Summer Olympic Games. Federal, state, and local officials told us that these projects were planned to be built regardless of the Olympic Games, but the projects were identified as Olympic-related because they generally received priority funding considerations or accelerated completion schedules.

Specifically, the federal government provided about \$256 million to Georgia to build and repair highways, bridges, and roads and make infrastructure improvements in and around Atlanta in anticipation of the Olympic Games. According to Georgia transportation officials, as soon as Atlanta was selected as the host city for the 1996 Olympic Games, the officials immediately reviewed highway-related projects in the state's 20-year transportation improvement program and identified those projects that would impact on the city's capability to host the Games. They said they made the Olympic-related projects a priority and accelerated their

construction schedules, as needed, to complete them in time for the Games.

In addition, the federal government provided about \$114 million so that three transit projects in Atlanta would be completed in time for the 1996 Olympics Games. The three transit projects were the North Line Rail Extension, the Atlanta University Center Pedestrian Walkway, and the Metropolitan Atlanta Regional Transit Authority Intelligent Transportation System. The North Line Rail Extension assisted in bringing spectators from areas north of Atlanta to the Olympic Circle in downtown Atlanta; the Atlanta University Center Pedestrian Walkway enabled athletes and spectators to more easily reach the Olympic village, venues, and rapid transit system from downtown; and the Metropolitan Atlanta Regional Transit Authority Intelligent Transportation System allowed the administrators to track the use of transit buses during the Olympic Games and provided automated transit information to visitors during and after the Games.

The federal government also provided \$55 million to revitalize, rejuvenate, and restore commercial, residential, and historical areas of Atlanta in time for the 1996 Summer Olympic Games. These projects included revitalizing the portion of the business district leading to the Olympic Centennial Park area; rejuvenating an area containing a dilapidated low-income housing project; and restoring Martin Luther King's residence, including completing the development of a park in his honor. Additionally, during an 18-month period before the Olympic Games, the Postal Service made major renovations to 39 postal facilities at a cost of over \$16 million.

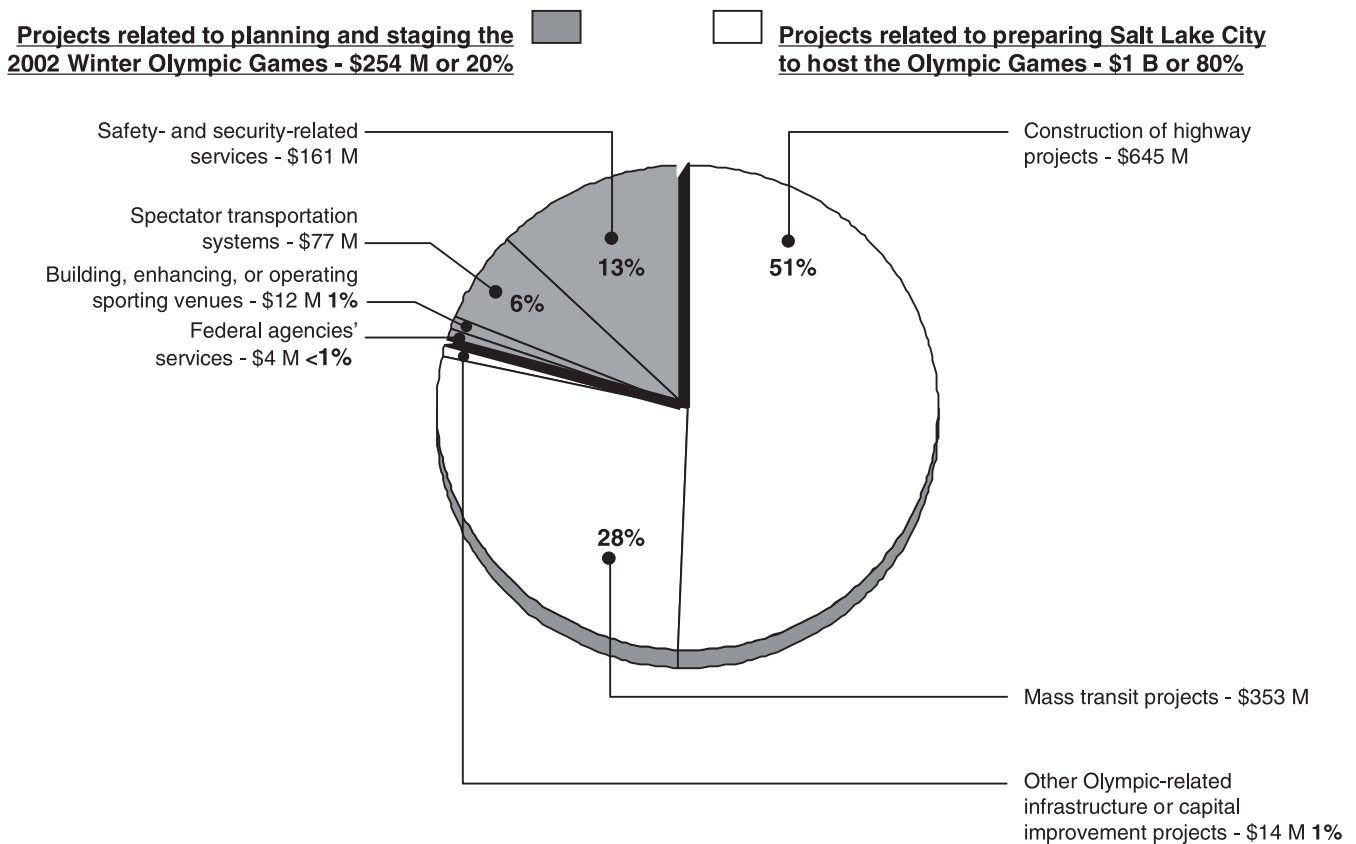
In addition to the \$609 million in federal funding and support, the Mint also provided about \$27 million from the sale of Olympic commemorative coins to ACOG. Unlike the Commemorative Coin Program for the 1984 Summer Olympics, the Mint did not earn a profit from the sale of Olympic commemorative coins to support the 1996 Summer Olympic Games but reported a loss of \$3 million. In 1996, Congress enacted legislation stating that the Mint must first recover all of its costs before any income surcharge can be provided to the designated sponsoring agency.³

³ P.L. 104-208.

Almost \$1.3 Billion of Federal Funding and Support Planned or Provided for the 2002 Olympic Games in Salt Lake City

As of April 2000, federal funding and support provided or planned for the 2002 Olympic Winter Games in Salt Lake City is estimated to be almost \$1.3 billion (in 1999 dollars). Of this amount, about \$254 million has been planned or provided for activities related to planning and staging the Games. The remaining \$1 billion is planned or has been used mostly for highway and transit projects that Utah and Salt Lake City officials wanted to have completed in time for the Olympic Games (see fig. 2.4).

Figure 2.4: As of April 2000, Projects Related to Preparing Salt Lake City to Host the 2002 Winter Olympic Games Accounted for the Majority of the Federal Funding and Support



N = \$1.3 billion in 1999 dollars.

Note: Numbers may not add due to rounding.

Source: OMB and various other federal agencies.

About \$254 Million in Federal Funding and Support Is for Projects and Activities Related to Planning and Staging the 2002 Winter Olympic Games

As was the case for the 1996 Summer Olympic Games, the federal government continues to be involved in the planning and staging for the 2002 Winter Olympic Games in Salt Lake City. Federal agencies have spent or plan to spend about \$254 million in federal funding and support to help (1) provide safety- and security-related services during the Games, (2) transport spectators to the sporting venues, and (3) meet the increased demand for routine federal agency services.

About \$161 Million in Federal Funding and Support Provided or Planned for Safety- and Security-Related Services

As with previous Olympic Games held in the United States, ensuring adequate safety and security continues to be of primary importance to federal, state, and local officials. About 15 federal agencies have spent or plan to spend about \$161 million to ensure the safety and security of the Olympic spectators, officials, and athletes during the 2002 Winter Olympic Games. However, this figure may change because, as of April 2000, final security planning for the Games had not been completed.

The federal government's ability to provide safety- and security-related services to the 2002 Winter Olympic Games will also be affected by Public Law 104-201 and Presidential Decision Directive 62 (PDD 62), which became effective after the 1996 Summer Olympic Games. In past Olympics, DOD was able to provide both security and logistical services as long as these services were within DOD guidelines. However, on September 23, 1996, shortly after the close of the 1996 Summer Olympics, Public Law 104-201 was enacted. The public law included a provision that changed the way in which DOD could provide support for sporting events. Specifically, that provision, found at 10 U.S.C. section 2554, states that

"at the request of a federal, state, or local government agency responsible for providing law enforcement services, security services, or safety services, the Secretary of Defense may authorize the commander of a military installation...to provide assistance for...the Olympics, and any other civilian sporting event in support of essential security and safety at such event, but only if the Attorney General certifies that such assistance is necessary to meet essential security and safety needs."

Section 2554 further provides that the Secretary of Defense may authorize a commander to provide other assistance for a sporting event, provided that

- the needs cannot be reasonably met by a source other than DOD,
- providing such services does not adversely affect the military preparedness of the armed forces, and
- the agency requesting such services agrees to reimburse DOD for providing the assistance.

During our review, the Utah Olympic Public Safety Command⁴ had submitted its initial request for DOD support in nine categories. On July 8, 1999, the Attorney General certified five of the nine categories of support requested. The five certified categories, which were subsequently approved by the Secretary of the Army on August 20, 1999, included

- aviation for deployment of emergency tactical teams,
- communications for law enforcement and public safety,
- explosive ordnance disposal,
- physical security equipment, and
- temporary facilities.

The Attorney General did not certify the request for

- technical experts and training;
- personnel;
- transportation; and
- fire services, emergency medical services, and public works.

These four categories were rejected for various reasons. For example, according to DOD and Justice officials, the transportation category was rejected, in part, because vehicles were available from sources other than DOD. After review by the Attorney General, a letter was sent from Justice to DOD stating which categories were certified and which were not. According to a Justice official, not certifying a category does not mean that no support will be provided. The official stated that an individual request for a specific item or service could still be authorized if it meets the criteria stated in section 2554. As of February 2000, DOD had not received any request for services from any of the certified categories.

The second change affecting the manner in which some federal law enforcement agencies could provide security support was the issuance of PDD-62 on May 22, 1998. PDD-62, a classified document, reaffirms the United States' counter-terrorism policy. According to an unclassified summary of PDD-62, the President directed an integrated approach among federal law enforcement agencies to effectively manage terroristic threats and the consequence of such attacks against U.S. citizens or infrastructure. In addition, regarding security for special events, such as the 2002 Winter Olympic Games, PDD-62 states that the Secret Service has lead agency

⁴ The Utah Olympic Public Safety Command was established in 1998 by Utah state law and has primary and overall responsibility for public safety planning and operations for the 2002 Winter Olympic and Paralympic Games.

responsibility for security planning for some events; the FBI has lead agency responsibility for counter-terrorism; and FEMA has lead agency responsibility for consequence management of terrorist incidents.

About \$77 Million in Federal Funding and Support Provided or Planned for Spectator Transportation to the Games and to Enhance Access to Olympic Venues

As of April 2000, the federal government planned to provide about \$77 million to assist with providing spectator transportation to the 2002 Winter Olympic Games and to help enhance the access or use of venues for the Games. Specifically, federal transit officials plan to request \$47 million in federal funding and support from Congress for a spectator transportation system, park and ride lots, and other infrastructure improvements associated with the 2002 Winter Olympics. As of April 2000, DOT had provided about \$3 million for the spectator transportation system. Although the planned Olympic transportation system is to principally consist of borrowed transit buses, which was the case for the 1996 Olympic Games in Atlanta, the Salt Lake City system is estimated to cost 5 times as much. In total, SLOC plans to request about \$91 million from the federal government for the spectator transportation system to be used during the Games. This funding would be used to pay for transporting the borrowed buses to and from Salt Lake City, additional bus drivers, bus maintenance, construction and operation of park and ride lots, and loading and unloading facilities that are planned to service four of the Olympic venues located in rural, difficult-to-reach areas.

In addition to supporting the spectator transportation system, DOT also plans to provide almost \$20 million to build two access roads to Olympic venues. Specifically, the federal government plans to provide about \$15 million to build the Snowbasin/Trappers Loop Road to provide access to the Alpine and Biathlon Arenas, and about \$5 million for the Winter Sports Park roads, which are to provide access to the bobsled, luge, and ski jump events. Utah transportation officials said that these roads were not on Utah's long-range transportation improvement plan before Salt Lake City was chosen as the host city. DOT also planned to provide about \$10 million to develop an overall Olympic transportation plan.

Several Agencies Plan to Provide Almost \$16 Million to Enhance Venues and Increase Services to Support 2002 Winter Olympic Games

As of April 2000, nine federal agencies expected to increase their services or provide enhancements to Olympic venues in support of the 2002 Winter Olympic Games at an expected cost of almost \$16 million. For example,

- The Forest Service plans to spend over \$7 million for Olympic-related planning to address environmental issues concerning national forest land that is adjacent to many of the 2002 Olympic venues, as well as to deal with the expected increase in visitors due to the 2002 Winter Olympic Games.

-
- The Postal Service plans to spend about \$2 million during the 2002 Winter Olympic Games to cover personnel costs, including overtime resulting from the increase in services during the Games.
 - HUD plans to provide about \$2 million, which SLOC plans to use to help finance the construction of a mixed-income housing project, to house the media during the Games. According to a Salt Lake City housing official, any money SLOC receives from rental fees would be used by the city to subsidize the subsequent purchase of these housing units by low-income families.
 - EPA expects to provide over \$2 million to fund sewer construction for several Olympic venues in and outside of Salt Lake City. According to EPA officials, this construction would not have been necessary if the Games had not been planned.
 - USDA, Justice, the State Department, Interior, EPA, FCC, and the National Oceanic Atmospheric Administration also reported additional costs due to the 2002 Winter Olympic Games that totaled about \$2 million.

About \$1 Billion in Federal Funding and Support Planned or Provided for Projects and Activities Related to Preparing Salt Lake City for the Games

As of April 2000, the federal government planned to provide about \$1 billion in federal funding and support to prepare Salt Lake City for the 2002 Winter Olympic Games. Most of the \$1 billion in federal funding and support was provided primarily to develop, build, and complete major highway and transit improvement projects—especially those projects whose completions were considered critical to the success of the Olympic Games. State and local officials identified these projects as “Olympic-related” because they either received priority consideration or were put on an accelerated completion schedule.

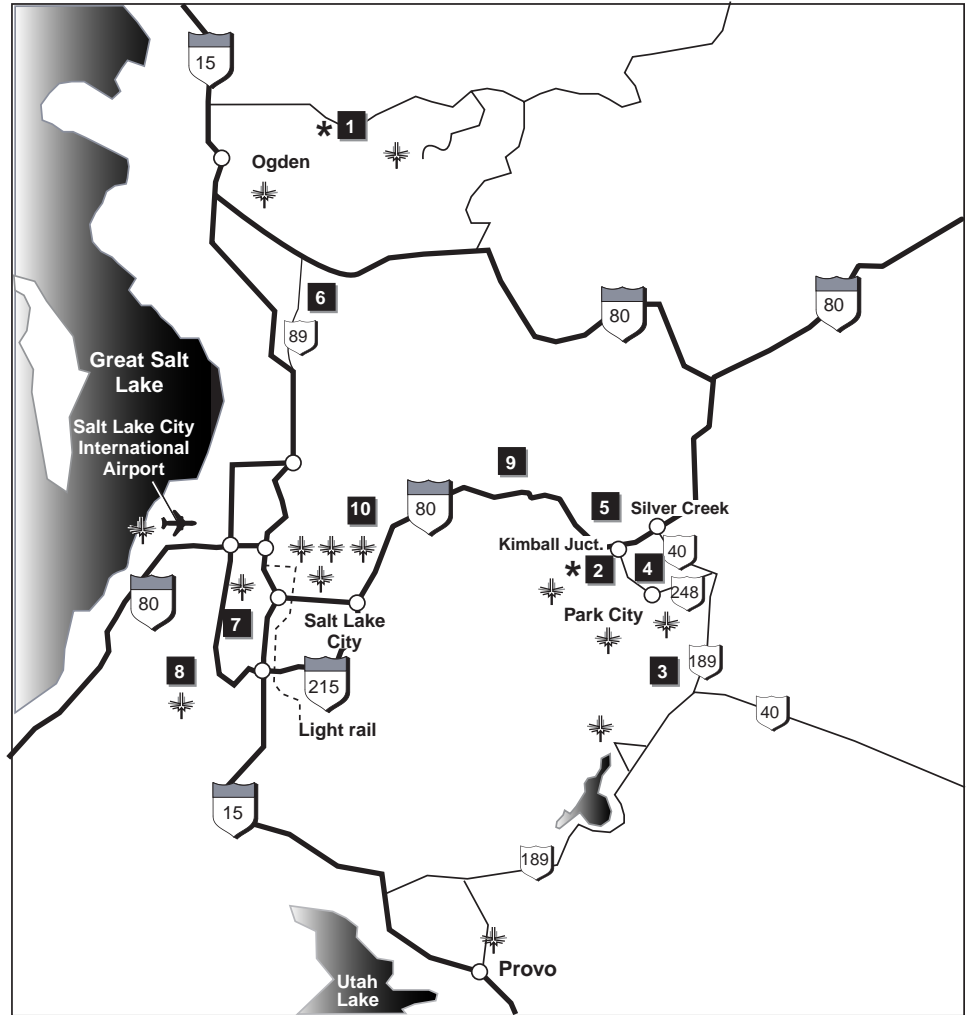
DOT Planned to Provide Almost \$1 Billion to Help Build Highways, Bridges, Interchanges, and Transit Systems in Time for the 2002 Winter Olympic Games

DOT planned to provide over \$645 million to Utah’s Department of Transportation for highway, road, and bridge transportation infrastructure projects related to the 2002 Winter Olympic Games. Figure 2.5 shows the locations of the some of the highways, roads, and interchanges, along with the amounts of federal funds that have been provided or have been planned to be provided to Utah and Salt Lake City for them.

Chapter 2

Almost \$2 Billion in Federal Funding and Support Provided or Planned for 1984 and 1996 Summer and 2002 Winter Olympic Games

Figure 2.5: Locations of Federally Funded Roads, Highway, and Transit Projects for the 2002 Winter Olympic Games in Salt Lake City



Legend

- Olympic venues
- Major interstate highways
- Light rail
- * Denotes a project to help plan or stage the 2002 Winter Olympic Games. Not a part of the 20-year plan.

Road and highway projects

- * **1 Snow Basin:**
Access road \$14.96 M
- * **2 Winter Sports Park:**
Access road \$4.11 M
- 3 Soldier Hollow:**
Access road \$11.17 M
- 4 SR 248:**
Reconstruction \$11.84 M
- 5 Silver Creek and Kimball Junction:**
Interchanges \$42.42 M
- 6 US 89 and I-84:**
Interchange \$12.40 M
- 7 West Valley I-215 and 3500 South Ramp:** \$1.66 M
- 8 I-15:**
Reconstruction \$426.14 M
- 9 Olympic ITS:**
Expansion \$27.96 M
- 10 University of Utah:**
Pedestrian land bridge \$3.79 M

Source: DOT officials.

According to state officials, these road and highway projects were part of Utah's long-range transportation improvement plan, but the projects received priority consideration to ensure that they were completed before the 2002 Winter Olympic Games. As shown in figure 2.5, the largest and most costly of the projects is the reconstruction of a 15-mile stretch of U.S. Interstate I-15 that runs through Salt Lake City. The total cost to rebuild I-15 is estimated at \$1.4 billion, with the estimated federal share totaling about \$426 million. The other projects include widening of roads that lead to Olympic venues, the reconstruction of bridges to enhance venue access and safety, and the installation of an automated traffic management system.

In addition, DOT officials also reported about \$353 million in federal funding and support for Salt Lake City's surface and air transportation-related systems as being Olympic-related. Specifically, approximately \$229 million of federal funding was used for the development and construction of Salt Lake City's North-South light-rail transit system, which, according to Utah officials, forms the backbone of the planned, downtown-portion of the Olympic spectator transportation system, (see fig. 2.5). This system was recently completed, and the Utah Transit Authority recently obtained approval for an additional \$91 million in federal funding to extend this system to the University of Utah, which will house the Olympic athletes. Additionally, local transit agencies are planning to use about \$9 million in federal funding to construct intermodal centers, about \$4 million in federal funding to improve commuter rail service, and about \$4 million for an Intelligent Transportation System upgrade. These local transit agencies have already spent over \$5 million on transit studies. Moreover, the Federal Aviation Administration plans to spend about \$16 million to purchase and upgrade facilities at the airport in preparation for the Games.

About \$14 Million Planned for Other Capital Improvement Projects

As of April 2000, two other federal agencies, the Forest Service and the Postal Service, planned major capital improvements to be completed in time for the 2002 Winter Olympics Games. Specifically, the Forest Service plans to spend about \$8.9 million for capital improvements in campgrounds and trails in the national forest recreational areas to better serve the expected increase in the number of visitors to the Utah national forests during and following the Games. The Postal Service also plans to spend about \$4.7 million to improve its postal facilities to better serve the public during the Games.

Similar to when the 1984 and 1996 Summer Olympic Games were held in the United States, legislation has been introduced authorizing a Commemorative Coin Program for the 2002 Winter Olympic Games.

No Governmentwide Policy on Federal Funding and Support of the Olympic Games When They Are Hosted in the United States

No governmentwide law or policy exists that defines the federal government's overall role in funding or supporting the Olympic Games when they are hosted in the United States. Nor is there a requirement for a single agency to oversee and monitor the appropriateness of federal funding and support provided to the Olympic Games. However, in reality, many federal agencies have been involved in helping to fund and support various aspects of planning and staging the Olympic Games and in helping to prepare the selected city when the Games are hosted in the United States.

In some cases, Congress has specifically designated funds for projects or activities related to the Olympic Games in agencies' authorizing and/or appropriations legislation or in committee reports accompanying legislation. In other cases, federal agencies have assisted Olympic organizing committee, state, and local officials by providing funding and support for projects and activities, such as security, that are part of their normal missions. State and local governments and Olympic organizing committees often request assistance from the federal government because they do not have enough resources to provide the infrastructure improvements necessary to prepare the host city or to plan and stage all aspects of the Olympic Games.

Congress and federal agencies have made funding and support decisions for the Games on a project-by-project basis, and agencies generally have used their normal processes and procedures for approving and monitoring funding and support for the Olympic Games. However, for the 1996 Summer Olympic Games and the 2002 Winter Olympic Games, the President established a White House task force to coordinate federal involvement in the Games. The task force is chaired by the Vice-President and co-chaired by the Assistant to the President and Cabinet Secretary and the Assistant to the President and Director of Intergovernmental Affairs and includes representatives from OMB and other federal agencies. In addition, starting with the 1984 Summer Olympic Games, OMB began requesting federal agencies to report to it regarding how much funding and support they provided for the Olympic Games when they are hosted in the United States. Although this reported information was helpful, the information that the agencies provided to OMB for the 1996 Summer Olympic Games was not always complete or provided in a consistent manner.

Federal Government Encourages Support of Olympic Games, but No Governmentwide Policy Exists

Although the federal government has historically supported the hosting of Olympic Games by a U.S. city, a governmentwide policy on the role of the federal government in terms of funding and supporting the Games does not exist. The Amateur Sports Act, the only governmentwide legislation that addresses the Olympic Games, was not enacted for this purpose. The Amateur Sports Act gives USOC, among other things, exclusive jurisdiction over all matters pertaining to the participation of the United States in the Olympic Games, including the representation of the United States in such Games and the organization of the Olympic Games when they are held in the United States.

In addition, USOC, not the federal government, selects the U.S. city that may present a bid to host the Olympic Games. Once USOC selects the U.S. city, as a matter of formality, the President of the United States submits a letter to the IOC encouraging the selection of the U.S. city to host the Games. Although the federal government is not formally involved in the selection process, if the U.S. city is awarded the right to host the Games, it is likely that requests from state and local governments and Olympic organizing committees for federal assistance will be forthcoming. Such federal assistance has been needed because the costs associated with planning and staging the Olympic Games have far exceeded the financial resources of these entities.

Under the IOC host city contract for the 2002 Winter Olympic Games, Salt Lake City and USOC, not the federal government, are responsible for organizing the Games. The contract states, in part, that Salt Lake City, SLOC, and USOC shall be jointly responsible for all commitments concerning the organization and staging of the Games, with the exception of financing the Games. Financing the Games is the responsibility of both Salt Lake City and SLOC. In addition, organizers of both the 1984 and 1996 Summer Olympic Games stated that they were dedicated to hosting the Games with revenue from private sources. Specifically, in the case of the 1996 Summer Olympic Games in Atlanta, ACOG officials said that taxpayers would not be asked to pay for the Olympic Games. The organizers for the 1984 Summer Olympic Games in Los Angeles have also made similar statements.

The majority of the revenue to organize and finance the Olympic Games is generated from television broadcast rights, corporate sponsorships, ticket sales, and proceeds from the sale of Olympic merchandise. Although these combined sources have produced significant revenue for the Games, it generally was less than the amount required to host the Games, in part, because the revenues were to be divided among the Olympic organizing

Chapter 3**No Governmentwide Policy on Federal Funding and Support of the Olympic Games When They Are Hosted in the United States**

committee, USOC, and the IOC. For example, for the 2002 Winter Olympic Games, revenue from the sale of television broadcast rights is to be divided between SLOC and the IOC. SLOC is scheduled to receive 60 percent of the television broadcast revenue, and the IOC is to receive 40 percent.

To supplement the revenue received from television broadcast rights, corporate sponsorships, and other sources, the Olympic organizing committee has historically made requests to the federal government for assistance. For example, included on SLOC's staff is a Vice-President of Federal Government relations who is responsible for contacting officials at the White House, federal departments and agencies, as well as Members of Congress, to obtain federal assistance as needed for the Olympic Games. ACOG also had a similar position on its staff for the 1996 Summer Olympic Games.

As discussed in chapter 2, the federal government has provided or plans to provide a combined total of about \$2 billion (in 1999 dollars) for the 1984 and 1996 Summer Olympic Games and the 2002 Winter Olympic Games. However, this funding and support has been provided in an ad hoc manner by as many as 24 different federal agencies for projects and activities ranging from safety and security activities to venue construction because no governmentwide policy exists that specifically governs the overall role and responsibilities of the federal government with respect to funding and supporting the Games. Moreover, there is no requirement for any federal agency to oversee and monitor the appropriateness of the federal funding and support of the Olympic Games.

In fact, we found that only a few efforts have been made to coordinate the federal government's overall involvement with projects and activities related to hosting the Olympic Games in the United States. One effort included the establishment of the White House Task Force on the 2002 Winter Olympic and Paralympic Games, which was created by the President on September 25, 1998. This interagency task force includes representatives from about 27 federal agencies, is chaired by the Vice President, and was established to essentially coordinate federal activities involved in helping to prepare Salt Lake City to stage the Games. The Assistant to the President and Cabinet Secretary and the Assistant to the President and Director of Intergovernmental Affairs serve as vice chairs. The task force met four times between its inception and June 2000. At these meetings, representatives from the federal agencies, SLOC, and state and local officials provided updates on their support of the 2002 Winter Olympic Games. According to the vice-chairs of the 2002 Winter Olympics Task Force, although the task force does not have oversight responsibility

for ensuring the appropriateness of federal funding and support for the Olympic Games, the task force does review all or most of the major requests for federal funding and support, particularly transportation requests. A similar task force was established for the 1996 Olympic Games in Atlanta.

Another effort included the issuance of PDD-62. As discussed in chapter 2, PDD-62 is a classified document that directs an integrated approach among federal law enforcement agencies to effectively manage terrorist threats and the consequences of such attacks against U.S. citizens or infrastructure. For national special security events, such as the 2002 Winter Olympic Games, PDD-62 provides the Secret Service with lead agency responsibility for security planning; the FBI with lead agency responsibility for counter-terrorism; and FEMA with lead agency responsibility for consequence management following terrorist incidents. Finally, as discussed later in this chapter, OMB has taken the initiative to collect information from all of the agencies providing some funding and support for the Olympic Games.

Congress Designated Some Federal Funding and Support for Olympic-Related Projects and Activities

The authority to provide about \$690 million of the combined total of about \$2 billion in federal funding and support provided for the 1984 and 1996 Summer Olympic Games and planned for the 2002 Winter Olympic Games was designated for the Olympic Games by Congress.¹ Of the approximately \$690 million, Congress designated about \$194 million to help plan and stage the Olympic Games in Los Angeles in 1984, Atlanta in 1996, and Salt Lake City in 2002. To help prepare the host cities of Atlanta and Salt Lake City, Congress designated about \$496 million to fund and support highway, transit, and capital improvement projects, as of April 2000.

In addition, with the passage of the Transportation Equity Act of the 21 Century (TEA-21),² Congress enhanced Utah's consideration for discretionary funding by granting the Secretary of Transportation the authority to give priority consideration to Olympic host cities. Specifically, section 1223 of TEA-21 states that the Secretary may give priority consideration for funding transportation projects relating to an Olympic or Paralympic event if the project meets the extraordinary needs associated with such an event and meets the criteria for interstate or bridge

¹ Generally, Congress decided whether to fund a particular Olympic-related project or activity on a case-by-case basis. The decision is usually made as part of the authorization and appropriation process. In the committee report or the applicable appropriation bill, Congress specified the project or activity to be funded and the amount of the funding.

² TEA-21 was enacted as Public Law 105-178 on June 9, 1998, and reauthorizes the federal surface transportation programs through fiscal year 2003.

discretionary funding.³ Since 1998, Utah has received about \$97 million of the approximate \$350 million made available in the Federal Highway Administration bridge and interstate maintenance discretionary funds. According to LAOC officials, Los Angeles did not receive any federal funds for highway, transit, or capital improvement projects for the 1984 Summer Olympic Games.

Congress Designated About \$194 Million for Planning and Staging the Olympic Games

For the 1984 Summer Olympic Games in Los Angeles, Congress specifically designated about \$47 million of the approximately \$75 million provided by the federal government to DOD to provide safety- and security-related services. In addition, to help plan and stage the 1996 Summer Olympic Games in Atlanta Congress designated about \$90 million of the approximate \$185 million in federal funding and support. For example, the funding was used to support the following projects or activities:

- \$46 million to DOD, Justice, and Treasury for safety- and security-related services;
- \$6 million to the Forest Service to build the Ocoee Whitewater Slalom venue;
- \$7 million to EPA to complete the Olympic stadium-related sewer system; and
- \$17 million to DOT to fund the spectator transportation system used during the 1996 Summer Olympic Games.

Congress authorized and appropriated about \$14 million to seven federal agencies for the Paralympic Games. These funds were used for office equipment and supplies; training and support for volunteers; food, lodging, and receptions for athletes and visiting dignitaries; lodging and airfare to the United States for the International Paralympic Committee members; and opening, closing, and award ceremonies' costs. These costs also included the \$2 million that GSA spent to help cover a part of APOC administrative staff payroll costs for planning and staging the Paralympic Games, which is discussed in greater detail in chapter 4.

As of April 2000, Congress had designated about \$57 million of the approximately \$254 million that the federal government has provided or has planned to provide to help plan and stage the 2002 Winter Olympic

³ Selection criteria for the discretionary bridge funds include sufficiency rating, average daily traffic, and the total cost of the project. To be eligible for interstate maintenance discretionary funding, projects must be on a high-volume route in an urban area or a high-truck-volume route in a rural area.

Games. For example, the funding was appropriated to five federal agencies to support the following projects or activities:

- \$37 million to DOT to build access roads to venues and a temporary system to transport spectators to and from Olympic venues,
- \$17 million to Justice for safety- and security-related services during the Olympic Games,
- \$2.1 million to EPA for sewer construction,
- \$92,000 to the National Oceanic and Atmospheric Administration to provide forecasting services during the Games, and
- \$876,000 to DOE to help support the Paralympics.

Without congressional support, some of the projects and activities related to planning and staging the 1996 Summer Olympics Games may not have been completed in time for the Games. For example, if Congress had not authorized and appropriated the approximately \$6 million to the Forest Service for the development and construction of the Ocoee Whitewater Slalom venue, the event may not have been a part of the 1996 Summer Olympic Games. According to Forest Service officials, ACOG agreed to include the sport as an Olympic event provided it did not have to fund the development of the Whitewater Slalom venue. In total, the approximately \$22 million in federal funding accounted for the majority of the estimated \$33 million spent to build the venue and contributed significantly to the venue's being developed and completed in time for the 1996 Games.

Congress Designated About \$496 Million to Help Prepare Atlanta and Salt Lake City for the Olympic Games

To help prepare the host city of Atlanta for the 1996 Summer Olympic Games, Congress specifically designated over \$172 million to complete two transportation and two capital improvement projects in time for the Games. These funds included about \$96 million to DOT for Atlanta's downtown rapid transit system, \$61 million for an automated highway information system, \$13 million to renovate the Martin Luther King historical site, and \$2 million to reconstruct the Savannah River Walk.

Additionally, DOT officials told us that some federal restrictions were waived temporarily so that the Metropolitan Atlanta Rapid Transit Authority (MARTA) could obtain the necessary federal assistance designated by Congress to build its rapid transit system. For example, Georgia's Department of Transportation officials told us that Atlanta's North Line Extension had been planned for a long period of time, but they had not been able to use the federal funding approved for the project because they were not able to meet the federal requirement of providing a 20-percent local match to federal funds provided for the project. However, after Atlanta had been selected to host the 1996 Summer Olympic Games,

DOT allowed MARTA to defer the local match requirement and begin receiving the entire available federal share before spending any local funds.

To help prepare the host city of Salt Lake City for the 2002 Winter Olympic Games, Congress has designated over \$323 million of the approximately \$1 billion to complete transit, highway, and capital improvement projects. These projects include an estimated \$300 million for Salt Lake City's major light-rail system and supporting projects, \$19 million for accelerated road and bridge projects, and \$4.5 million for national forest improvements (see app. III). Similar to the 1996 Summer Olympic Games, according to DOT officials, the construction of the Snowbasin and Winter Sports Park access roads, which are to provide access to the downhill skiing, ski jump, bobsled, and luge venues for the 2002 Winter Olympic Games, would not have been possible, nor would they have been built, without the approximately \$15 million specifically designated by Congress. Officials in both Georgia and Utah told us that their rail projects had been planned long before they were selected as an Olympic host city. However, they did acknowledge that the approval, funding, and completion of the transit rail projects were critical to their successfully hosting the Olympic Games in Atlanta and Salt Lake City.

Agency Officials Made Decisions to Fund and Support Most Olympic-Related Projects and Activities

Federal agency officials approved the use of about \$1.3 billion for projects and activities related to planning and staging and preparing the host cities for the 1984 and 1996 Summer Olympic Games and the 2002 Winter Olympics Games. Of the approximately \$1.3 billion, about \$320 million was for planning and staging the Olympic Games and about \$1 billion was provided to help prepare Atlanta and Salt Lake City to host the Games. Specifically, to help prepare the host cities, federal agencies approved about \$251 million for Atlanta and plan to approve about \$689 million for Salt Lake City so that highway, transit, and capital improvement projects could be completed in time for the Olympic Games.

Federal officials said that they generally relied on their existing policies and procedures to help them make decisions about providing federal funds and support for the Olympic Games. Agency officials also said that they generally approved requests for federal funding and support that are consistent with their mission-related responsibilities, such as providing safety- and security-related services. With a few exceptions, most federal agencies do not have specific guidelines on providing federal funding and support for the Olympic Games. DOD is one of the few agencies that has specific guidance on supporting the Olympic Games. DOD developed its own guidelines regarding providing support to special events such as the

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Olympic Games. Specifically, DOD's guidelines for national special events state that

- the primary defense mission could not be adversely affected by supporting the Olympic Games;
- DOD is the supplier of "last resort," that is, it provides resources when all alternative public and private means have been exhausted;
- the use of appropriated funds was limited to security-related and logistical functions that could not otherwise be accomplished by the public authorities;
- private organizing committees shall reimburse DOD in advance, for approved support, with the exception of the Paralympics; and
- support to other federal agencies is to be provided on a reimbursable basis, under the terms of the Economy Act.⁴

These guidelines were in effect during the 1996 Summer Olympic Games. In addition, as discussed in chapter 2, DOD now has specific statutory authority to provide assistance to federal, state, and local governments in connection with the Olympic Games and other sporting events.

Agencies Provided About \$320 Million to Help Plan and Stage the Olympic Games

As of April 2000, federal agencies provided or planned to provide about \$320 million to help plan and stage the 1984 and 1996 Summer Olympic Games and the 2002 Winter Olympic Games. The funding and support that were provided generally came from the agencies' regular operating budgets, or by reprogramming funds or shifting resources from an existing program to meet the needs of the Olympic Games. Agencies' officials stated that if the Games were not held in the United States, the funds would have been used to support other mission-related projects. Specifically, federal agencies provided about \$28 million for the 1984 Summer Olympics, provided about \$95 million for the 1996 Summer Olympics, and planned to provide about \$197 million for the 2002 Winter Olympics because agency officials believed that the projects and activities were consistent with their missions. For example, in the area of safety and security for the 1996 Summer Olympic Games, the Drug Enforcement Administration reassigned 300 additional agents; the FBI reassigned 1,200 additional staff; the Immigration and Naturalization Services reassigned 130 additional agents; and the U.S. Marshals Service reassigned 150 additional marshals to the Atlanta area during the Games to help provide safety- and security-related services.

⁴ The Economy Act, 31 U.S.C. Sections 1535 and 1536, authorizes the inter- and intra-departmental furnishings of materials or performance of work or services on a reimbursable basis.

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Similarly, several other federal agencies provided funding and support to help plan and stage the 1996 Games in Atlanta. For example,

- The Natural Resources Conservation Service provided about \$331,000 to its regional office responsible for the Atlanta area, for the cost of flowers, shrubs, and grasses for 3 Olympic venues, 16 city parks, and 14 other city locations. According to Natural Resources Conservation Service officials, the purpose of providing this assistance was to test the vitality of native plants in an urban setting.
- DOE provided about \$3.5 million for Olympic-related projects associated with energy efficiency and renewable energy. Some of those projects included the installation of solar electrical systems at the Olympic swimming venue and geothermal heat pumps at two Georgia Institute of Technology dormitories in the Olympic Village.
- EPA used about \$313,000 of its regional discretionary funds to build a bike path to improve access to various 1996 Olympic events in downtown Atlanta. EPA justified the support by stating that the bike path was part of a demonstration project to publicize and promote clean-air transportation modes. EPA also provided a full-time employee to work for ACOG over a 2-year period to assist in addressing environmental concerns.
- The Economic Development Administration awarded about \$3.1 million in grants for public works projects for the Olympic stadium and other venue sites as well as funded Olympic-related economic studies to carry out the Economic Development Administration's mandate to foster and provide employment opportunities.

For Salt Lake City, federal officials planned to spend about \$197 million of their regular agency funding for activities related to planning and staging the games. This funding includes the following:

- \$21 million in additional security costs to bring in FBI agents and special response teams as well as to construct a command post that is to be used to coordinate federal, state, and local responses to any security threat.
- \$3.1 million in HUD funding for housing projects to be used during the games to house media and federal security personnel. After the Olympics, this housing is to become subsidized housing for low-income residents.
- \$2 million in increased postal services, including bringing in equipment and postal inspectors to ensure the safety of mail going to the Olympic Village.

Agencies Provided or Plan to Provide About \$1 Billion to Help Prepare Host Cities for the Olympic Games

To help prepare Atlanta and Salt Lake City to host their respective Olympic Games, federal agencies provided or plan to provide about \$1 billion because they believed most of the projects and activities were mission-related. Of the approximately \$1 billion, about \$251 million was provided to Atlanta and about \$689 million was provided or planned to be provided to Salt Lake City for highway, transit, and capital improvement projects. According to federal and state transportation officials, these projects principally involved highway and transit projects that Georgia and Utah planned on building regardless of the Olympic Games. However, according to federal and state transportation officials, hosting the Olympic Games influenced to some extent the decisions as to which projects to initiate, complete, and fund with their formula-driven federal funds⁵ and may have influenced DOT's decisions to approve certain highway discretionary funds for Olympic-related projects.

For example, Georgia's State Department of Transportation used about \$195 million of its federal highway formula funds—funds the State would have received regardless of the Olympic Games—on infrastructure improvements to highways in and around Atlanta in anticipation of the Olympic Games. According to state transportation officials, as soon as Atlanta was selected as the host city for the 1996 Olympic Games, they immediately reviewed highway-related projects in the state's 20-year transportation improvement program and identified those projects that would affect the city's ability to host the Games. These officials said they then made those projects a priority and accelerated their construction schedules to ensure that they were completed in time for the Games.

Georgia also received about \$17 million from DOT discretionary funding, which was in addition to both the state formula and the discretionary funding specifically designated by Congress. These projects included the MARTA Intelligent Transportation System (ITS) and the University Pedestrian Walkway projects, which were specifically approved by the Secretary of DOT. For the discretionary funding, federal and state officials told us that they believed the State may have received some priority approval considerations for these projects, but it did not necessarily receive the funding solely because of the Olympic Games. The remaining \$39 million was spent on capital improvements, such as the \$3 million spent by the Economic Development Administration to revitalize Atlanta's business district.

⁵ The term "formula-driven federal funds" refers to a statutory distribution of funds providing certain funding levels to the states on the basis of formulas prescribed by law.

Similarly, the majority of funds that federal agencies plan to provide to Salt Lake City are for transportation infrastructure. Once Salt Lake City was selected to host the 2002 Winter Olympic Games, Utah transportation officials (1) surveyed their highway and infrastructure-related needs in anticipation of the Games and (2) identified projects that were to receive priority from their annual federal highway formula funds and any discretionary funding they could receive from the Secretary of DOT. From this survey, they found that an extensive amount of work needed to be completed in the Salt Lake City area, especially the reconstruction of a 15-mile stretch of Interstate 15 (I-15) in time for the Winter Olympic Games. Although planned before Salt Lake City was selected to host the Winter Olympic Games, the reconstruction of I-15, at an estimated total cost of about \$1.4 billion, had to be accelerated. Of the \$1.4 billion, \$426 million, or 30 percent, is to be funded by the federal government and the remaining \$974 million, or 70 percent, is to be funded by state and local resources.

To finance the I-15 project and 43 other highway projects, the Utah State legislature established a special fund, called the Centennial Highway Fund (Centennial Fund). The Centennial Fund receives money through the state's allocations of federal funds and various other sources of revenue, including a state fuel tax, state bonds, and state general funds. The Centennial Fund projects, including I-15, are in addition to Utah's regular highway program, which also uses federal funds to pay for projects. According to Utah Transportation officials, under the Centennial Fund, locations outside of Salt Lake City would be assured that their needs would eventually be met, while at the same time, projects critical to successfully hosting the Olympic Games would be funded and completed in time for the Games.

Since the passage of TEA-21, the 1998 federal highway bill, Utah has used about \$96 million of the state's approximate \$576 million highway formula funds for fiscal years 1998 through 2000 on the specific projects that it wanted completed in time for the Olympic Games. In addition, section 1223 of TEA-21 authorizes the Secretary of Transportation to give priority to projects relating to the Olympic or Paralympic Games, provided the projects meet the criteria for interstate or bridge discretionary funding. As shown in table 3.1, the Secretary of Transportation awarded Utah almost \$88 million in discretionary funds for the various projects Utah wanted to have completed in time for the Olympic Games. This was the first time Utah had received any of the discretionary funding available from DOT's Interstate Highway Maintenance and Bridge Improvement discretionary

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funds.⁶ Moreover, since 1998, Utah has received about \$97 million—of the approximately \$350 million of DOT’s Interstate Highway Maintenance and Bridge Improvement discretionary funds available.

As of May 2000, only about \$224 million of the planned \$675 million in federal funding for transportation projects has been approved. According to a federal highway official, to obtain the remaining \$451 million in federal assistance needed to complete the projects on time, Utah will have to use most of its annual formula funds—about \$200 million each year—plus obtain another \$100 million in federal discretionary funds from the Secretary of Transportation. Otherwise, according to a federal highway official, Utah may have to withdraw additional funds from the Centennial Fund, thus delaying the other Centennial Fund projects, to meet its goals to have the Olympic-related projects completed before the Games in 2002.

⁶ DOT’s Interstate Highway Maintenance and Bridge Improvement discretionary funds include discretionary funds set-aside for use by the Secretary of Transportation to replace or rehabilitate deficient, high-cost highway bridges and to resurface, restore, or reconstruct interstate system routes.

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Table 3.1: Federal Highway Projects and Activities Designated by Congress or Funded by Federal Agencies for the 2002 Winter Olympic Games

Dollars in thousands

Projects and activities for the 2002 Winter Olympic Games	Estimated total project cost	Estimated total federal share	Source of federal highway funding			Total federal funds approved
			Formula funds	Discretionary funds		
				Designated by Congress	Approved by the Secretary of Transportation	
Planning and staging						
Snowbasin/Trappers Loop Road	\$15,530	\$14,962	\$0	\$14,962	\$0	\$14,962
Winter Sports Park Access Road	5,208	4,106	3,162	0	0	3,162
Olympic Transportation Planning	10,227	10,227	88	5,682	15	5,785
Subtotal	\$30,965	\$29,295	\$3,250	\$20,644	\$15	\$23,909
Preparing host city (Salt Lake City)						
Soldier Hollow Road	\$11,174	\$11,174	\$376	\$0	\$7,528	\$7,904
SR248 Reconstruction	12,027	11,837	1,458	1,799	5,682	8,939
Silver Creek Junction	25,568	20,445	4,735	0	9,470	14,205
Kimball Junction	27,462	21,970	8,220	0	5,682	13,902
I-215/3500 South	1,894	1,657	142	0	1,515	1,657
SR173 Bridge	4,545	0	0	0	0	0
I-84/US89 Interchange	18,939	12,399	10,505	0	1,894	12,399
ITS Olympic Expansion	34,943	27,955	0	0	0	0
I-15 ITS & ATMS	75,758	60,606	9,934	14,678	0	24,612
University Pedestrian Bridge	4,735	3,788	76	0	0	76
I-15 Reconstruction	1,429,924	426,136	56,837	2,064	57,083	115,985
Regional Mobility Improvements	59,186	47,348	0	0	0	0
Subtotal	\$1,706,155	\$645,315	\$92,283	\$18,541	\$88,854	\$199,678
Total	\$1,737,120	\$674,610	\$95,533	\$39,185	\$88,869	\$223,587

Source: DOT officials and GAO analysis.

Federal Funding and Support Generally Provided Through Agencies' Normal Funding Procedures

We found that, in general, once the federal funding and support were specifically designated by Congress or approved by agencies officials for the particular Olympic-related project or activity, the funds or support were provided through the agencies' normal appropriation or budgeting process and distributed to the recipients through the agencies' normal funding procedures. Federal agencies generally did not track or report their expenditures on the Olympic Games, except when they were specifically requested to do so by OMB. According to agencies officials, they generally did not set up special monitoring or auditing programs specifically for Olympic-related funding and support, although some exceptions to this did occur.

The agencies' normal funding procedures that we generally found in place for providing the federal funds for the Olympic-related projects included, in part, the use of Memorandums of Agreement (MOA); grant awards;

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contract awards; or apportionments, which are a statutory distribution of funds at certain funding levels to states on the basis of formulas prescribed in law. For example, most of the transportation funding discussed in chapter 2, consisted of various types of mass transit grant awards or federal apportionments for highway-related projects. Other examples include the Department of Education, as discussed in chapter 4, which used a MOA to transfer to USIA about \$7.3 million specifically designated by Congress for the Paralympic Games. USIA then provided the funds to APOC through the use of a federal grant award. DOL also followed the same procedures, using a MOA to transfer about \$2.6 million to USIA that were also specifically designated by Congress for the Paralympic Games. USIA then added this amount to the grant it had awarded to APOC. In another example, GSA, as discussed in chapter 4, awarded a contract that eventually amounted to about \$2 million to assist APOC for the Paralympic Games. Additionally, the Forest Service awarded contracts to various organizations to construct the Ocoee Whitewater Slalom venue.

Federal agencies also supported the Olympic Games by providing the services of a number of their employees to carry out Olympic-related tasks or by providing or loaning agency equipment and supplies. For example, DOD and the other law enforcement agencies used their own personnel directly to provide safety- and security-related services for the Olympic Games and accounted for this activity as part of their normal personnel costs. In addition to personnel services, DOD also provided or loaned equipment, such as aircraft and other surveillance equipment, to provide security-related services. In another example, the Natural Resources Conservation Service, as discussed in chapter 2, used about \$331,000 that was approved by agency officials to purchase native plants and then gave the plants to a nonprofit organization to plant at Olympic venues and city parks.

Federal grant and contract awards to governmental and nonprofit organizations for Olympic-related projects and activities were subject to typical audit procedures that generally govern such awards. For example, OMB Circular A-133 sets forth (1) standards for obtaining consistency and uniformity among federal agencies for the audit of states, local governments, and nonprofit organizations expending federal awards and (2) audit requirements for the expenditure of federal funds. In addition, according to agencies officials, federal funding and support provided for Olympic-related projects and activities are subject to typical agency monitoring and audit procedures, including the audits performed by the Offices of Inspectors General (OIG). We have also reviewed certain Olympic-related projects in the past. In some instances, agencies or their

OIGs have specifically assessed and reported on Olympic-related projects or activities.

We requested copies from each of the agencies covered by our review of all available audits of Olympic-related projects or activities that were prepared by OIGs or other third-party entities. In general, we found that these audits or evaluations focused on whether the funds or support were spent or used according to the particular MOA, grant agreement, contract award, or other requirement; but did not evaluate the appropriateness of the use of the funds or support for the Olympic Games. For example,

- DOL awarded a federal grant in the amount of \$835,000 to the Georgia State Department of Technical Adult Education Program to use for Olympic-related job training and employment opportunities for those qualifying individuals in the neighborhoods close to Olympic venues or facilities. The grant funds were passed on to ACOG, which implemented the grant requirements, accounted for the expenditures, and reported the financial and program results to the State Department, which then reported the results to DOL. In this case, DOL's OIG reviewed the reported results and evaluated the use of the grant funds. The OIG concluded that the grant objectives were not achieved and recommended that all federal funds spent, or about \$427,000 of the \$835,000 awarded, should be returned to DOL. As of April 2000, DOL disagreed with the OIG and allowed the entire amount questioned. The OIG continues to believe the questioned costs were spent inappropriately.
- The Postal Service in Atlanta reported that it had spent an estimated \$16.4 million through various construction contracts to improve its postal facilities in time for the Olympic Games. In March 1999, the Postal Service's OIG reviewed the Postal Service's management and financial controls, federal contracting procedures, and accounting records for these contracts. In this instance, the OIG concluded that the expedited construction time employed by the Postal Service to complete the facilities in time for the Olympic Games, caused the Service to incur an estimated \$2.5 million in excess costs. Although the Postal Service disagreed with many of the OIG findings, Postal officials did concede that completing the projects in time for the Olympic Games may have increased the cost to the government because of the tight labor environment that existed before the Games.

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- Similarly, DOT's OIG reviewed the I-15 Reconstruction Project in Salt Lake City where the design-build contracting method⁷ was being used. According to the OIG, Utah was using this method to complete the I-15 project in time for the 2002 Winter Olympic Games. In its November 1998 report, the OIG found that the (1) estimated cost of \$1.6 billion was reasonable; (2) project was on schedule; and (3) federal government was planning to provide about \$281 million, or about 17 percent, and state and local sources were responsible for providing the remaining approximate \$1.3 billion, or about 83 percent, of the total cost of the project. The OIG recommended that if the requested funds were not received as planned, the Utah Department of Transportation should report to DOT how it plans to make up the shortfalls in funding.
 - Applicable OIG offices for each of the federal agencies listed in appendix I reported to OMB that they audited their respective agencies' financial contributions to the 1984 Summer Olympic Games. However, from the few OIG reports still available, it appeared that these financial audits verified only the reported figures.

We have also done some other work related to federal funding and support for the Olympic Games. For example, in June 1996, we reported on the participation of U.S. soldiers in (1) assisting with security, (2) spectator transportation system, and (3) Olympic field hockey venue preparation during the 1996 Olympic Games.⁸ This report described DOD's participation but did not evaluate the appropriateness of the activities. In August 1996, we issued a report on the Commemorative Coin Program⁹ and reported that regarding the Olympic Commemorative Coin Program for the 1996 Summer Olympic Games, the Mint reported a loss of over \$3 million, while ACOG received about \$27 million, as discussed in chapter 2 of this report.

⁷ The "design-build" contracting method allows for both design and construction of a project using a single contract. Under this method, the design and construction phases are combined and are the responsibilities of the prime contractor.

⁸ DOD Olympic Support (GAO/NSIAD-96-189R, June 14, 1996).

⁹ GAO/GGD-96-113.

Incomplete and Inconsistent Reporting of Olympic-Related Federal Funding and Support

Federal agencies generally did not report their Olympic-related activities to Congress. However, OMB initiated attempts to collect Olympic-related information from all federal agencies in June 1985 after the 1984 Summer Olympic Games, in May 1996 before the 1996 Summer Olympic Games, and in December 1999 and February 2000 for the 2002 Winter Olympic Games. OMB requested the federal agencies to provide (1) information on the levels of federal funding, (2) a brief narrative explanation of the purpose of the funds, and (3) information on whether the funds were for projects and activities that were solely in support of the Games or related to the Games, but that would have been done even if the Games were not held. According to OMB officials, they often do such special reports when there is or they believe will be a topic of interest to the President, Congress, or the general public. OMB officials said that unlike the 1984 and 1996 Summer Olympic Games, they plan to collect information on both funding and support planned before the 2002 Winter Olympic Games and actual funding and support provided after the Games. According to these officials, the information on the 1996 Summer Olympic Games was used to develop responses to congressional inquiries and in press releases issued by the Office of the Vice President. OMB officials also stated that as part of their budget responsibilities they review agency program funding requests before they are submitted to Congress; however, they do not review congressional earmarks of approved funds for specific projects.

Although we found the information OMB had collected to be very helpful in our review, we noted that the information on the 1996 Summer Olympic Games was not complete, and that agencies had not always reported information to OMB in a consistent manner. For example, on the basis of information collected in response to its May 1996 request, OMB reported total federal expenditures of about \$329 million for Atlanta Olympic-related projects and activities. Information we collected from the agencies after the Atlanta Olympic Games showed that the agencies spent about \$608 million, which is a difference of about \$279 million.

Several factors contributed to this difference. First, OMB's request for data was made before the 1996 Summer Olympic Games, and OMB did not collect additional information after the Games. As a case in point, none of the agencies reported the use of their employees as security guards during the 1996 Olympic Games, which cost about \$1.8 million.

Second, OMB's figures included only about \$8 million of the approximately \$17 million that the Forest Service used for the Whitewater Slalom venue; it did not include any of the funds specifically designated by Congress for the Ocoee project. According to Forest Service officials, no after-action or

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other financial summary report was prepared to show the Forest Service's total cost of the venue development. Finally, since the Postal Service does not normally report to OMB, its funding and support of about \$20 million for Olympic-related projects and activities were also excluded from OMB's data.

Additionally, some agencies reported some costs inconsistently. For example, some agencies included personnel salaries and benefits as part of their Olympic-related involvement, while other agencies, such as DOD, included only incremental costs—those that would not otherwise have incurred—as being Olympic-related. For example, according to DOD officials, their reported Olympic-related costs for security-related services only included the incremental costs associated with providing the service during the Games. However, the Forest Service reported salary costs for its personnel who participated in developing the Ocoee Whitewater Slalom venue and in planning for the 2002 Winter Olympic Games in Salt Lake City.

Federal Agencies Did Not Use Funds Appropriately for Two of Five Olympic-Related Projects

As agreed with you, we evaluated five Olympic-related projects that were part of the 1996 Summer Olympic Games for which the authority was somewhat unclear to determine whether they were funded and supported in accordance with the underlying statutory authority and applicable requirements. We determined that three of these projects were carried out in accordance with the underlying statutory authority and were consistent with applicable requirements. These three projects were the funding of the Ocoee Whitewater Slalom venue, use of federal employees to provide security, and payment of Paralympic Games' opening ceremony entertainer costs. Of the remaining two projects, we determined that the use of a special purpose grant for veterans to largely assist nonveterans during the Paralympic Games was not in accordance with the underlying statute and that the payment of the salaries of APOC staff did not comply with all applicable administratively imposed requirements.

Ocoee Whitewater Slalom Venue Funding Was Authorized, but Report of Benefits Appears to Have Been Incomplete

Generally, the Olympic organizing committee, not the federal government, was responsible for developing and constructing the Olympic venues. However, we found that the federal government provided about \$22 million of the approximately \$33 million needed to build the Ocoee Whitewater Slalom venue for the 1996 Summer Olympic Games. Of the \$22 million, the Forest Service provided about \$17 million and TVA provided \$5 million. As discussed in chapter 2, the Ocoee Whitewater Slalom venue, which is located in the Cherokee National Park in Tennessee, was not on the original list of Olympic sporting events.

We found that the \$17 million provided by the Forest Service that was used to plan, develop, and build the Ocoee Whitewater Slalom venue was within the scope of Congress' authorization and the Forest Service program authority. For the project, Congress specifically designated about \$1 million of fiscal year 1993 appropriations for the Forest Service and \$5 million of fiscal year 1994 Forest Service appropriations for recreational developments associated with the 1996 Summer Olympic Games Whitewater Rafting events. As stated in the Senate Appropriations Committee Report for fiscal year 1993, funds provided to the Forest Service in fiscal year 1993 for this purpose were to be used only for improvements in the Olympic venue site area that would benefit the public use of the Ocoee River area in the post-Olympic years.¹ Funding for the Olympic-specific requirements were to be provided by the Olympic organizing committee or Tennessee. Accordingly these funds, as well as the remaining approximately \$11 million of additional funds approved by the Forest Service for the project, all came from the Forest Service's

¹ S. Rep. No. 102-345.

construction program funds meant for projects designed to improve the recreational uses of national forests by the public.

Although, as previously stated, there is no basis for us to question the legal authority of the Forest Service to spend the \$17 million involved here, we believe that the Forest Service could have done a better job in documenting how these expenditures would enhance the public's post-Olympic use of the venue. For example, none of the available economic analyses regarding the Ocoee Whitewater Slalom venue—which supported its development—looked beyond the Olympic Games to subsequent potential use and no follow-up analysis of this use has been performed. According to the Forest Service's Project Director for the Ocoee development project, no reports of benefits associated with the post-Olympic period were prepared because (1) the project team was disbanded 3 days after the Olympic competitions in 1996 and (2) the long-term impact of the Whitewater River venue had to be assessed with other biophysical impacts of the other uses in the area, which were not going to be evaluated until after the Olympic Games. Thus, Forest Service officials provided no documentation showing whether the expenditures to improve the Ocoee Whitewater Slalom venue benefited public use of the site in the post-Olympic period.

The Ocoee Whitewater Slalom venue receives limited use now that the Olympic Games are over. According to a TVA official, TVA continued its pre-venue development practice of diverting the water in this section of the river to the power-generating facility to meet the electrical needs of the area. However, TVA does release the water from time-to-time for pleasure and competitive canoeing, kayaking, and rafting use. However, the scheduled use of the Olympic venue section of the river is far below that of previously existing canoeing, kayaking, and rafting sections of the river. Specifically, recreational use of the Olympic venue section of the river was scheduled for 13 days in 1997, 14 days in 1998, and 20 days in 1999, which can be compared with 113 days in 1997, 112 days in 1998, and 112 days in 1999, for the other sections of the river. Moreover, the Olympic venue section of the river that was reengineered for the Olympic Games competitions, has hosted eight 2- to 3-day competitive events since the 1996 Games. On the other hand, according to Forest Service officials, hundreds of people have used the visitor's center facility, which was built as part of the venue.

Use of Federal Employees to Provide Security During the 1996 Summer Olympic Games Was Within the Scope of Justice's Authority

About 2 months before the 1996 Summer Olympic Games in Atlanta, the U.S. Attorney General made the decision, in a response to a request from ACOG, to request federal employees to provide security during the Games. Specifically, Justice asked for about 1,000 federal employee volunteers from federal agencies, such as GSA, DOL, HUD, and SSA, to provide security service during the Olympic period of July 1 through August 4, 1996. The cost of providing the security services totaled about \$1.8 million. Although the federal employees remained on their respective agency's payroll, they wore ACOG uniforms and worked directly for ACOG for up to a 2-week period. Their duties included operating screening devices and directing tourist traffic outside Olympic sites and game venues.

In a Justice Office of Legal Counsel (OLC) memorandum dated May 17, 1996, OLC determined that the U.S. Attorney General had the authority to ask federal agencies to have their employees assist in security operations at the Atlanta Olympics. OLC determined that the Attorney General had such authority pursuant to Title 18 of USC, sections 112, 1116, and 1201, which state that the Attorney General can call upon federal agencies to enforce the provisions of these statutes, which are designed to protect foreign officials and official guests of the United States from murder, kidnapping, and assault. In light of the OLC memorandum and its underlying analysis, and since the State Department designated the visiting Olympic delegations as official guests of the United States, we have no basis to question the authority of federal agencies, upon request of the Attorney General, to have their employees assist in providing security at the Olympic Games.

Use of Federal Funds for Entertainers at the Paralympic Games' Opening Ceremony Was Authorized

We have long held that federal funds generally cannot be used for entertainment expense, unless authorized by statute.² We determined that the \$480,000 APOC spent for the Paralympic Games' opening ceremony performances was authorized under the terms of the interagency agreement between the Department of Education and USIA for the transfer of funds to USIA, the grant agreement between the USIA and APOC, and the underlying appropriation of \$7.3 million to the Department of Education.

In 1996, APOC contracted with several entertainers to perform or appear at the opening ceremony for the Paralympic Games. The individual contracts ranged in price from about \$104,000 to \$157,000 each. The funds used to pay these entertainers came from the \$7.3 million appropriation to the Department of Education that Congress specifically designated for the

² 26 Comp. Gen. 281.

Paralympic Games. These funds were transferred to USIA and used to fund an USIA grant to APOC. In the MOA that the Department of Education used to transfer the funds to USIA, the “opening ceremonies” were listed as one of the purposes for which the Department’s funds were to be used. Furthermore, USIA’s grant to APOC specifically identified \$1.3 million of grant funds to pay the cost of the opening ceremonies. Thus, since the opening ceremonies are a recognized component of the Olympic and Paralympic Games and entertainment is an integral part of the opening ceremonies, we have concluded that the expenditures for the opening ceremonies were authorized by the underlying Department of Education appropriation.

GSA Inappropriately Used Funds for APOC Employee Salaries

We believe that GSA spent about \$2 million in fiscal years 1995 and 1996 funds, that were specifically designated by Congress for logistical support and personnel services for the 1996 Paralympic Games, in a manner that was not consistent with the express terms of the MOA under which these expenditures were made. The conference committee’s report on GSA’s appropriation for fiscal year 1995 stated that of the amounts appropriated to GSA, up to \$1 million, shall be used for logistical and personnel support for the Xth Paralympiad on disability. Further, the conferees recommended GSA’s participation in preparation of public facilities for use by an unprecedented population of people with disabilities during the 1986 Paralympiad.³ In fiscal year 1996, GSA’s appropriation earmarked an additional amount that was not to exceed \$1 million “for logistical support and personnel services...for building operations” for the Paralympic Games.⁴

According to information that GSA provided to us, APOC did not need assistance in the areas of construction and operation of facilities. Instead, APOC requested that GSA provide the funds to pay the salaries of the employees already working for APOC. Specifically, APOC officials asked GSA to place certain APOC employees on the GSA payroll and pay them biweekly as GSA employees. However, GSA told us that it determined that it had no authority to convert APOC employees to GSA employees. GSA said this would violate federal statutes and Office of Personnel Management regulations concerning the hiring of federal employees. The MOA GSA entered into with APOC specifically stated that “GSA cannot hire employees to work directly for APOC nor can GSA pay for the salaries of APOC employees.”

³ H.R. Rep. No.103-741.

⁴ P.L. 104-52.

Nevertheless, GSA subsequently entered into a contract with Randstad, Inc., which was a temporary employment agency, to provide personnel services to APOC. GSA's justification for negotiating noncompetitively for this procurement of temporary staffing services and personnel support for APOC s included the fact that Randstad expressed a willingness to waive its normal contracting fee and to "hire" the current APOC employees—from the President on down to lower level staff—who were already on APOC's payroll. Randstad further agreed to use the funds received from GSA for this contract to pay the APOC salaries. Thus, according to GSA, Randstad could freely hire the existing APOC employees and "simply assign them back to APOC in whatever capacity APOC requested." GSA determined that this practice would not violate federal statutes or Office of Personnel Management regulations governing the hiring of federal employees and was consistent with the language in the agreement that was designed to prohibit any direct transfer of funds to APOC employees.

In our opinion, use of these funds in this manner is not consistent with the express language of the MOA, which provided that GSA would not pay the salaries of APOC employees. In reality, the employees in question remained as APOC employees and the payment of their salaries by Ranstad with funds received from GSA was a circumvention of the language in the MOA.

VA's Use of Funding Designated for Veterans Was Not Consistent With Provision in the Appropriations Act

In 1994, Congress directed HUD in Public Law 103-327 to provide VA with a special purpose grant in the amount of \$2 million for assistance to veterans who were participating in the 1996 Paralympic games.⁵ However, the Secretary of VA endorsed the use of the special purpose grant to provide services for nonveterans as well as veterans. In a letter dated May 22, 1995, the Secretary wrote to the Chairman of the Subcommittee on VA, HUD and Independent Agencies, House Committee on Appropriations, that

" [w]ith the funds provided by the grant, we plan to supply disability sports equipment, specialized medical and nursing staff, training of rehabilitation professionals, and administrative operational support for the Paralympic Games. During the Paralympic Games, the equipment and services would be available to all Game participants. The Under Secretary for Health determined that furnishing assistance to all participants, both veteran and nonveteran, provided veterans with an equal opportunity to compete."

⁵ The Fiscal Year 1995 Appropriations Act providing funds for the Departments of Veterans Affairs and Housing and Urban Development (HUD), Public Law 103-327, provides appropriations to HUD for special purpose grants in accordance with the terms and conditions specified for such grants in the conference report (H.R. Rep. No. 103-715) accompanying the Appropriations Act. The conference report provided for a special purpose grant for VA of \$2 million "for the assistance of veterans who are participating in the 1996 Paralympic Games."

Although we do not have specific information regarding the actual beneficiaries of the grant expenditures, we obtained a copy of a VA report dated March 1, 1996, which contains an outline of the spending plan for the \$2 million special purpose grant as follows:

- medical staffing - \$551,832;
- sports competition staffing - \$730,840;
- medical equipment and supplies - \$250,000;
- sports competition equipment - \$404,960;
- research and educational activities - \$42,368; and
- travel - \$20,000.

According to an APOC report, 3,310 athletes participated in the Paralympic Games. According to a VA official, of those athletes, only about 15, or less than 1 percent, were U.S. veterans. It appears, on the basis of the letter from the Secretary of Veterans Affairs and the explanation contained in the spending plan about some of the proposed expenditures, that the Department intended to use the grant funds to furnish assistance to nonveterans as well as veterans. Thus, it is reasonable to assume that large portions of the funds were spent on nonveterans. Since in this case the appropriations provision incorporated the language in the conference report that the grant funds were to be used to assist veterans participating in the games, the use of these grant funds for the benefit of nonveterans would not be consistent with the appropriations language.

When an expenditure not specifically authorized by an appropriation is at issue, the standard for measuring its propriety is the necessary expense rule. Under this rule, an expenditure is permissible if it is reasonably necessary for the execution of the objective, purpose, or program for which the appropriation was made and is not otherwise prohibited by law. As previously noted, the Secretary of Veterans Affairs said that furnishing assistance to all participants would give veterans an equal opportunity to compete. In our opinion, this statement does not adequately explain the necessity of making equipment and services available to nonveterans in order to assist veterans. We see no basis for assuming that Congress' specific direction to assist veterans meant that it wanted to assist nonveterans as well to create a "level playing field." Using these funds to assist nonveterans was inconsistent with the express language of the provision in question.

In commenting on a draft of this report, the President of the U.S. Disabled Athletes Fund, Inc., said that the veterans participating in the Paralympic Games were direct beneficiaries of not only the \$2 million VA grant but

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also of several million dollars of other private and public sector funding acquired by APOC. In addition, the official said that after the Paralympic Games, APOC provided the majority of the disability sports equipment procured for the Games to veterans' hospitals and recreation programs. According to the President, the equipment is still in use today in VA hospitals and in the annual National Veterans Wheelchair Games.

Conclusions and Recommendations

The federal government has been and continues to be a significant supporter of Olympic Games held in the United States. Although a U.S. city does not host the Olympic Games on a periodic cycle, the Games have been held in the United States eight times since 1904—more than any other country. However, despite the steady increase in federal funds and support, no law or governmentwide policy exists that defines the government’s overall role in funding and supporting the Olympic Games when they are hosted in the United States, and no single federal agency has statutory responsibility for overseeing and monitoring federal funding and support of the Olympic Games when held in the United States.

In some cases, Congress designated funds for the Olympic Games in the agencies’ authorization and/or appropriation legislation. However, the majority of the federal funding and support was provided in an ad hoc manner by as many as 24 federal organizations using their regular funding procedures. Several federal agencies provided funding and support in areas that are generally the responsibility of the state and local governments or the Olympic organizing committees. For example, the federal government provided \$22 million of the \$33 million needed to build the Ocoee Whitewater Slalom venue. According to the IOC host city contract, venue development is the responsibility of the Olympic organizing committee. In addition, we also found that VA’s and GSA’s justifications for providing federal funds for two Olympic-related activities were not in accordance with the underlying statute or did not comply with applicable administratively imposed requirements.

During our review, we did not find any fundamental problem with the premise behind the federal government’s assistance to the Olympic Games when they are hosted in the United States. However, there are two areas in which Congress may want to consider establishing a governmentwide policy on the federal government’s involvement in the Olympic Games when they are hosted in the United States. One area is the process for selecting a U.S. city to bid on hosting the Games. The other area is the federal government’s role in helping to plan and stage the Olympic Games and prepare the host cities for the Games.

Consideration of enacting legislation or establishing a governmentwide policy on the federal government’s involvement in the Olympic Games when they are hosted in the United States is warranted for several reasons. First, although the federal government has no formal role in the selection of the U.S. city that can submit a bid to host the Olympic Games, if that U.S. city is awarded the Games it is likely that requests for significant federal assistance will result. Second, regardless of the lack of an overall

federal policy on the government's role in Olympic Games when they are hosted in the United States, the federal government is going to be involved in several ways. This is because the Olympic Games are a significant national and international event that require some services, such as security, that are legitimate functions of the federal government. For example, some federal agencies have basic statutory missions, such as ensuring public safety and protecting visiting foreign dignitaries, that necessitate their participation. Also, given the size and magnitude of the Olympic Games, it seems unlikely that a U.S. city selected to host the Games would have enough resources to meet all of the needs associated with hosting the Games, without the help of the federal government. Foreign national governments, such as Australia and Japan, have recognized this situation and appear to play more formal, visible roles in planning and financing the games when hosted in their countries. Although the U.S. government may not want to play as active a role as these governments, it may want to, at a minimum, formally recognize the expanding role of the federal government in funding and supporting the Olympic Games.

Third, federal funding and support for the Olympic Games that are hosted in the United States have been provided in an ad hoc manner, agency-by-agency, project-by-project, without the benefit of an overall federal policy and, until recently, without any systematic means for Congress to get an overall picture of the amounts and types of federal support being planned or provided for the Olympics Games that are hosted in the United States. In addition, OMB did not begin to track and report federal agency support for the Olympic Games significantly in advance of the Games until the 2002 Winter Olympic Games. Moreover, the data on the games that OMB has collected from the agencies have not been complete or always consistently prepared by the agencies.

Finally, it is not always clear how much information Congress has on the intended use of federal funds for the Olympic Games before they are appropriated. For example, although Congress expected the funds it designated for the Ocoee Whitewater Slalom venue to benefit public use of the Ocoee River after the 1996 Summer Olympic Games, Forest Service officials did not provide economic analyses showing what the expected public benefits would be. Thus, before Congress appropriated these funds it had limited information about the intended public benefit from the project after the 1996 Summer Olympic Games.

Matters for Congressional Consideration

Congress may want to consider whether a governmentwide policy on the overall role of the federal government with respect to funding and supporting U.S.-hosted Olympic Games is warranted. If Congress decides that a governmentwide policy is warranted, it may want to enact legislation that sets forth the appropriate role of the federal government in terms of funding and supporting the Olympic Games when held in the United States. Possible areas that Congress may want to consider for specifying a federal role or policy include

- selection of a bid city;
- the amount and type of federal funding and support to be provided;
- information desired before and after funding and support are approved; and
- the federal government oversight to be exercised and by whom.

Recommendations

To enable Congress, the executive branch, and other interested parties to identify and monitor the total amount and type of federal funding and support planned for and provided to the Olympic Games when they are held in the United States, we recommend that the Director of OMB:

- Track and periodically report to Congress each federal agencies' planned and actual funding and support of the 2002 Winter Olympic and Paralympic Games and any future Olympic and Paralympic Games hosted in the United States, beginning when a U.S. city is awarded the right to host the Games through the completion of the Games.
- Provide guidance to agencies identifying how data on funding and support of Olympic Games should be compiled to ensure consistent and complete reporting and request all federal entities to provide information, including those that do not normally report data to OMB.

In addition, we recommend that the Administrator of GSA and the Secretary of VA direct the appropriate officials at their respective agencies to effectively implement policies and controls to ensure that federal funds for the Olympic and Paralympic Games hosted in the United States are used for the appropriate purposes in accordance with the underlying appropriations and other statutes and all applicable laws, regulations, policies, and agreements. In commenting on a draft of this report, the White House Task Force on the 2002 Winter Olympic and Paralympic Games suggested that GSA and VA consult with OMB on Olympic-related funding issues.

Agency Comments and Our Evaluation

Most of the agencies and organizations that provided comments provided technical changes regarding the amount of federal funding and support provided to the Olympic Games, which we made where appropriate. However, GSA, VA, and the U.S. Disabled Athletes Fund, Inc., disagreed that the GSA and VA Olympic-related projects were not done in accordance with the statutory or administrative requirements or congressional intent.

OMB's Deputy Director concurred with our recommendation that it periodically track and report federal Olympic-related funding and said that OMB plans to report to Congress on federal support for the upcoming 2002 Winter Olympic and Paralympic Games as part of its preparation for the fiscal year 2002 President's budget. OMB also concurred with our recommendation aimed at ensuring that it collects complete and consistent data from agencies and believes that it was already carrying out that recommendation.

Further, OMB noted it generally collects data from agencies' central budgeting offices, which it believes are the best source for Olympic-related funding information. It believes that we often collected our data from agency regional or noncentral budget offices. In this regard, we collected data on planned and actual Olympic-related funding and support from a variety of sources within federal agencies, including central and component agency budget offices and headquarters and regional program offices. Because of the inconsistencies we found from all of these sources, as OMB proceeds to collect Olympic-related funding and support data from agencies, we continue to believe that it is important for OMB to ensure that it is receiving complete and consistent information.

GSA's Administrator said that GSA appreciates the time and effort that we expended in developing this most worthwhile report. However, the Administrator said that GSA takes strong exception with our interpretation of the MOA language and the services provided by Randstad. According to the Administrator, the express purpose of the Randstad contract was to provide the logistical and support services intended by Congress and promised to APOC by the MOA, while, at the same time, permitting GSA's compliance with the MOA. He noted that the MOA provision and the Randstad contract both operated exactly as intended and did not circumvent the express language of the MOA.

We continue to believe that this arrangement was an attempt by GSA to circumvent the language in the MOA and that these expenditures were not consistent with the MOA. As we point out in this report, the MOA provides

that GSA would not pay the salaries of APOC employees. GSA acknowledges that the employees involved continued to be “APOC employees” even though their salaries were paid by Randstad, using the funds Randstad received from GSA. GSA has not provided us with any information to indicate that it contracted with Randstad for any specific services that APOC was not performing. Rather, it appears that the only reason GSA entered into this agreement with Randstad was to avoid violating the prohibition in the MOA.

The Acting Secretary of Veteran Affairs concurred with our recommendation that VA effectively implement policies and controls to ensure that federal funds for the Olympic and Paralympic Games hosted in the United States are used for the appropriate purposes in accordance with the underlying appropriations and other statutes and all applicable laws, regulations, policies, and agreements. However, the Acting Secretary said that VA’s expenditure of these funds was “in accordance with congressional intent.” He said that VA had determined that assisting all participants in the Paralympics, both veterans and nonveterans, was necessary to provide veterans with an equal opportunity to compete and, therefore, was consistent with the appropriations language. We considered and rejected this argument in reaching our conclusion. The Acting Secretary also contends, as we recognize in this report, that VA had informed the House Subcommittee on Appropriations of its intended use of these funds to assist nonveterans and that the Subcommittee did not object. There is no legal basis for concluding that the statutory limitation in effect was nullified because the Subcommittee did not respond, either positively or negatively, to the letter informing it of VA’s proposed use of these funds.

In addition, the Acting Secretary believes that certain language contained in the House Report accompanying VA’s fiscal year 2000 appropriation act, which urges VA to use general administration funds to help with preparations for the 2002 Paralympics and does not limit such assistance to veterans, supports VA’s position regarding the funding for the 1996 Paralympics. Such post-enactment legislative history has no legal significance regarding the proper interpretation of appropriation provisions enacted in 1994. Thus, we continue to believe that VA’s use of these funds to assist nonveterans was inconsistent with the appropriations language.

The President of the U.S. Disabled Athletes Fund, Inc., expressed concern that the draft report did not adequately address the profound impact of the 1996 Paralympic Games and the larger social context in which the Games

were organized. Although evaluating the specific impacts of the 1996 Paralympics on society was not one of our objectives, we agree in principle that the Paralympics provides an opportunity to view the potential performance and aspirations of people with disabilities in a new light.

In addition, the President of the U.S. Disabled Athletes Fund, expressed concern about three issues in our draft report. First, he said the report cited the use of federal funds for entertainers at the Paralympic Games' opening ceremony as questionable. However, we did not question the use of federal funds for this purpose. On the contrary, we concluded that the expenditures for the opening ceremonies were authorized by the Department of Education's appropriation.

Second, the President of the U.S. Disabled Athletes Fund disagreed with our finding that GSA inappropriately used funds for APOC employee salaries. He explained that GSA and APOC determined that contracting with a temporary service met the requirements of the MOA and were in accordance with both the letter and the spirit of congressional direction. We recognize in the report that the contract in question was not inconsistent with the underlying appropriation. Nonetheless, other than expressing his confidence in GSA, the president did not provide us with any basis to change our conclusion that the expenditures were not consistent with the express language of the MOA, which states that the funds would not be used to pay the salaries of APOC employees.

Third, regarding VA's use of funding designated for veterans to assist nonveterans, the President of the U.S. Disabled Athletes Fund said that while it is true that nonveteran athletes benefited from the infrastructure enhancements afforded by the VA funding, the acquisition of specialized equipment, creation of operational infrastructure, and provision of appropriately trained personnel for this complex, world-class sport event far exceeded the \$2 million special purpose grant provided through VA. Therefore, veterans participating in the Paralympic Games were beneficiaries of not only the \$2 million grant but also several million dollars of other private and public sector funding acquired by APOC. He also said, and we have noted in chapter 4, that APOC provided the majority of the disability sports equipment to veteran hospitals and recreation programs. However, while we believe it was entirely appropriate for APOC to donate the equipment as it did, from a legal perspective, we do not believe that such action or the benefits that veterans received from private funds justifies VA's decision to use funds expressly appropriated to assist veterans participating in the Paralympics to assist nonveterans.

The National Aeronautics and Space Administration's Associate Deputy Administrator said that the agency (1) did not provide funding and support for the Olympic Games held in Los Angeles, CA, and Atlanta, GA, and (2) does not plan to participate in the Games in Salt Lake City, UT. We made this correction in this report.

The President and CEO of SLOC said that SLOC believes that the issues raised in the draft report are entirely appropriate for public debate. However, he believes that the emphasis should be placed on Olympic-required activities, not on spending that would have otherwise occurred. He explained that to form the foundation of an effective public debate, the participants should understand which spending is actually Olympic-required and Olympic-related. He further said that combining Olympic funding with funding for projects that otherwise would have been completed for non-Olympic purposes may tend to hide the very significant spending that is associated with the Olympic Games.

We agree with SLOC that it is important to distinguish between the types of federal funding and support that are provided to the Olympic Games and believe that our report makes this distinction. Our report discusses federal funding and support provided in terms of two categories (i.e., federal funding and support provided for planning and staging the Olympic Games versus preparing the host city for the Games). While we agree with SLOC's view that the amount of federal funding and support required to plan and stage the games is significant, we also believe that the amount of federal funding for preparing the host city is significant and should be reported and available for review and discussion as well.

The Department of Health and Human Services suggested that we adjust funding data for fiscal years 2000 through 2002 for inflation in a different manner. However, to maintain consistency among agencies, we adjusted all agencies' data in a similar manner.

The Chairman of the Board of Directors of TVA said that TVA agrees in principle with those aspects of the report involving TVA. TVA also believes that the \$5 million investment in the Ocoee Whitewater Slalom venue proved to be a good business investment for Polk County, TN.

The Department of Agriculture's Chief Financial Officer said that the Forest Service and the Natural Resources Conservation Service; the Deputy Under-Secretary of Defense Program Integration; and the Department of the Interior's Acting Assistant Secretary for Fish, Wildlife,

and Parks said that they generally concurred with the information in our draft report.

In August 2000, the Department of Transportation's audit liaison; the vice-chairs of the White House Task Force on the 2002 Winter Olympic and Paralympic Games; the Environmental Protection Agency's GAO Liaison; a Department of Energy Defense Program Analyst; an official from the Federal Emergency Management Agency's Office of Financial Management; an official from the Department of the Treasury's Office of Enforcement; and the President of the Amateur Athletic Foundation of Los Angeles provided us with oral technical comments, which were incorporated where appropriate.

Federal Funding and Support Provided to the 1984 Summer Olympic Games in Los Angeles

1999 dollars in thousands ^a			
Planning and staging the 1984 Summer Games			
Federal organization	Project or activity	Expenditure	Designated by Congress
Department of Agriculture		\$234	\$0
Animal and Plant Health Inspection Service	Equestrian event: quarantine horses and increased agency services	234	0
Department of Commerce		382	0
Economic Development Administration	Increased agency services	146	0
National Oceanic and Atmospheric Administration	Weather forecasting services for Olympic events	236	0
Department of Defense^c	Safety and security personnel, equipment, and services	46,703	72,971
Department of Health and Human Services	Safety- and security-related services	309	0
Department of Justice	Increased agency services	9,904	0
Drug Enforcement Administration	Safety- and security-related services	414	0
Federal Bureau of Investigation	Safety- and security-related services	7,536	0
Immigration and Naturalization Service	Safety- and security-related services and increased agency services	1,947	0
U.S. Marshals Service ^d	Safety- and security-related services	0	0
Interpol	Safety- and security-related services	7	0
Department of State	Increased agency services	2,865	0
Department of Transportation		3,953	0
U.S. Coast Guard	Safety- and security-related services	2,701	0
Federal Aviation Administration	Safety- and security-related services and increased agency services	1,252	0
Department of the Treasury		7,282	0
Bureau of Alcohol, Tobacco and Firearms	Safety- and security-related services	2,744	0
U.S. Secret Service	Safety- and security-related services	2,366	0
U.S. Customs Service	Safety- and security-related services	2,172	0
Department of Veterans Affairs	Not available	572	0
Federal Communications Commission	Communications systems improvements	264	0
U.S. Information Agency	Increased agency services	2,186	0
Total^{e, f}		\$74,654	\$72,971

^a1984 dollars were converted to 1999 dollars by dividing 1984 dollars by 0.6852, a conversion factor derived from chain-type price indexes for gross domestic product.

^b"Designated by Congress" refers to funds that were specifically designated for an Olympic-related purpose in appropriations acts or committee reports accompanying those acts.

^cCongress appropriated \$72,971,000 and DOD spent \$46,703,000. The unused funding authority was returned to the U.S. Treasury.

^dThe U.S. Marshals Service reported that it provided \$300,642; however, the Department of State reimbursed it. As such, we have included this amount in the Department's figures.

^ePersonnel costs are generally not included in these amounts, with the exception of the Department of Justice figures.

^fTotals do not include about \$53 million received by the Los Angeles Olympic Organizing Committee from the U.S. Mint as a result of the sale of Olympic Commemorative Coins.

Source: GAO analysis of data provided by officials from OMB and the listed federal organizations.

Federal Funding and Support Provided to the 1996 Summer Olympic Games in Atlanta

1999 dollars in thousands^a

Federal organization	Project or activity	Planning and staging the 1996 Summer Games		Preparing the host city of Atlanta	
		Expenditure	Designated by Congress ^b	Expenditure	Designated by Congress
Department of Agriculture		\$19,530	\$6,252	\$2,059	\$522
Animal, Plant, Health, and Inspection Service	Equestrian event: quarantine horses and increased agency services	509	0	0	0
Natural Resources Conservation Service	Planted flowers and grasses at Olympic venues and city parks	331	0	0	0
U.S. Forest Service	Whitewater Olympic venue construction	17,252	6,252	0	0
	Planted trees throughout the city	0	0	2,059	522
	Safety- and security-related services	1,438	0	0	0
Department of Commerce		4,337	0	4,966	0
Economic Development Administration	Olympic stadium sewer construction	1,248	0	0	0
	Ocoee, Tennessee, sewer construction	0	0	793	0
	Funded foreign visitors' trip to the United States for Paralympic events	104	0	0	0
	Business district revitalization	0	0	3,130	0
	Retrofit gym for Paralympic events	492	0	0	0
	RDA street development	0	0	1,043	0
	Economic studies, business promotions for Olympic games	1,396	0	0	0
National Oceanic and Atmospheric Administration	Weather forecasting services for Olympic events	1,097	0	0	0
Department of Defense^c		36,339	36,310	2,434	2,173
Office of Special Events	Safety- and security-related services	19,407	19,407	0	0
U.S. Army Forces Command	Safety- and security-related services	16,903	16,903	0	0
Corps of Engineers	Savannah River Walk construction for Olympic yachting event	0	0	2,173	2,173
	Campground improvements	0	0	261	0
	Temporary rangers	29	0	0	0
Department of Education	Paralympic Organizing Committee:	7,419	7,304	0	0
	Administration and staffing costs	6,115	0	0	0
	Opening and closing ceremonies	1,252	0	0	0
	Related conference costs	52	0	0	0
Department of Energy		4,686	0	0	0
	Swimming pool heating and solar panel installation for Olympic swimming events	3,495	0	0	0
	Safety- and security-related services	1,191	0	0	0
Department of Health and Human Services		5,110	0	0	0
Food and Drug Administration	Public health safety- and security-related services	257	0	0	0
Centers for Disease Control	Public health safety- and security-related services	193	0	0	0
Environmental Health	Public health safety- and security-related services	764	0	0	0

Appendix II
Federal Funding and Support Provided to the 1996 Summer Olympic Games in Atlanta

1999 dollars in thousands^a

Federal organization	Project or activity	Planning and staging the 1996 Summer Games		Preparing the host city of Atlanta	
		Expenditure	Designated by Congress ^b	Expenditure	Designated by Congress
Office of Emergency Preparedness	Public health safety- and security-related services	3,896	0	0	0
Social Security Administration	Paralympic ceremonies and events video-taping	1,565	1,565	0	0
Department of Housing and Urban Development		2,087	0	15,643	0
	Pass-through grant for Department of Veterans Affairs for Paralympic events	2,087	0	0	0
	Public housing renovation	0	0	9,965	0
	Community planning and development	0	0	5,634	0
	Funds for planting trees	0	0	44	0
Department of the Interior		1,562	0	13,019	13,043
National Park Service	Safety- and security-related services	689	0	0	0
	Martin Luther King historical site development	0	0	13,019	13,043
	Increased park services	873	0	0	0
Department of Justice		22,449	4,174	0	0
Community Relations Service	Mitigation of racial conflicts	30	0	0	0
Drug Enforcement Administration	300 agents for safety- and security-related services	2,699	0	0	0
Federal Bureau of Investigation	1,200 staff for safety- and security-related services	11,527	0	0	0
Immigration and Naturalization Service	130 additional staff to assist with processing international passengers	1,535	0	0	0
Civil Rights Division	Americans With Disabilities Act	153	0	0	0
Office of Justice Programs	Overtime costs for Atlanta police	4,174	4,174	0	0
	Safety and security study	1,356	0		
Executive Office, U.S. Attorneys	Added equipment and four attorneys	600	0	0	0
U.S. Marshals Service	150 Marshals for safety- and security-related services	375	0	0	0
Department of Labor		3,036	2,609	0	0
	Training and employment grants for Olympic venue construction	427	0	0	0
	Training for volunteers at Paralympic events	2,609	2,609	0	0
Department of State	Increased agency services	1,044	0	0	0
Department of Transportation		22,781	16,694	369,370	157,137
Federal Highway Administration	Road signs to Olympic venues	1,624	0	0	0
	Accelerated road and bridge projects	0	0	215,028	0
	Intelligent transportation system	0	0	40,819	60,622
Federal Transit Administration	Accelerated mass transit projects	0	0	113,523	96,515
	Olympic Transportation System	16,694	16,694	0	0

Appendix II
Federal Funding and Support Provided to the 1996 Summer Olympic Games in Atlanta

1999 dollars in thousands^a

Federal organization	Project or activity	Planning and staging the 1996 Summer Games		Preparing the host city of Atlanta	
		Expenditure	Designated by Congress ^b	Expenditure	Designated by Congress
Federal Aviation Administration	Temporary facilities and increased services	1,617	0	0	0
Federal Railroad Administration	Safety- and security-related services	39	0	0	0
U.S. Coast Guard	Safety- and security-related services	2,807	0	0	0
Department of the Treasury		7,082	5,715	0	0
Bureau of Alcohol, Tobacco and Firearms	Safety- and security-related services	2,477	2,295	0	0
Internal Revenue Service	100 agents for safety and security related services	232	0	0	0
U.S. Secret Service	Safety- and security-related services	3,548	3,420	0	0
U.S. Customs Service	150 inspectors for increased services	825	0	0	0
Department of Veterans Affairs		1,716	0	0	0
	Safety- and security-related services	1,617	0	0	0
	Donated excess supplies for Paralympics	99	0	0	0
Corporation for National and Community Services	Safety- and security-related services for Paralympic events	3,130	0	0	0
Environmental Protection Agency		8,210	7,304	0	0
	Olympic stadium-related sewer construction	6,780	7,304	0	0
	Olympic venue bike path construction	313	0	0	0
	Paralympics: loan of EPA employee	161	0	0	0
	Safety- and security-related services	719	0	0	0
	Increased agency services	237	0	0	0
Federal Communications Commission	Communications systems improvement	39	0	0	0
Federal Emergency Management Agency	Safety- and security-related services	11,602	0	0	0
Federal Executive Board	Federal employee volunteered salary for safety- and security-related services	1,821	0	0	0
General Services Administration	Paralympic Organizing Committee administrative and staffing costs	2,086	2,087	0	0
Tennessee Valley Authority	Whitewater rapids event venue construction and water releases	5,118	0	0	0
U.S. Information Agency	Olympic information programs	7,551	0	0	0
U.S. Postal Service		4,293	0	16,428	0
	Increased postal services	4,293	0	0	0
	Building renovations	0	0	16,428	0
Total^{d, e}		184,593	\$90,014	\$423,919	\$172,875

^a1999 dollars were calculated by dividing 1996 dollars by 0.9584, a conversion factor derived from chain-type price indexes for gross domestic product.

^b"Designated by Congress" refers to funds that were specifically designated for an Olympic-related purpose in appropriations acts or committee reports accompanying those acts.

Appendix II
Federal Funding and Support Provided to the 1996 Summer Olympic Games in Atlanta

^eAccording to Department of Defense officials, the Department spent about \$36 million of the \$52 million designated by Congress for the 1996 Olympic Games. The remaining \$16 million were maintained by the Department for future athletic events.

^dPersonnel costs are generally not included in these amounts, with the exception of the U.S. Forest Service figure.

^eTotals do not include about \$27.3 million received by ACOG from the U.S. Mint as a result of the sale of Olympic Commemorative Coins.

Source: GAO analysis of data provided by officials from OMB and the listed federal organizations.

Federal Funding and Support Planned and Provided to the 2002 Winter Olympic Games in Salt Lake City

1999 dollars in thousands^a

Federal organization	Project or activity	Planning and staging the 2002 Winter Games			Preparing the host city of Salt Lake City		
		Planned ^b	Expenditure	Designated by Congress ^c	Planned ^b	Expenditure	Designated by Congress ^c
Department of Agriculture		\$7,242	\$2,901	\$0	\$8,887	\$5,473	\$4,546
U.S. Forest Service	Olympic planning and increased services	7,242	2,901	0	0	0	0
	Forest improvements	0	0	0	8,887	5,473	4,546
Department of Commerce		205	0	92	0	0	0
National Oceanic and Atmospheric Administration	Increased weather forecasting services for Olympic events	205	0	92	0	0	0
Department of Defense		24,691	45	45	0	0	0
	Safety- and security-related services	24,691	45	45	0	0	0
Department of Education		876	44	876	0	0	0
	Paralympics	876	44	876	0	0	0
Department of Energy		1,586	194	0	0	0	0
	Safety- and security-related services	1,586	194	0	0	0	0
Department of Health and Human Services		9,494	0	0	0	0	0
Food and Drug Administration	Public health safety- and security-related services	598	0	0	0	0	0
Centers for Disease Control	Safety- and security-related services	1,923	0	0	0	0	0
Office of Emergency Preparedness	Public health safety- and security-related services	6,973	0	0	0	0	0
Department of Housing and Urban Development		3,172	0	0	0	0	0
	Housing for media	1,894	0	0	0	0	0
	Housing for security personnel	1,278	0	0	0	0	0
Department of the Interior		1,270	153	0	0	0	0
National Park Service	Increased park services	1,252	153	0	0	0	0
Bureau of Land Management	Increased Bureau services	5	0	0	0	0	0
	Safety- and security-related services	13	0	0	0	0	0
Department of Justice		47,060	14,960	16,950	0	0	0
Federal Bureau of Investigation	Safety- and security-related services	21,486	767	0	0	0	0
Immigration and Naturalization Service	Safety- and security-related services	2,431	3	0	0	0	0
Office of Community Oriented Policing	Grants for safety- and security-related services	10,417	10,417	10,417	0	0	0

**Appendix III
Federal Funding and Support Planned and Provided to the 2002 Winter Olympic Games in
Salt Lake City**

1999 dollars in thousands^a

Federal organization	Project or activity	Planning and staging the 2002 Winter Games			Preparing the host city of Salt Lake City		
		Planned ^b	Expenditure	Designated by Congress ^c	Planned ^b	Expenditure	Designated by Congress ^c
Office of Justice Programs	Grants to local law enforcement	8,806	3,692	3,692	0	0	0
Executive Office of U.S. Attorneys	Safety- and security-related services	1,027	81	0	0	0	0
Community Relations Service	Assess racial tensions	52	0	0	0	0	0
Counter terrorism fund	Safety- and security-related services	2,841	0	2,841	0	0	0
Department of State	Increased agency services	663	3	0	0	0	0
Department of Transportation		83,854	26,838	36,896	998,275	257,318	318,783
Federal Highway Administration	Olympic transportation planning	10,227	5,785	5,682	0	0	0
	Accelerated road and bridge projects	0	0	0	645,315	199,678	18,541
	Olympic event access road: Snow Basin	14,962	14,962	14,962	0	0	0
	Olympic event access road: Winter Sports Park	4,106	3,162	0	0	0	0
Federal Transit Administration	Olympic Transportation System (OTS) ^d	47,348	1,402	2,788	0	0	0
	Olympic infrastructure Improvements	Included in above for OTS	465	9,291	0	0	0
	Olympic park and ride lots	Included in above for OTS	1,024	4,173	0	0	0
	Light rail : Downtown to University of Utah line	0	0	0	91,369	5,019	91,369
	Light Rail: North/South line	0	0	0	228,598	48,850	202,919
	Olympic intelligent transportation system deployment	0	0	0	3,788	0	0
	Commuter rail	0	0	0	3,788	1,849	3,776
	Intermodal centers	0	0	0	9,470	0	2,178
Federal Aviation Administration	Safety- and security-related services	6,098	0	0	0	0	0
	Facility improvements	0	0	0	15,947	1,922	0
Federal Railroad Administration	Safety- and security-related services	388	0	0	0	0	0
U.S. Coast Guard	Safety- and security-related services	407	0	0	0	0	0
Office of Secretary of Transportation	Safety- and security-related services	318	38	0	0	0	0

**Appendix III
Federal Funding and Support Planned and Provided to the 2002 Winter Olympic Games in
Salt Lake City**

1999 dollars in thousands^a

Federal organization	Project or activity	Planning and staging the 2002 Winter Games			Preparing the host city of Salt Lake City		
		Planned ^b	Expenditure	Designated by Congress ^c	Planned ^b	Expenditure	Designated by Congress ^c
Department of the Treasury		58,693	71	0	0	0	0
Bureau of Alcohol, Tobacco and Firearms	Safety- and security-related services	8,811	0	0	0	0	0
Internal Revenue Service	Safety- and security-related services	1,520	0	0	0	0	0
U.S. Secret Service	Safety- and security-related services	13,704	46	0	0	0	0
U.S. Customs Service	Safety- and security-related services	19,320	21	0	0	0	0
Wireless Program	Safety- and security-related services	15,285	0	0	0	0	0
Office of Enforcement	Safety- and security-related services	53	4	0	0	0	0
Department of Veterans Affairs	Safety- and security-related services	2,746	1	0	0	0	0
Environmental Protection Agency		2,961	0	2,083	0	0	0
	Olympic venue-related sewer construction	2,083	0	2,083	0	0	0
	Planning and increased services	473	0	0	0	0	0
	Safety- and security-related services	405	0	0	0	0	0
Federal Communications Commission	Communication systems improvements	137	0	0	0	0	0
Federal Emergency Management Agency	Safety- and security-related services	6,107	0	0	0	0	0
General Services Administration	Safety- and security-related services	1,472	0	0	0	0	0
U.S. Information Agency	Education, cultural affairs	80	0	0	0	0	0
U.S. Postal Service	Increased postal services	1,894	0	0	4,673	0	0
	Facilities improvements	0	0	0	4,673	0	0
	Increased postal services	1,894	0	0	0	0	0
Total^e		\$254,203	\$ 45,210	\$56,942	\$1,011,835	\$262,791	\$323,329

^a1999 dollars were calculated by dividing 2002 dollars by 1.056, a conversion factor derived from chain-type price indexes for gross domestic product.

^bPlanned includes funds already expended.

^c"Designated by Congress" refers to funds that were specifically designated for an Olympic-related purpose in appropriations acts or committee reports accompanying those acts.

^dIn July 1998 the SLOC requested \$137 million in FTA funds for the Olympic Spectator Transit System (OSTS). In February 2000, the SLOC revised this request to \$91 million. On March 3, 2000, FTA proposed a maximum contribution of \$47.3 million for the 2002 Olympics and Paralympics. However, a current bill in the House of Representatives, H.R. 4475, provides \$56.8 million for Olympic buses and facilities and \$9.5 million for the Olympic Infrastructure Investment.

Appendix III
Federal Funding and Support Planned and Provided to the 2002 Winter Olympic Games in Salt Lake City

^aPersonnel costs are generally not included in these amounts, with the exception of the U.S. Forest Service.

Source: GAO analysis of data provided by officials from OMB and the listed federal organizations.

Comments From the Office of Management and Budget



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DEPUTY DIRECTOR

August 28, 2000

Mr. Bernard L. Ungar
Director, Government Business Operations Issues
U.S. General Accounting Office
441 G Street, N.W.
Room 2A10
Washington, D.C. 20548

Dear Mr. Ungar:

I am writing to submit comments from the Office of Management and Budget (OMB) on the General Accounting Office's draft report, Olympic Games: Federal Government Provides Significant Funding and Support (GAO/GGD-00-183, Code 240348).

As indicated in your draft report, OMB has tracked Federal support for the 1984 Olympic Games and the 1996 Olympic and Paralympic Games. Assuming that we continue to have the resources to do so, we plan to continue to track Federal support for the 2002 Olympic and Paralympic Games.

In your report you recommend that the Director of OMB:

- track and periodically report to Congress each federal agencies' planned and actual funding and support of the 2002 Winter Olympic and Paralympic Games and any future Olympic and Paralympic Games hosted in the United States, beginning at the time a U.S. city is awarded the right to host the Games through the completion of the Games[.]; *and*,
- provide guidance to agencies identifying how data on funding and support of Olympic Games should be compiled to ensure consistent and complete reporting and request all federal entities to provide information, including those that do not normally report data to OMB.

Regarding the first recommendation, in the context of the preparation of the FY 2002 President's Budget to Congress, OMB plans to report on Federal support for the upcoming Olympic and Paralympic Games in Salt Lake City, Utah.

Appendix IV
Comments From the Office of Management and Budget

In response to the second recommendation, we concur and believe that we are doing that now. For example, the Office of Management and Budget issued a "Budget Data Request" on December 6, 1999, and February 11, 2000, regarding collecting data on spending for the upcoming Salt Lake City Olympics. We note that the General Accounting Office, in many cases, has collected data on Federal support for the Olympic and Paralympic Games from agency regional offices, rather than from central budget offices. This may result in differences in the data collected by the General Accounting Office versus OMB. OMB generally collects data from central budget offices. We believe these offices are best situated to provide an accurate, consistent estimate of agency financial support for the Olympic and Paralympic Games.

Thank you for the opportunity to comment on your report.

Sincerely,



Sylvia M. Mathews
Deputy Director

Comments From the U.S. General Services Administration



August 21, 2000

The Honorable David M. Walker
Comptroller General
of the United States
General Accounting Office
Washington, DC 20548

Dear Mr. Walker:

Thank you for the opportunity to respond to the General Accounting Office's (GAO's) draft report entitled "OLYMPIC GAMES: Federal Government Provides Significant Funding and Support". The report provides a general review of Federal funding and support of the 1984 Summer Olympic games held in Los Angeles, CA; the 1996 games held in Atlanta, GA; and the planned 2002 Winter Olympic games in Salt Lake City, UT. In addition, GAO selected and evaluated five projects to determine if Federal funding and support were provided in accordance with the underlying laws and applicable requirements.

One of the five projects reviewed and evaluated by GAO was support provided to the Atlanta Paralympic Organizing Committee (APOC) by the General Services Administration (GSA). As is common for special support activities, GSA entered into a Memorandum of Agreement (MOA) with APOC defining the roles and responsibilities of each party to the Agreement and specifying the services to be provided. The purpose paragraph of the MOA states, in part, that "GSA [is] committed to provide APOC... logistical and personnel support...". GSA support was accomplished through a contract with Randstad, Inc., a staffing services firm, to provide staffing services and logistical support for APOC. Consistent with the contract provisions, Randstad, Inc., did hire existing APOC employees and assign them back to APOC in the capacities APOC requested.

The GAO review and evaluation of GSA support of APOC acknowledges that GSA actions were consistent with congressional intent as expressed in appropriation and report language. Nor does GAO find reason to question GSA adherence to other statutes, laws, regulations or policies applicable to the types of support provided to APOC. Nevertheless, GAO concludes that, "in our [GAO's] opinion, use of funds in this manner is not consistent with the express language of the MOA, which provides that

U.S. General Services Administration
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Washington, DC 20405-0002
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GSA would not pay the salaries of APOC employees. In reality, the employees in question remained as APOC employees and the payment of their salaries by Randstad was a circumvention of the language in the MOA.”

I must take strong exception with GAO interpretation of the MOA language and the services provided by Randstad. The MOA language that the report characterized as having been “circumvented” by GSA reads as follows, “c. GSA cannot hire employees to work directly for APOC nor can GSA pay for the salaries of APOC employees”. The purpose of this provision was to make clear that GSA was prohibited from, and would not make, any direct transfer of funds to APOC employees that would establish an improper employer-employee relationship. To do so would violate Federal statutes and Office of Personnel Management regulations with respect to merit recruitment and hiring of Government employees. The Randstad contract was never intended to, and did not, circumvent the MOA language. The express purpose of the Randstad contract was to provide the logistical and support services intended by Congress and promised to APOC by the MOA; and, **at the same time, permit GSA compliance with the MOA.** The MOA provision and the Randstad contract both operated exactly as intended.

As part of processing contract payments to Randstad, our regional Chief Financial Officer reviewed Randstad’s payroll reports to confirm actual costs incurred by Randstad in support of APOC. This included confirmation that the salaries of APOC employees were properly paid by Randstad. GSA did not at any time pay APOC employees directly. These records were made available for GAO review. Let me reiterate, the contract with Randstad operated in tandem with GSA’s MOA and did not circumvent the express language of the MOA.

GSA appreciates the time and effort that the GAO has expended in developing this most worthwhile report. Based on the information and reasoning provided regarding GSA support of the Atlanta Paralympics, I am requesting that the negative implications and recommendation regarding GSA actions be removed from the final version of this report.

Sincerely,



David J. Barram
Administrator

Comments From the Secretary of Veterans Affairs



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

AUG 17 2000

Mr. Bernard L. Ungar
Director, Government Business Operations Issues
General Government Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Ungar:

We have reviewed your draft report, ***OLYMPIC GAMES: Federal Government Provides Significant Funding and Support*** (GAO/GGD-00-183), regarding governmentwide data on the amount of federal funding and support provided to the 1984 Summer Olympic Games, the 1996 Summer Olympic and Paralympic Games, and the 2002 Winter Olympic Games, and that portion relating to the Department of Veterans Affairs (VA). I concur with your recommendation that VA effectively implement policies and controls to ensure that federal funds for the Olympic and Paralympic Games hosted in the U.S. are used for appropriate purposes in accordance with underlying appropriations and other statutes, and all applicable laws, regulations, policies, and agreements.

The report concludes VA's use of a special purpose grant to assist nonveterans during the 1996 Paralympic Games was not in accordance with provisions in the Appropriations Act. Although the Conference Report contains language restricting the use of grant money, VA spent these funds in accordance with congressional intent.

In 1994, Congress directed HUD to provide VA with a special purpose grant of \$2 million for assistance to veterans participating in the 1996 Paralympic Games. VA's General Counsel issued an opinion stating that this special appropriation could be used to assist nonveterans who participate in the games if the Under Secretary for Health determined that the assistance would be essential to the assistance of veterans who participate in the Paralympic Games. Subsequently, the Under Secretary determined that assisting all participants, both veterans and nonveterans, provided veterans with an equal opportunity to compete, and, therefore, equipment and services were made available to nonveterans in order to assist veterans.

Appendix VI
Comments From the Secretary of Veterans Affairs

2. Mr. Bernard L. Ungar

Further, Appropriations Committee staffs were aware that a limited number of veterans would be involved in the Paralympic Games. In May 1995, the Secretary wrote the Chairman of VA's House Appropriations Subcommittee informing him of the intended use of the grant money. The Committee did not object to the Department's plans. Congressional staff recognized VA's role as a national leader in rehabilitative medicine and expected VA to provide expertise in support of all disabled athletes.

Recent Committee action has reconfirmed expectations regarding VA's support of the Paralympics Games. House Report language accompanying VA's FY 2000 Appropriations Act urges VA to use GOE, general administration funds, to help with preparations for the 2002 Paralympics. There is no mention of limiting resources to veterans. The Committee specifically encourages the Department to "work with the Salt Lake Organizing Committee and provide resources for the Paralympic Games.

Finally, Appendix III incorrectly reflects an estimated VA expenditure of \$4.4 million for "safety and security" for the 2002 Winter Olympic Games. The estimate should be \$2.9 million.

I appreciate the opportunity to comment on your draft report.

Sincerely,



Hershel W. Gober
Acting

Comments From the U.S. Disabled Athletes Fund, Inc.



U.S. Disabled Athletes Fund, Inc.

2015 South Park Place / Suite 180 / Atlanta, Georgia 30339 / (770) 850-8199 • Fax: (770) 850-8179

August 24, 2000

Mr. Bernard L. Ungar
Director, Government Business Operations Issues
U.S. General Accounting Office
441 G Street, NW
Room 2A10
Washington, DC 20548

Dear Mr. Ungar:

As President and CEO of the former Atlanta Paralympic Organizing Committee (APOC), I write in response to "Olympic Games: Federal Government Provides Significant Funding and Support," a draft report of the General Accounting Office (GAO). I commend the agency for its efforts to ensure that the allocation of federal resources is consistent with the intention of Congress and that these resources are spent responsibly. I am concerned, however, that the report fails to adequately capture the profound impact of the 1996 Paralympic Games and fails to consider the larger social context in which the Games were organized. An assessment of the role federal agencies played in the event requires a broader recognition of the larger policy objectives that served as the foundation of Congressional and Administration support for the Games.

Central to this support was the recognition that staging the Paralympic Games in the United States presented an unparalleled opportunity to confront the negative stereotypes of people with disabilities still prevalent in our society. While many Americans with physical disabilities perform effectively -- as teachers, researchers, senators, lawyers and beyond -- it is elite athletic performance that most commonly draws positive attention. And it is the athletic achievements of Paralympic athletes that then challenge those who are watching to re-think preconceptions about people with disabilities.

Paralympic athletes like Tony Volpentest, a sprinter who runs -- on two prosthetic legs -- the 100-meters less than a second and a half off the pace of Olympian Donovan Bailey, shatter stereotypes. Paralympic athletes like Scot Hollonbeck, a world class wheelchair racer who completes marathons thirty minutes faster than Olympic runners, and Bin Hou, a single-leg amputee who high jumps 6'5", are athletes who dispel stereotypes. It is impossible to witness the performance of these extraordinary athletes without challenging underlying societal assumptions about the capabilities of people with disabilities.

Why does this matter? What is at stake? First, we believe that employers who witness the athletic performance of a Paralympic athlete will be far more likely to consider employment of a person with a disability. The current rate of unemployment among people with severe disabilities is well above 60 percent. Economic independence will remain elusive to people with disabilities until employers society-wide embrace the idea that physical disability does not necessarily preclude people from performing at levels comparable to their nondisabled peers.



Mr. Bernard L. Ungar
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Second, the value of providing role models for people with disabilities cannot be overstated. Children growing up with a disability need to see adults with disabilities who are strong, healthy, active and successful. Athletes are a natural role model for children. Paralympic athletes, who have trained with the same commitment to world class performance as any Olympian, provide ideal role models. Adults who become disabled through injury or illness must redefine their self-image and expectations. Too often, these people are told to lower their expectations. They are told to do less, to strive for less, to depend on others. For most people, accepting lowered expectations is a dangerous, counter-productive mindset. The Paralympic Games help raise expectations of what people with disabilities can do and reinforce positive images of people with disabilities as strong and capable individuals.

While there are federal laws prohibiting discrimination and physical barriers, we cannot mandate attitudinal changes. Attitudes change slowly and in response to a variety of images, anecdotes and information. The Atlanta Paralympic Games were positioned to fuel such changes in the perceptions of what people with disabilities can and cannot do. The objective that drove APOC's federal relationships was to stage the most dramatic and widely viewed event possible to showcase the abilities of people with disabilities.

The Atlanta Games were the first Paralympic Games hosted on American soil in the 36-year history of the Paralympic movement. Because of the example the U.S. has set in mandating access (through the American with Disabilities Act) and inclusion (through the Individuals with Disabilities Education Act), national and international expectations for the event hosted in the United States could not have been higher. The federal funding initiatives explored by GAO were critical elements to ensuring successful staging of the 1996 Atlanta Paralympic Games.

In light of these objectives and the potential for the event to impact society, let me address three specific items the draft report cites as questionable use of federal funds.

Entertainers at the Paralympic Games Opening Ceremony

With the professional entertainment APOC engaged for the Paralympic Opening Ceremony, APOC was able to secure regional and national television coverage that was unprecedented for disability sports in the United States. Simply put, media, spectators and viewers who otherwise may not have been interested in the Games were drawn in by the star quality of the entertainers involved. And network and cable executives insisted that APOC acquire recognized talent to serve as an audience draw. That coverage was critical to APOC's objective of reaching millions of Americans with the positive images of Paralympic athletes. Reaching a national television audience multiplied exponentially the number of people who would be made aware of the event and the message it carried. Televised Opening Ceremonies drew more spectators to attend athletic competitions at venues throughout the Games. Finally, the quality of the ceremonies and associated television coverage created a sense of parity between the U.S. Paralympians representing their country and their Olympic counterparts.

Mr. Bernard L. Ungar
Page 3
August 24, 2000

Additionally, television coverage of the Opening Ceremony was viewed in 46 countries, reinforcing the message of progressive American leadership in the area of disability policy.

Contract Employee Salaries

Without the specialized skills of personnel with logistics, operations, disability, and accessibility expertise, the Games would have failed. APOC sought federal funding through the General Services Administration (GSA) so that it could properly staff the Games with the people who possessed the specialized skills required to prepare for and run the Games.

GSA appropriations for fiscal years 1995 and 1996 directed that the resources be used "for logistical and personnel support" for the Paralympic Games. To obtain the logistical and personnel support needed to prepare "public facilities for use by an unprecedented population of people with disabilities," GSA and APOC determined that contracting with a temporary service would meet the requirements of the memorandum of agreement and would be in accordance with both the letter and the spirit of Congressional direction. This decision assured APOC and GSA that appropriately skilled personnel would be available to prepare Atlanta for the Paralympics.

The GSA's willingness to find a workable solution reflects its understanding of the specialized expertise required to operate the Paralympic Games. As the "organizing committee" for the federal government, GSA's expertise in this area is unparalleled. Given the agency's credibility in making such determinations on the needs of the event and the consistency with which GSA actions followed the law, I must disagree with the GAO's negative finding in this area.

Funding Designated for Veterans

The Department of Veteran's Affairs (VA) special purpose grant "for the assistance of veterans who are participating in the 1996 Paralympic Games" was used for disability sports equipment, specialized medical and nursing staff, rehabilitation professionals' training, and operational support for the Games. The quality of services and supplies obtained through this grant directly benefited U.S. veterans participating in the Games, since such specialized equipment and services were critical components of an elite international competition for athletes with disabilities. While it is true that non-veteran athletes benefited from the infrastructure enhancements afforded by the VA funding, the acquisition of specialized equipment, creation of operational infrastructure, and provision of appropriately trained personnel for this complex world class sports event far exceeded the \$2 million special purpose grant funding provided through the VA. Therefore, veterans participating in the Games were direct beneficiaries not only of the \$2 million VA funding, but also of several million dollars of other private and public sector funding acquired by APOC.

Appendix VII
Comments From the U.S. Disabled Athletes Fund, Inc.

Mr. Bernard L. Ungar
Page 4
August 24, 2000

Finally, the extra steps APOC took to maximize the value of the VA's participation for the veteran community must be acknowledged. After the Games, APOC provided the majority of the disability sports equipment procured for the Games to veterans' hospitals and recreation programs. This equipment is still in use today in VA hospitals and in the annual National Veterans Wheelchair Games. Personnel who were trained by APOC to prepare and stage the Games subsequently brought a level of expertise to the veterans' disability sports community that simply would not exist but for the Paralympic experience. Many APOC alumni continue to work in and around sports programming for disabled veterans.

When revisiting the broader themes addressed earlier, please keep in mind that the Paralympic Games presented a new image of disability to newly disabled people who are confronted with negative and potentially destructive stereotypes about their condition. Disabled veterans and their families watching televised segments of the Paralympic Games were given hope and inspiration for their lives. Medical and rehabilitation professionals in the VA system participating in and viewing these Games learned about the abilities people with disabilities possess, rather than the limitations that so often are the focal point of medical practice.

In sum, the Atlanta Paralympic Games gave more than 50 million television viewers and 750,000 spectators an unprecedented opportunity to view the aspirations and performance potential of people with disabilities in an extraordinary new light. That opportunity simply would not have been possible without federal support.

On behalf of the organizing committee, our 10,330 Games volunteers and 4,500 athletes, coaches, judges and officials from 103 nations, I want to thank you for providing me this opportunity to provide a broader perspective on the significance of the 1996 Atlanta Paralympic Games and its relevance to larger societal issues. I encourage the GAO to consider the information conveyed in this letter as it prepares its final report.

Sincerely,



G. Andrew Fleming
President

Comments From the National Aeronautics and Space Administration

National Aeronautics and
Space Administration
Office of the Administrator
Washington, DC 20546-0001



Mr. Bernard L. Ungar
Director, Government Business Operations Issues
U.S. General Accounting Office
441 G Street, NW
Room 2A10
Washington, DC 20548

AUG 25 2000

Dear Mr. Ungar:

Thank you for the opportunity to review and comment on the recent draft report entitled, Olympic Games: Federal Government Provides Significant Funding and Support (GAO/GGD-00-183, Code 240348).

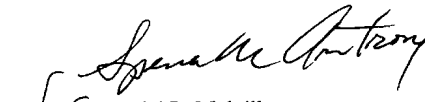
Page 27 of the GAO Report, Chapter 1, Introduction, the "National Aeronautics and Space Administration (NASA)" is listed as providing Federal funding to support the Olympic Games. We are requesting that this line be deleted from the report.

In a letter to Ms. Tammy Conquest dated June 13, 2000 (copy enclosed), the Associate Administrator for Public Affairs stated that NASA did not fund the Olympic games in Los Angeles, California or Atlanta, Georgia and does not plan to participate in the Salt Lake City, Utah, games.

NASA did participate in the Global Village Expo, which was an event endorsed by the city of Atlanta and coincided with the Summer Olympics held in 1996. NASA saw this as an opportunity to reach a large contingent of U.S. and international visitors. The total cost to NASA was \$160,000, which covered the costs of the exhibit site rental, transportation of the exhibits (two 40-foot. exhibit trailers), logistical expenses and travel for six staff people.

If you have any further questions, please contact Evelyn Thames, Director, Public Services Division, Office of Public Affairs. She can be reached at (202) 358-1719.

Sincerely,


Daniel R. Mulville
Associate Deputy Administrator

Enclosure

Appendix VIII
Comments From the National Aeronautics and Space Administration

PS

JUN 13 2000

Ms. Tammy Conquest
Assistant Director
General Government Division
U.S. General Accounting Office
Washington, DC 20548

Dear Ms. Conquest:

This is in response to GAO's review, "Federal Funds Used to Support Olympic Games," Job Code 240348.

We sent a request to all NASA Headquarters organizations and Centers and found that NASA has not funded the Olympic games in Los Angeles, CA, or Atlanta, GA. Also, NASA is not planning to participate in the Salt Lake City, UT, games.

If you have any questions or need additional information, please call Evelyn Thames of my office at 202-358-1719.

Sincerely,

ORIGINAL SIGNED BY

Peggy Wilhide
Associate Administrator for
Public Affairs

cc:
AI/Mulville
bcc:
JM/Team
P/Wilhide
P/Penney
PSThames

PS/SLord/sr/6/7/00/x1711

Comments From the Salt Lake City Olympic Organizing Committee

Salt Lake Organizing Committee
for the Olympic Winter Games of 2002
299 South Main Street, Suite 1300
P.O. Box 45002
Salt Lake City, Utah 84145-0002 USA

Telephone: 801-212-2002
Facsimile: 801-364-7644
www.saltlake2002.com



August 18, 2000

Mr. Bernard L. Ungar
Director, Government Business Operations Issues
U.S. General Accounting Office
441 G Street, NW
Room 2A10
Washington, DC 20548

Dear Mr. Ungar,

Thank you for the draft report of Olympic Games: Federal Government Provides Significant Funding and Support. We believe the issues which are raised by the report are entirely appropriate for public debate. To aid in that process, however, we believe that it is important to focus on certain key elements of your text.

Specifically, the body of the report distinguishes between funding for projects and activities directly related to staging the Games and funding for projects that would have occurred even if the Games were not in the United States. In our view, the emphasis should be placed on Olympic required activities, not on spending which would have otherwise occurred.

We believe this is an important issue. In order to form the foundation of an effective public debate, the participants should understand which spending is actually Olympic required and Olympic related. Combining Olympic funding with funding for projects which otherwise would have been completed for non-Olympic purposes may tend to hide the very significant spending which is associated with the Olympic Games.

We would also note that we believe the Federal spending associated with the Games in Salt Lake City is entirely appropriate and within traditional areas of government responsibility. Two-thirds of the costs associated with the Salt Lake Games are for public safety activities. It is not surprising that the costs for activities such as providing anti-terrorist protection to our community and to the athletes have risen as the threat of terrorism increasingly affects our world. We believe our citizens also traditionally look to the government to provide services such as visas, customs, transportation, weather and similar functions to the public. Additionally, we have been

Appendix IX
Comments From the Salt Lake City Olympic Organizing Committee

Bernard L. Ungar
August 18, 2000
Page Two

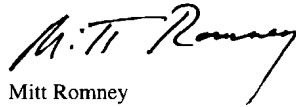
diligent to carefully hone and minimize our requests, limiting them to only those that are essential to hosting Olympic Games in this country.

Staging an Olympic Games is a massive undertaking, unparalleled in any other peacetime activity. It requires extensive cooperation and integration among federal, state and local governments and the private organizing committee in order to be successful. Nevertheless, the impact of the event is equally unparalleled. It is the one event that, through the media, brings together over three-quarters of our globe.

We believe that the mission of taking the Olympic Games to the world is a mission of peace which is consistent with the objectives of our great country. Recognizing that our government spends billions of dollars to maintain wartime capability, it is entirely appropriate to invest several hundred million dollars to promote peace.

We appreciate this opportunity to comment on this report.

Sincerely,



Mitt Romney
President and CEO

MR/dt

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