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 WASHINGTON, D.C. 20548

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RELEASED

APR 16 1971



Dear Mr. Thompson:

By letter dated January 14, 1971, you requested that we ascertain whether a loss of equipment had occurred at the Atlanta, Georgia, office of the Equal Employment Opportunity Commission (EEOC).

We examined into the procurement procedures and practices for, and controls over, office equipment and furniture; reviewed pertinent records; held discussions with appropriate officials; and conducted a physical inventory of all office equipment and of a selected sample of office furniture.

The results of our examination are discussed below.

PROCUREMENT PROCEDURES

EEOC instructions provide that regional offices submit for approval requisitions for supplies, materials, equipment, or services to the Chief, Management and Administrative Services Division, EEOC, Washington, D.C. All procurements are made by the Washington headquarters office; authority to obligate or expend funds for such procurements has not been delegated to regional offices.

Procurements made by Washington headquarters for the regional offices are delivered directly to the regional offices. The regional offices furnish receiving reports to Washington headquarters, and suppliers submit their invoices to Washington headquarters for payment. Washington headquarters also maintains records of all accountable property procured for, and charged to, the regional offices.

PROPERTY RECORDS AND CONTROLS

EEOC has not issued written instructions prescribing accountability for, and control over, office equipment and furniture. Washington headquarters officials told us, however, that such instructions were being drafted.

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The Atlanta office maintains a property control card for each item of office equipment. A control card contains the equipment's model and serial numbers, the signature of the person to whom the equipment is assigned, and the date assigned. A control card, however, is not maintained for each item of office furniture.

In addition to the control card maintained for each item of office equipment, a control card is maintained which lists the equipment and furniture allocated to each staff office. The person occupying the office is required to sign this control card and to assume full responsibility for the equipment and furniture.

EEOC officials informed us that an inventory of all office equipment and furniture in the Atlanta office had been taken by Washington headquarters personnel on December 17 and 18, 1970, using a Washington inventory listing dated November 30, 1970. All items were accounted for. We compared this listing with the December 31, 1970, inventory listing furnished to us by Washington headquarters and found them to be identical.

#### PHYSICAL INVENTORY

The inventory listing furnished to us showed that 57 items of office equipment which cost \$38,430 and 517 items of furniture which cost \$37,214 had been charged to the Atlanta office.

We conducted a physical inventory of the office equipment. We found 49 of the items in the Atlanta office and ascertained that signed receipts were on file for the eight other items which had been assigned to EEOC personnel in Charlotte, North Carolina; West Palm Beach, Florida; and Marietta, Georgia.

In addition, we noted that four typewriters which cost \$1,944 had been received by the Atlanta office on December 29, 1970, but were not shown on the inventory listing at

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December 31, 1970. Apparently, the receiving report for these typewriters was not received in Washington in time for the items to be recorded in the accountable property records before the December 31, 1970, inventory listing was prepared.

We noted also that equipment which was not being used was stored in a locked supply room to which only one person had a key.

We selected from the inventory listing of furniture 72 items which cost \$13,044 and verified that each of the items was located in the Atlanta office.

EQUIPMENT LOST OR STOLEN

We ascertained that the following equipment had been lost or stolen prior to May 1968.

<u>Item</u>	<u>Cost</u>	<u>Date of loss</u>
Remington calculator	\$800.00	Not known (but prior to Sept. 1967)
Underwood electric typewriter	354.20	Apr. 24, 1968
Norelco dictating machine	237.03	Not known (but prior to Feb. 1968)
Telefunken tape recorder	142.50	Dec. 15, 1967

The Remington calculator, Underwood typewriter, and Norelco dictating machine were lost or stolen when the Atlanta office was located at 1776 Peachtree Road. We were informed by an Atlanta official that there was little or no security at the 1776 Peachtree Road location because other offices were located on the same floor as EEOC and because personnel from those offices had access to the EEOC area.

The Telefunken tape recorder was reported stolen from an EEOC employee's home in Chamblee, Georgia. The theft was investigated by DeKalb County Police, but the investigation had negative results.

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The employees to whom the equipment was assigned at the time of loss were not required to reimburse the Government for the equipment.

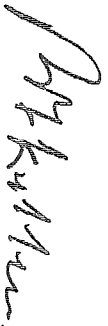
EQUIPMENT REMOVED FROM EEOC OFFICE  
FOR EXTENDED PERIOD OF TIME

We were informed by an EEOC official that a mimeograph machine had been removed from the Atlanta office about September 1970 by another EEOC official. The latter official gave the machine to a church during the period that the Atlanta office was using a Gestetner duplicating machine on a trial basis. We understand that the official removed the mimeograph machine in anticipation of EEOC's acquiring the Gestetner machine and trading in the mimeograph machine. The church, in turn, planned to acquire the traded-in mimeograph machine from the supplier of the Gestetner machine. EEOC, however, did not acquire the Gestetner machine and returned it to the supplier.

By memorandum dated November 10, 1970, the Atlanta office requested the official to return the mimeograph machine. We were informed that the machine was returned in December 1970 after the Atlanta office had received notification that Washington headquarters planned to conduct an inventory of the office equipment and furniture in the Atlanta office.

We trust that the above information will be of assistance to you.

Sincerely yours,

  
Assistant Comptroller General  
of the United States

The Honorable Fletcher Thompson  
House of Representatives