

GAO Highlights

Highlights of [GAO-16-101](#), a report to congressional committees

Why GAO Did This Study

Overreliance on costly leasing is one of the major reasons that federal real property management remains on GAO's high-risk list. GAO's prior work has shown that owning buildings often costs less than operating leases, especially where there are long-term needs for space.

House Report 113-102 included a provision that GAO review DOD's management of leased space. For fiscal years 2011 and 2013, this report evaluates the extent to which DOD (1) has accurate and complete data on the number, size, and costs of its leases; (2) has taken actions to reduce its reliance on leased space; and (3) has oversight of the status of security assessments conducted for leased facilities contracted through GSA. GAO analyzed lease data from the real property systems kept by DOD, the military departments, WHS, and GSA, and facility security assessment data from FPS and the Pentagon Force Protection Agency; reviewed guidance; and interviewed cognizant officials.

What GAO Recommends

GAO recommends four actions to improve DOD's management of its leased facilities. DOD concurred with GAO recommendations to (1) enforce its guidance to provide annual rent plus other costs for each asset on the same lease, and (2) request information from FPS on facility security assessments. DOD did not concur with GAO recommendations to capture total square footage, by lease, or to look for opportunities to move DOD organizations in leased space onto installations. As discussed in the report, GAO believes that these recommendations remain valid.

View [GAO-16-101](#). For more information, contact Brian Lepore at (202) 512-4523 or leporeb@gao.gov.

March 2016

DEFENSE INFRASTRUCTURE

More Accurate Data Would Allow DOD to Improve the Tracking, Management, and Security of Its Leased Facilities

What GAO Found

While the Department of Defense (DOD) is taking some steps to address data issues, it cannot fully determine the number, size, and costs of its leases for real property because its Real Property Assets Database (RPAD), the real property inventory system that DOD uses to report on its leased assets, contains some inaccurate and incomplete data. GAO found that about 15 percent of the RPAD lease records for fiscal year 2011 and 10 percent of the records for fiscal year 2013 were inaccurate. Most of these errors were in the lease records for the Army (the manager of about 80 percent of the leased assets records in RPAD); however, the Army is aware of these issues and is taking steps to correct future data. GAO also found that RPAD did not include about 5 percent of the Army's lease records for fiscal years 2011 and 2013. GAO conducted a random sample of the fiscal year 2013 RPAD data and found that the data element required to calculate costs was unreliable for 11 of the 84 Army sample records. GAO found that the Army was not following DOD's guidance for reporting costs on leases that have multiple assets associated with them. Furthermore, GAO found that RPAD does not contain a data element for the square footage for leases in which there are multiple tenants occupying space in the same building, as is the case for some Washington Headquarters Services (WHS) leases.

DOD is implementing a presidential memorandum and a series of Office of Management and Budget memorandums to maintain or reduce owned and leased space, but has projected minimal change to its leasing activities. There have been opportunities in the past to reduce its leased space; however, DOD reoccupied over 1.1 million square feet in leased space previously vacated when it implemented the 2005 Base Closure and Realignment recommendations. In some cases, DOD tenants occupy leased space close to large installations that may have had unused facilities. Potential force structure reductions may offer an opportunity to further reduce DOD's reliance on leased space in the future, if DOD actively identifies suitable underutilized facilities on its installations.

DOD does not have complete oversight of the security assessments conducted for its leased facilities acquired through the General Services Administration (GSA). Facility security assessments, which are required to be conducted every 3 to 5 years, are conducted by the Pentagon Force Protection Agency and the Federal Protective Service (FPS) using established standards. The Pentagon Force Protection Agency had completed the required assessments for the facilities for which it is responsible between August 8, 2013, and January 31, 2014. However, DOD has not requested information on whether FPS, the primary agency for protecting federal facilities, has completed its facility security assessments as required for all DOD-leased locations. GAO analyzed the FPS assessment data for fiscal years 2011 and 2013 and identified several issues: (1) some assessments were not scheduled within required time frames, (2) data on previously recorded assessment dates were overwritten when updated, and (3) dates for completed and next-scheduled assessments were not always recorded. While FPS is not required to inform DOD about assessment schedules, without periodically requesting information on whether facility security assessments have been conducted, DOD does not have the information it needs to ensure that its leased facilities are secure.