United States Government Accountability Office

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Report to the Chairman, Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, Committee on Homeland Security and Governmental Affairs, U.S. Senate

December 2012

FEDERAL REAL PROPERTY

Improved Cost Reporting Would Help Decision Makers Weigh the Benefits of Enhanced Use Leasing

GAO
Accountability * Integrity * Reliability

GAO-13-14

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Highlights

Highlights of GAO-13-14, a report to the Chairman, Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

The federal government owns underutilized properties that are costly to operate, yet challenges exist to closing and disposing of them. To obtain value from these properties, some agencies have used EULs, which are generally long-term agreements to lease property from the federal government in exchange for cash or non-cash consideration. However, agencies also incur costs for EUL programs. We have previously reported that agencies should include all costs associated with programs' activities when assessing their values. This report addresses (1) the extent to which agencies attribute the full benefits and costs of their EULs in their assessments of their EUL programs and (2) the experiences of agencies in using their EUL authority.

GAO reviewed property data and documents from the largest civilian federal real property agencies including four agencies that use EULs—VA, NASA, the Department of State, and the Department of Agriculture—and applicable laws, and regulations and guidance. GAO visited nine sites where agencies were using EULs.

What GAO Recommends

To promote transparency about EULs, improve decision-making regarding EULs and ensure more accurate accounting of EUL benefits, GAO recommends that OMB coordinate with affected agencies to ensure that agencies consistently attribute all relevant costs associated with EULs to their EUL programs. Agencies generally agreed with our findings and recommendation.

View GAO-13-14. For more information, contact David Wise at (202) 512-2834 or wised@gao.gov.

What GAO Found

Agency officials told us that enhanced use leases (EUL) help them utilize their underutilized property better; commonly cited benefits include enhanced mission activities, cash rent revenue, and value received through in-kind consideration. However, some agencies we reviewed do not include all costs associated with their EULs when they assess the performance of their EUL programs. Guidance from the Office of Management and Budget (OMB) does not specify what costs agencies should include in their EUL evaluations, resulting in variance among agencies. For example, the Department of Veterans Affairs (VA) and the Department of State do not consistently attribute EUL-related costs of consultant staff who administer the leases, and VA does not attribute various administrative costs that offset EUL benefits. Without fully accounting for all EUL costs, agencies may overstate the net benefits of their EUL programs.

Based on recent agency experiences, EULs may be a viable option for redeveloping underutilized federal real property when disposal is not possible or desirable, but two agencies raised issues pertaining to EUL use that affect their use or budgetary treatment. First, National Aeronautics and Space Administration (NASA) officials said that the limit on its authority to receive in-kind consideration as part of its EUL program has limited its ability to encourage the use of EULs for underutilized NASA property. Specifically, NASA officials said prospective lessees are reluctant to make costly capital improvements to a property that will have to be returned to the government at the end of the lease without other compensation, such as a reduction in cash rent. Second, VA and CBO disagree on the extent to which VA should account for the budget impacts for EULs that could include long-term government commitments. VA has made multi-year commitments with certain EULs without fully reporting them in its budget. Assessing and recognizing the budget impacts of EULs is complicated and may be interpreted differently by agencies with EUL authority. In particular, VA EULs can include long-term commitments that are recognized in the federal budget in different ways.

Sources: Swinerton Builders (left) and GAO (right).

Federal Real Property leased through an EUL agreement between VA and Clark County, Washington to construct a Crisis Triage Center in Vancouver, Washington. Left photo: the vacant site in July 2004. Right photo: the developed site in May 2012.

Contents

Abbreviations

CBO	Congressional Budget Office
Energy	Department of Energy
EUL	enhanced use lease
FRPP	Federal Real Property Profile
GSA	General Services Administration
Interior	Department of Interior
Justice	Department of Justice
NASA	National Aeronautics and Space Administration
OMB	Office of Management and Budget
SLSDC	St. Lawrence Seaway Development Corporation
State	Department of State
TVA	Tennessee Valley Authority
USDA	Department of Agriculture
USPS	United States Postal Service
VA	Department of Veterans Affairs

United States Government Accountability Office
Washington, DC 20548

December 19, 2012

The Honorable Thomas R. Carper
Chairman
Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security
Committee on Homeland Security and Governmental Affairs
United States Senate

Dear Mr. Chairman:

The federal government owns many underutilized properties that are costly to operate. However, closing or disposing of them can present challenges, including covering the costs associated with federal real property disposal, addressing legal requirements agencies must adhere to, such as requirements for screening and environmental cleanup, and negotiating competing stakeholder interests that can arise over the disposal of property. We have designated federal real property management as a high-risk area, in part because of the presence of underutilized properties.[1] As an alternative to increased agency use or disposal, some agencies initiated enhanced use lease (EUL) programs. EULs are typically long-term lease agreements that allow public or private entities to use the property.[2] Agency EUL programs have allowed entities to develop or occupy federal properties such as power plants, housing and healthcare facilities, office space, and parking facilities, and in return, federal agencies receive cash or in-kind consideration.[3] However, agencies also incur costs for EUL programs. We have previously reported that in any assessment of the cost/benefit of an agency's activities, all program costs should generally be included and any excluded costs should be disclosed and explained.[4] In 2011, we raised concerns about

[1] GAO, *High-Risk Series: An Update*, GAO-11-278 (Washington, D.C.: February 2011).

[2] There is no government-wide definition of EULs. This definition was drawn from GAO, *Federal Real Property: Authorities and Actions Regarding Enhanced Use Leases and Sale of Unneeded Real Property*, GAO-09-283R (Washington, D.C.: Feb. 17, 2009).

[3] In-kind consideration refers to goods or services that a lessee provides to an agency in lieu of cash rent payments.

[4] GAO, *GAO Cost Estimating and Assessment Guide: Best Practices for Developing and Managing Capital Program Costs*, GAO-09-3SP (Washington, D.C.: March 2009).

how the Department of Defense monitored the costs of its EUL program.[5] To help inform the discussion surrounding agencies' recent use of EULs to manage their federal real property portfolio, you asked us to examine issues related to these leases. Specifically, we addressed the following research questions:

1. To what extent do agencies attribute the full benefits and costs of their EULs in their assessments of their EUL programs?
2. What have been the experiences of agencies using their EUL authority?

To answer these questions, we reviewed prior GAO reports on enhanced-use leasing and capital financing[6] and identified agencies as candidates for a detailed review of EUL use.[7] To identify candidate agencies, we used Federal Real Property Profile data; the General Services Administration's (GSA) 2008 document *Real Property Authorities for Federal Agencies*; a prior GAO report on enhanced use leasing;[8] and interviews with officials at the four agencies that indicated they use EULs—the the Department of Veterans Affairs (VA), the National Aeronautics and Space Administration (NASA), the Department of State (State), and the Department of Agriculture (USDA). We reviewed relevant documentation related to these agencies' enhanced use leasing, including laws providing agencies with EUL authority, and agencies' EUL guidance. We also interviewed agency officials involved with developing and managing EULs. We chose a sample of 16 EULs from among the four agencies to review as case studies. We selected this sample to represent a variety of (1) lease purposes (e.g., leasing vacant land for development and leasing unused office space); (2) estimated financial benefits (e.g., cash benefits and in-kind consideration); and (3) geographic locations. We conducted site visits at nine of the 16 case

[5]GAO, *Defense Infrastructure: The Enhanced Use Lease Program Requires Management Attention*, GAO-11-574, (Washington, D.C.: June 30, 2011).

[6]GAO, GAO-11-574; GAO, *NASA: Enhanced Use Leasing Program Needs Additional Controls*, GAO-07-306R (Washington, D.C.: Mar. 1, 2007); and GAO, *Capital Financing: Partnerships and Energy Savings Performance Contracts Raise Budgeting and Monitoring Concerns,* GAO-05-55 (Washington, D.C.: Dec., 16, 2004).

[7]We excluded the Department of Defense (DOD) because GAO recently issued a report on DOD's EUL program, see GAO-11-574.

[8]GAO-09-283R.

study locations to observe the properties.[9] These site visits included NASA's Ames Research Center in Moffett Field, California; VA sites in Maryland, New Jersey, and Washington; and a USDA agricultural research center in Beltsville, Maryland. We interviewed agency officials and lessees about their experiences with EULs at these locations. In addition, we interviewed State officials about that department's EULs for properties located in Istanbul, Turkey; Paris, France; and Singapore. See appendix II for a list of case studies and descriptions of the properties and lessee uses. We reviewed the agreements between VA and its lessees and the past work of the Congressional Budget Office (CBO) and the VA's Office of Inspector General on VA's EULs in Chicago, Illinois; North Chicago, Illinois; and Mountain Home, Tennessee. We conducted interviews with officials from the Office of Management and Budget (OMB), CBO, and GSA to better understand government-wide views, guidance, and practices concerning EULs. See appendix I for more detailed information on our scope and methodology.

We conducted this performance audit from October 2011 to December 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

EULs are typically long-term leases of federal land or buildings to public sector or private sector companies. Some agencies with EUL authority are authorized to accept in-kind consideration, such as improvements to agency properties or construction of new facilities in place of cash rent. There is no government-wide definition of an enhanced use lease and agencies' EUL authorities and guidance vary, as these examples illustrate:

- VA was authorized to enter into EULs for up to 75 years with public and private entities for leases that contributed to VA's mission and

[9]Because this is a nonprobability sample, observations made based on our review of the 16 case study locations do not support generalizations about other EUL sites. Rather, the observations made provided specific, detailed examples of issues that were described by agency officials and lessees.

would enhance the use of the property for cash or in-kind consideration; however, this authority expired on December 31, 2011. Prior to the expiration of VA's EUL authority, VA entered into 92 EULs that remain active. In August 2012, VA's EUL authority was reauthorized through December 2023, but the current authority allows VA to enter into EULs up to 75 years only for the provision of supportive housing for veterans or their families that are at risk of homelessness or are homeless. VA may accept cash consideration, or it may enter into an EUL without receiving consideration, and it is prohibited from entering into *leasebacks*.[10] VA may not enter into an EUL without advanced written certification from OMB that the lease complies with the statutory requirements.[11] VA reports annually on the details, benefits, and costs of its EUL program. The annual report states that it gives a transparent view of the measureable outcomes of the cost-effective benefits to veterans that the EUL program provides.

- NASA is authorized to enter into EULs of agency properties for cash consideration or, if the EULs involve the development of renewable energy production facilities, in-kind consideration.[12] NASA may not enter into leasebacks.[13] NASA policy requires that EULs relate to and support the agency's mission of research, education, and exploration. The agency's longest EUL term is 95 years.[14] NASA's EUL authority expires in December 2017. NASA reports annually to Congress on its EUL program's status, proceeds, expenditures, and effectiveness.

- State is authorized to enter into EULs for its properties acquired in foreign countries for diplomatic and consular establishments.[15] State's longest EUL term is 99 years and expires in 2090. According to State officials, the agency does not have a formal EUL program. It has only

[10] A *leaseback* is an arrangement in which an agency leases an asset to another entity, then leases back services or property from the lessee. For example, an agency may lease a warehouse facility to the private sector and then rent back some space for its own use.

[11] 38 U.S.C. § 8162.

[12] 51 U.S.C. § 20145(b).

[13] 51 U.S.C. § 20145(e)(1).

[14] According to NASA officials, the total potential term of this lease is 95 years, comprised of a 5-year initial term, a primary term of 60 years, and lessee's right to three unilateral extensions of 10 years each.

[15] 22 U.S.C. § 300.

utilized EULs in three instances. State uses EULs on a case by case basis when directed by Congress to retain properties or when it does not consider disposal a desirable option due to the strategic or historic value of an asset. For example, State was required to retain the Palazzo Corpi building in Istanbul, Turkey.[16] State carries the EULs in its property inventory and monitors the transactions and the cash flows but does not report externally on its EUL program.

- USDA is authorized to demonstrate whether enhanced use leasing of agency real property at its Beltsville Agricultural Research Center and the National Agricultural Library for cash consideration will enhance the use of the leased property.[17] The authority requires that EULs be consistent with the USDA's mission and have terms no longer than 30 years. USDA's EUL authority expires in June 2013. USDA reported to Congress on the management and performance measures associated with its EUL demonstration program and is required to report on the success of the program upon completion in 2013.

Table 1 shows how the four agencies we reviewed used EULs.

Table 1: General Description of EULs at Selected Agencies

Agency	General description of EULs
VA	EULs are located on VA sites throughout the nation and vary from individual buildings on VA campuses to entire VA campuses.
NASA	EULs are currently only located at the Ames Research Center in California and the Kennedy Space Center in Florida, and are used for leasing space in existing buildings and leasing land for construction of buildings. The majority of NASA's EULs are located at the Ames Research Center in California.
State	EULs are for former U.S. diplomatic sites in France, Singapore, and Turkey.
USDA	Single EUL is limited to greenhouse space at a facility in Beltsville, Maryland.

Source: GAO analysis of agency data.

OMB coordinates and provides guidance on federal real property management government-wide in its role as Chair of the Federal Real Property Council, which is composed of federal real property-holding agencies. For example, OMB *Circular A-11* provides general guidance on evaluating the performance of federal programs and on the budgetary treatment of federal leases, including EULs and leaseback

[16]Pub. L. No. 108-199, § 633(e) (Jan. 23, 2004).

[17]7 U.S.C. § 3125a note.

arrangements.[18] OMB's guidance does not provide specific information about the treatment of EULs, but does require EULs with leasebacks above certain threshold amounts be submitted to OMB for their budgetary-scoring impact. OMB's instructions also outline how budget authority for the cost of leasing an asset is to be recorded in the budget, depending on how risk is shared between the government and the lessee, for three types of leases: operating leases, capital leases, and lease purchases.[19]

Agencies Attributed Benefits of EULs to Their EUL Programs, but Did Not Always Do the Same with All Costs

Agencies Cited Various EUL Benefits

Agency officials told us that EULs provide a variety of benefits to the government in addition to better utilization of underutilized federal property. The commonly cited benefits include enhanced mission activities, cash rent revenue, and value received through in-kind consideration.

[18]OMB, *Circular A-11 Preparation, Submission, and Execution of the Budget* (August 2012).

[19]Operating leases are defined in OMB *Circular* No. A-11 as meeting the following criteria: (1) Ownership of the asset remains with the lessor during the term of the lease and is not transferred to the government at or shortly after the end of the lease term; (2) the lease does not contain a bargain-price purchase option; (3) the lease term does not exceed 75 percent of the estimated economic life of the asset; (4) the present value of the minimum lease payments over the life of the lease does not exceed 90 percent of the fair market value of the asset at the beginning of the lease term; (5) the asset is a general-purpose asset rather than being for a special purpose of the government and is not built to the unique specification of the government as lessee; and (6) there is a private sector market for the asset. A capital lease is any lease other than a lease-purchase that does not meet the criteria of an operating lease. Lease-purchase means a type of lease in which ownership of the asset is transferred to the government at or shortly after the end of the lease term. Such a lease may or may not contain a bargain-price purchase option.

Enhanced Mission Activities

Officials from the four agencies we reviewed said that EULs contribute to their ability to conduct mission-related activities; for example:

- VA officials said that EULs provide the agency mission-related benefits such as veterans' priority placement for housing. For example, according to VA, its EUL with Vancouver Housing Authority in Washington to develop a previously vacant site at a VA medical center campus supports the agency's strategic goals of (a) eliminating homelessness among veterans by providing housing and (b) reducing its inventory of vacant and underutilized capital assets.

- NASA officials said that EULs provide the agency mission-related benefits, such as research and development of aerospace technologies. For example, according to a NASA official, NASA's EUL with a company that researches and develops battery systems for electric vehicles advances the agency's mission of developing new power and propulsion systems for vehicles used in space launches.

- State officials said that EULs provide mission-related benefits by allowing the department to maintain properties symbolic of U.S. history and diplomacy. For example, State declared the historically significant Talleyrand building in Paris excess (see fig. 1) but chose not to dispose of it because the building had served as the administrative headquarters for the Marshall Plan, the postwar American reconstruction plan for Western Europe. According to State Department officials, State's EUL lessee supports the agency's mission by maintaining the building and retaining space inside of it for the George C. Marshall Center including a permanent exhibit commemorating the Marshall Plan.

Figure 1: Department of State EUL for the Hôtel de Talleyrand in Paris, France

Source: Department of State.

- USDA officials said that the agency's EUL program allows it to better utilize property while also collaborating with researchers on mission-related goals. For example, USDA officials told us that its EUL of greenhouse space at its Beltsville Agricultural Research Center has allowed the agency to advance its mission of developing more efficient crops because the lessee conducts research at the EUL site directly linked to this goal. According to USDA officials, each EUL lessee is required to have a formal collaborative research agreement with the agency.

Cash Rent Revenue

All four agencies we reviewed reported cash benefits from EULs. Individual EULs can generate millions of dollars for the federal government, but most EULs generate small amounts of cash revenue. For example, the average VA EUL generated about $25,000 in cash revenue in fiscal year 2011.[20] See table 2 for the total cash rent revenue the four agencies in our review received in fiscal year 2011.

[20]While most of VA's EULs did not generate cash revenue in fiscal year 2011, among the 17 of 53 VA EULs that generated cash revenue, the average was about $79,000 per EUL.

Table 2: Agencies' Reported Cash Rent Revenue from EULs, Fiscal Year 2011

Agency	Total cash rent revenue	Number of EULs
NASA	$8.0 million	71
State	$1.8 million	3
VA	$1.3 million	53
USDA	$15,569[a]	1

Source: GAO analysis of agency data.

[a]Rental income commenced May 20, 2011.

The following represents examples of the cash rent revenue that agencies received as part of EULs:

- NASA's most lucrative EUL is its lease for land on which its lessee plans to build office and research and development space for its employees. NASA receives about $3.66 million per year from this lessee. Over the 40-year lease, NASA expects to receive approximately $147.7 million in cash revenue.
- At one of its EULs, State received an up-front, one-time cash lump sum of $46 million and receives nominal annual cash rent payments for the 99-year EUL of its former chief of mission residence and land in Singapore.[21] The lessee, a developer, constructed condominiums on the land (see fig. 2). Over the course of its 51-year lease for its Istanbul embassy property, State will receive approximately $20.6 million in cash revenue.

[21]According to State officials, the agency receives an annual nominal rent payment of $1,000 Singapore dollars (or about $760 U.S. dollars), a payment that is a common practice for long-term, prepaid leases.

Figure 2: Department of State's EUL for a Condominium Development in Singapore

Source: Department of State.

- VA received cash rental income of $340,000 in calendar year 2011 for its Somerville, New Jersey, EUL. The lessee renovated the warehouse and rented it to tenants.

- USDA received cash rental income of $15,569 in fiscal year 2011 for greenhouse space at its Beltsville Agricultural Research Center. The lessee uses the facility to research genetically modified plants.

In-Kind Consideration

VA, State, and NASA have also reported in-kind consideration as benefits of EULs. Specifically, VA estimated that it received in-kind consideration worth about $232 million from fiscal years 2006 through 2010. NASA estimated that it received in-kind consideration worth about $987,000 from fiscal years 2007 through 2011. State estimated that it received about $46 million in in-kind consideration from fiscal years 2008 through 2010. The specifics of in-kind arrangements with EUL lessees and the benefits claimed by agencies vary, for example:

- VA received priority placement for veterans in a housing facility built by the Vancouver Housing Authority as in-kind consideration in lieu of cash rent for its EUL in Vancouver, WA. VA officials said that this priority placement allowed VA to move patients from the hospital to transitional housing earlier, thus freeing up beds for other patients and reducing costs. (See fig. 3.) VA estimated the value of this priority placement at $2,866,327 in fiscal year 2011. At a different EUL site in

Vancouver, WA, the Clark County government leased VA-owned land and constructed a four story community-health building on it. According to VA officials, in lieu of paying cash rent for the land, Clark County provided VA with approximately 23,000 square feet of free office space in the new building as in-kind consideration in fiscal year 2011. VA also received priority placement for veterans for all programs and services offered in the community-health building as in-kind consideration. VA estimated the total value of its in-kind consideration at $7,225,879 in fiscal year 2011. However, in 2012, the VA OIG found that VA often overstated the value of in-kind consideration in its annual report on the performance of its EUL program.[22] According to VA officials, VA is recalculating and updating its EUL methodology used to report expenses and benefits. VA officials stated that, as required by law, the revised EUL lease consideration calculations will be reported in VA's fiscal year 2014 budget that the agency plans to release in February 2013.[23]

[22]VA Office of Inspector General, Department of Veterans Affairs, *Audit of the Enhanced-Use Lease Program* (Feb. 19, 2012).

[23]Each year as part of the annual budget submission of the President to Congress, the VA Secretary is required to submit a detailed report of the consideration received for each enhanced use lease, along with an overview of how VA is using such consideration to support veterans. *See* 38 U.S.C. § 8168(b).

Figure 3: Housing Facility Located on Property that VA Leases to the Vancouver Housing Authority in Vancouver, Washington

Source: GAO.

- A NASA EUL lessee at the Ames Research Center made improvements, such as investments in fire protection and electrical systems, to the facility the lessee rents as in-kind consideration in lieu of some of a cash-rent requirement to NASA. NASA estimated the total value of this in-kind consideration to be $586,044 from 2004 through 2009. One of NASA's EULs includes a provision for in-kind consideration of about $1 million if the lessee built a new water tower, park, and security gate under certain time frames.[24]

[24]According to NASA, the lessee did not complete the projects by the required deadlines and therefore had to repay NASA the cash value of in-kind consideration already provided to the agency (approximately $890,000); however, per the terms of the EUL, the lessee is still required to construct the infrastructure, share it with the agency, and convey it to the government upon completion of the infrastructure improvements.

- State's EUL with a lessee for the Talleyrand building in Paris also included in-kind consideration. In exchange for reduced cash rent of $46 million, the lessee renovated the entire building including space to house the Department of State's George C. Marshall Center.

Some Agencies Do Not Attribute All Costs of EULs to Their EUL Programs in a Consistent, Appropriate Manner

Some of the agencies we reviewed do not include all costs associated with their EULs when they assess the performance of their EUL programs. Federal agencies are required to assess and report the full costs of their activities to provide relevant and reliable cost information to assist the Congress and federal executives in making decisions about allocating federal resources, assessing costs and benefits to compare alternative courses of action, authorizing and modifying programs, and evaluating program performance.[25] However, OMB *Circular A-11* guidance is broad and does not specify what costs agencies should attribute to their EUL programs, resulting in variance among agencies. Without fully accounting for all EUL costs, agencies may overstate the net benefits of their EUL programs. Specifically, we noted variances in whether agencies attributed consultant costs, termination costs, and leaseback costs to their overall EUL program costs.

Consultant Costs

NASA and USDA attribute consultant costs to their EUL programs, but VA and State do not. Agencies use consultants to provide subject matter expertise and technical support for their EULs, such as conducting real estate appraisals, market analyses, engineering studies, and general consulting services.

- According to NASA officials, the agency spent about $2 million on consultants to support its EUL program from fiscal years 2006 to 2011. Agency officials added that these costs are attributed to NASA's total EUL program costs in NASA's annual budget reports to provide a fully transparent accounting of the net benefits of the program.

- According to USDA officials, the agency incurred one consultant fee as part of its EUL program—a $10,250 market appraisal to determine rental rates for properties selected for the program. USDA officials said that the agency attributed the consultant costs to its EUL

[25]Federal Accounting Standards Advisory Board, *Statement of Federal Financial Accounting Standards 4: Managerial Cost Accounting Standards and Concepts*, Pronouncements as Amended, Version 7 (June 2008).

program and plans to include all costs, including consultant costs, in its final report at the conclusion of the agency's EUL demonstration program.

- According to VA officials, consultants are generally realty specialists who provide support throughout the various stages of executing an EUL agreement. In addition to supplying real estate expertise, EUL consultants may facilitate obtaining various reports that are generated as part of VA's due diligence on EUL projects. Such reports can include environmental site assessments, property appraisals, surveys of EUL parcels, title searches, and various other documentation required by law. In fiscal years 2006 to 2011, the agency awarded approximately $28 million to consultants related specifically to the formulation or support of the agency's EULs. We reviewed VA's consultant costs related to its EUL program and found that VA had not attributed any consultant costs to the EUL program.

- State's consultant fees for developing, implementing, and overseeing its EULs in Paris and Istanbul were approximately $723,000 from fiscal years 2006 to 2011. State was unable to verify expenses for developing and implementing its EUL in Singapore because of the age of the project.[26] State does not attribute the costs of consultant fees to its EUL program costs. State officials said that they do not have any consultants with sole EUL responsibility and they consider consultant fees to be under the category of administrative costs. State officials noted that the amount of consultant fees specifically related to EULs is a negligible part of the agency's overall consultant fees because EULs represent a very small portion of State's 20,000 properties worldwide.

Cost of Terminating EULs

VA and NASA have incurred costs related to terminating EULs that they did not attribute to their EUL programs. Costs that result from terminating EULs prior to the end of the term are important considerations for decision makers when determining if EULs are viable and beneficial to the agency. VA has terminated seven EULs since 1991. According to VA, in most cases, the agency terminated the lease because either the lessee did not fulfill the terms and conditions of the lease or the lease was mutually terminated. Most recently, VA terminated an EUL, and according

[26] State officials said because the Singapore EUL was awarded in 1991, they no longer had information on expenses.

to VA officials, the cost as of fiscal year 2011 associated with terminating this lease was $287,000 for ongoing litigation. We reviewed VA's termination costs and found that VA had not attributed termination costs to its EUL program. VA officials said that they do not attribute costs associated with termination to its total EUL program costs because it attributes these costs at a higher budgetary level.

According to NASA, the Ames Research Center has terminated 11 EULs since 2003, which NASA officials told us were mostly short duration leases for office space and included three EULs that were terminated for the purpose of consolidating them into one new lease with the same lessee. NASA officials said that some termination costs, such as time spent calculating a lessee's penalty for terminating a lease, are not attributed to EUL program costs. NASA officials told us that these costs have been minimal and cannot be tracked to either EULs or activities related to terminating leases and are instead considered general administrative costs.

Leaseback Costs

Among the four agencies we reviewed, only VA currently leases back space or services from its EUL lessees. In fiscal year 2011, VA leased back some or all of its space at seven of its EUL sites at a cost of about $15.8 million. For example, VA received $340,000 in rent for its EUL in Somerville, New Jersey, but at the same time paid approximately $181,000 to lease back part of the facility.[27] According to VA, the agency received the use of one loading bay rent free as in-kind consideration and paid approximately $15,000 for utilities, operations, and maintenance related to that bay. Two years later, VA requested a second bay in the facility for which, according to VA, it paid approximately $166,000 in rent. The agency did not consider any of the leaseback costs as arising as part of the EUL transaction and instead claimed the entire $340,000 in rental income as the cash benefit of the EUL.

The appropriate treatment of leaseback costs in determining the net benefit of an EUL is an area that may require further clarification in OMB guidance. It is unclear, for example, whether leaseback costs associated with VA's leaseback arrangements should be taken into account in determining the net benefit of the EUL's rental income. On the one hand,

[27]VA received the $340,000 payment for calendar year 2011 and paid for the warehouse space it used for fiscal year 2011.

the $181,000 paid for the leaseback as described above could be viewed as an effective reduction in the lease payment from the lessee. On the other hand, in the absence of the EUL, it is possible that VA would have expended funds to obtain these warehousing facilities in some other way. It may thus not represent net additional cost to VA and it may not be appropriate to view the leaseback as having effectively reduced the rental income of the EUL.

Agencies' Experiences in Using EULs Provide Illustrative Examples about EUL Use

Based on recent agency experiences, EULs may be a viable option for redeveloping underutilized federal real property when disposal is not possible or desirable, but agencies raised issues pertaining to EULs that affect their use or budgetary treatment. First, NASA has reported that the limitation on its authority to accept in-kind consideration has limited its ability to encourage use of EULs and investments in underutilized NASA property. Second, recognizing potential budget impacts associated with EUL leasebacks and other long-term commitments has proved challenging for VA. Although the results of our review cannot be generalized to all agencies, these challenges provide illustrative examples of the types of issues that can affect a federal agency's decision or ability to use EULs.

In-Kind Consideration

According to NASA officials, in-kind consideration is critical for encouraging lessees to invest in agency properties. NASA's ability to accept in-kind consideration expired at the end of 2008; it was restored on a limited basis in 2011 exclusively for renewable energy projects. NASA officials said that this limitation in the agency's ability to accept in-kind consideration has hindered its ability to enter into EULs that could improve the property. In particular, according to the NASA officials, prospective lessees are reluctant to make capital improvements that will have to be conveyed to the government at the end of the lease without receiving other compensation, such as a reduction in cash rent. For example, a lessee, as previously discussed, agreed to invest $11 million in infrastructure projects that would benefit the company during the lease but benefit the government during and after the lease in return for a reduction in the lessee's cash rent payments. Representatives from NASA and the lessee told us that this provision was critical to successfully negotiating the EUL.

Budget Impacts of EULs

VA officials said that assessing and recognizing the budget impacts of EULs is complicated and maybe interpreted differently by agencies with

EUL authority. In particular, VA EULs can include long-term commitments that are recognized in the federal budget in different ways. OMB's *Circular* No. A-11 guidance specifies that lease obligations be recorded when the contract is signed; sufficient budget authority must be available at that time to cover the obligation. However, the obligated amount that is to be recorded differs by type of lease. For capital leases and lease purchases, OMB *Circular A-11* states that the amount obligated should equal the net present value of these lease payments over the full term of the lease. For operating leases, OMB *Circular A-11* states that agencies should record an amount equal to the total payments under the full term of the lease or the first year's lease payments plus cancellation costs.[28] VA views EUL leasebacks as operating leases and consequently does not obligate the total amount of these commitments upfront in its budget. VA's leaseback costs are nearly $16 million annually (see table 3), but VA and CBO disagree on the extent to which VA should account for the budget impacts for EULs that could include long-term government commitments. For example, VA's leaseback costs for its Chicago West Side EUL were about $3.5 million in fiscal year 2011. VA regards its underlying office and parking purchase agreements as 2-year operating leases, as opposed to capital leases or lease purchases. VA officials said that the department is properly treating the office and parking purchase agreements as operating leases, because VA can cancel the office and parking leasebacks at the end of each 2-year agreement. However, in a 2003 report to Congress on the budgetary treatment of leases, CBO found that VA used this enhanced use lease to obtain a $60 million regional headquarters building and parking facility. The CBO report stated that VA entered into a 35-year enhanced use lease for a four-acre site with an owner trust, with VA as the sole named beneficiary. VA subsequently leased back space in the building and the parking facility that the lessee constructed on the site.

The CBO report also stated that:

- VA's lease payments played a crucial role in allowing the lessee to borrow funds. VA is committed to a two-year lease of 95 percent of

[28]For prior GAO reports on the budgetary treatment of federal leases; see, for example, GAO-05-55; GAO, Budget Issues: *Alternative Approaches to Finance Federal Capital*, GAO-03-1011 (Washington, D.C.: Aug. 21, 2003); and GAO, Federal Real Property: *NIH Has Improved Its Leasing Process, but Needs to Provide Congress with Information on Some Leases*, GAO-06-918 (Washington, D.C.: Sept. 8, 2006).

the space in the building and 95 percent of the parking facility; almost all of the lessee's revenue will initially come from VA.

- The initial two-year lease is automatically renewed unless the VA takes specific steps at the end of the lease period to halt it. In addition, as long as VA chooses to occupy any portion of the facility it must make payments that are sufficient to cover amortization and interest on the lessee's debt.
- VA also has the right to purchase the building from the lessee at any time for a price that would cover payments on the lessee's debt.
- Thus, VA has a long-term commitment to cover the lessee's capital costs even if it reduces its occupancy in the building, and this, together with an implicit right to renew the lease, would appear to make the arrangement either a lease-purchase or, if the trust is not viewed as a separate entity from VA, a government purchase financed by federal borrowing.

As such, CBO concluded in its report that the intent of the West Side EUL project was to provide VA with capital assets (an office building and parking facilities for VA staff) without recording the cost of the purchase upfront in the budget.[29] In general, we have also consistently stated that the full costs of the government's commitments should be reflected upfront in the budget.[30] In commenting on a draft of this report, VA officials said the agency made changes in subsequent EULs to address and in their view eliminate CBO's early concerns related to EULs with leasebacks.

[29]Congressional Budget Office, *The Budgetary Treatment of Leases and Public/Private Ventures*, (Washington, D.C.: February 2003) at 33-34 and 45.

[30]See GAO-05-55, GAO-03-1011, and GAO-06-918.

Table 3: VA EUL Leaseback Costs in Fiscal Year 2011

EUL location	Type of EUL project	VA leaseback costs, fiscal year 2011
Leavenworth, KS	Residential health care	$14,989[a]
Milwaukee, WI	Office space for VA regional staff	$2,448,713
Somerville, NJ	Mixed use warehouse	$181,391
Salt Lake City I, UT	Office space for VA regional and field staff	$2,142,451
Salt Lake City II, UT	Office space for VA regional and field staff	$2,626,209
Chicago (West Side), IL	Office space for VA regional staff	$3,502,894
Atlanta, GA	Office space for VA regional staff	$4,910,903
Total		**$15,827,550**

Source: GAO analysis of VA data.

[a]According to VA, the building was not operational until April 2011, therefore this is not a full year payment.

VA also has energy project EULs at Chicago West Side, Illinois; North Chicago, Illinois; and Mountain Home, Tennessee, which have a similar legal structure as the Chicago West Side agreement for the regional headquarters building. VA officials stated that they disagree with CBO's conclusions about the budget impacts of these EULs. VA entered into 35-year EULs for land with owner trusts as part of the energy project EULs. In return the lessee agrees to build power plants to service on-site VA facilities. VA purchases power from the plants at a fixed price,[31] in lieu of GSA energy utility contracts, for stipulated two-year terms, subject to certain anticipated renewal provisions. VA is committed to purchase power from the lessee at fixed prices as long as the VA center remained open and even if VA reduced its level of purchases, VA would continue to cover the lessee's capital costs. These purchase agreements with VA provided enough security to allow the lessees to obtain private loans to construct the power plants. VA officials said that VA did not report the total 35-year commitment for these EULs in its budget because of its determination that the cost to provide energy services to VA medical centers is not a new expenditure and without the EUL—VA would still need to procure services to power medical centers. In addition, VA officials said that they believe that accounting for all 35 years of costs upfront in the budget would not be technically appropriate, since VA

[31]For both Chicago EULs, if the established rates for power are at least 25 percent higher than available market rates, the rates will be renegotiated.

would be determining in advance that it would prospectively receive energy under the purchase agreements for 35 year periods without recognizing VA's two-year renewal options. However, CBO reported that VA's commitment to pay the lessees annual amounts sufficient to service the private debt on the power plants—regardless of whether VA uses the power produced—as constituting a legally binding obligation of the federal government that should be recorded in full upfront in the budget.[32]

Conclusions

Agencies have shown that EULs have the potential to produce mission-related and financial benefits for otherwise underutilized federal real property, but the costs and benefits of these programs are not fully understood, given different agency practices in accounting for EUL costs. Some EULs bring in large amounts of cash rent, such as the State Department's $20.6 million Istanbul EUL and NASA's $147.7 million EUL, but most EULs have much more modest benefits to the government where the costs could more easily outweigh the benefits. For example, the average VA EUL earned about $25,000 in cash revenue last year—financial benefits that could be outweighed by consultant, termination, and leaseback costs, which agencies have not consistently attributed to their EUL programs. Lacking clear guidance and failing to incorporate all of the costs related to agencies' EUL programs could cause agencies to overstate the net benefits of these programs when reporting the performance of their EUL programs or making decisions about future EULs.

Recommendation

To promote transparency about EULs, improve decision-making regarding EULs, and ensure more accurate accounting of EUL net benefits, we recommend that OMB work with VA, NASA, State, and USDA, and any other agencies with EUL authority, to ensure that agencies consistently attribute all costs associated with EULs (such as consulting, termination, and leaseback costs) to their EUL programs, as appropriate.

[32]See Congressional Budget Office, *The Budgetary Treatment of Leases and Public/Private Venture* (Washington, D.C.: February 2003).

Agency Comments

We provided a draft of this report to the Deputy Director for Management of OMB and the Secretaries of Veterans Affairs, State, and Agriculture and the Administrator of NASA for review and comment. In commenting on a draft of this report, OMB generally agreed with GAO's observations and recommendation. OMB emphasized that *Circular No. A-11* provides guidance on budget scoring and is not intended to address the costs and benefits of EULs. We amended our recommendation to reflect that there are a variety of ways to ensure that the costs of EULs are consistently tracked and reported. Veterans Affairs, State, Agriculture, and NASA generally agreed with our conclusions and the agencies provided technical comments, which we incorporated as appropriate. See appendix III for VA's comments along with our responses to the technical comments.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the Deputy Director for Management of OMB and the Secretaries of Veterans Affairs, State, and Agriculture, and the Administrator of NASA. Additional copies will be sent to interested congressional committees. In addition, the report will be available at no charge on the GAO website at http://www.gao.gov.

If you have any questions about this report, please contact me at (202) 512-2834 or wised@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs maybe found on the last page of this report. Major contributors to this report are listed in appendix IV.

Sincerely yours,

David J. Wise
Director
Physical Infrastructure Issues

Appendix I: Objectives, Scope, and Methodology

Our objectives were to determine:

(1) To what extent do agencies attribute the full benefits and costs of their EULs in their assessments of their EUL programs?

(2) What have been the experiences of agencies in using their EUL authority?

To address these both of these objectives we reviewed prior GAO reports on enhanced use leasing and capital financing,[1] and contacted the Office of Management and Budget (OMB), Congressional Budget Office (CBO) and 11 agencies: (1) Veterans Affairs (VA), (2) National Aeronautics and Space Administration (NASA), (3) Department of State (State), (4) Department of Agriculture (USDA), (5) General Services Administration (GSA), (6) Department of Energy (Energy), (7) Department of Interior (Interior), (8) Department of Justice (DOJ), (9) United States Postal Service (USPS), (10) St. Lawrence Seaway Development Corporation (SLSDC), and (11) Tennessee Valley Authority (TVA) based on size or evidence of EUL authority.[2] We identified the 11 agencies based on our review of property data and documents from: (1) The 7 largest civilian real property holding agencies, by total square footage, as of fiscal year 2010, as listed in the Federal Real Property Profile,[3] (2) GSA's Real Property Authorities for Federal Agencies (2008), (3) *Agencies' Authorities Regarding EULs and Real Property Sales* from GAO-09-283R, and (4) interviews with officials from agencies identified in the above 3 sources to determine if they used EULs and if they knew of any other agencies that used EULs. Using information from the 11 agencies we contacted, we

[1]GAO, *Defense Infrastructure: The Enhanced Use Lease Program Requires Management Attention*, GAO-11-574, (Washington, D.C.: June 30, 2011); GAO, *Federal Real Property: Authorities and Actions Regarding Enhanced Use Leases and Sale of Unneeded Real Property*, GAO-09-283R (Washington, D.C.: Feb. 17, 2009); GAO, *NASA: Enhanced Use Leasing Program Needs Additional Controls*, GAO-07-306R (Washington, D.C.: Mar. 1, 2007); and GAO, *Capital Financing: Partnerships and Energy Savings Performance Contracts Raise Budgeting and Monitoring Concerns,* GAO-05-55, (Washington, D.C.: December 16, 2004).

[2]We excluded the Department of Defense (DOD) because GAO recently issued a report on DOD's EUL program, see GAO-11-574.

[3]We reported on problems with the FRPP data in GAO, *Federal Real Property: National Strategy and Better Data Needed to Improve Management of Excess and Underutilized Property*, GAO-12-645, (Washington, D.C. June 20, 2012), but determined that it was suitable for purposes of this report.

selected the 4 agencies (VA, NASA, State and USDA) that have used their EUL authority to enter into EULs.[4] We selected 16 case study EULs from the four agencies that have EULs based on a range of lease purposes (e.g., leasing of vacant land for development and leasing unused office space); estimated financial benefits (e.g., cash benefits and in-kind consideration); and varying geographic locations. The case studies were located in Chicago, IL; North Chicago, IL; Mountain Home, TN; Vancouver, WA; Somerville, NJ; Moffett Field, CA; Beltsville, MD; Fort Howard, MD; Paris, France; Istanbul, Turkey, and Singapore. Because the 16 case studies were selected based on a non-probability sample, observations made based on our review of the 16 case study locations do not support generalizations about other EUL sites. Rather, the observations made provided specific, detailed examples of issues that were described by agency officials and lessees. We also interviewed agency officials at the local level and headquarters locations, and reviewed relevant laws describing agencies' EUL authorities and agency documentation, including agencies' regulations and guidance on enhanced use leasing. We visited the 9 case studies located in the U.S. to observe the properties firsthand, interviewed agency officials and lessees about their experience with EULs at these locations, and reviewed documentation regarding these properties. The case study EULs were located at NASA's Ames Research Center in Moffett Field, California, VA sites in Maryland, New Jersey and Washington state, and a USDA agricultural research center in Beltsville, Maryland. For the three State case studies we did not visit, we interviewed headquarters officials and reviewed relevant documentation including site-visit reports. For the four VA sites we did not visit in Chicago, Illinois, Chicago (West Side), Illinois; North Chicago, Illinois; and Mountain Home, Tennessee, we reviewed the agreements between VA and its lessees and the past work of the Congressional Budget Office and the VA's Office of Inspector General. We also interviewed OMB, CBO, and GSA officials to better understand government-wide views, guidance, and practices on enhanced use leasing.

[4]We excluded several of these agencies because they did not have EULs or EUL authority (Interior, Justice, and the St. Lawrence Seaway Development Corporation). GSA has EUL authority, but has not awarded EULs. Further, USPS and Tennessee Valley Authority officials told us that they do not consider their leases or leasebacks, respectively, as EULs. We also excluded DOD because we recently issued a report on its EUL program, GAO-11-574.

We conducted this performance audit from October 2011 to December 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: 16 Case Study Enhanced Use Leases by Location, Property Type, and Tenant Use

As shown in table 3, we reviewed 16 case study EULs. We reviewed 8 VA EULs, 4 from NASA, 3 from State, and 1 from USDA.

Table 4: EULs by Agency

Agency	Location	Agency property	EUL tenant use of property
VA	Somerville, NJ	Warehouse	Renovate warehouse
	Vancouver, WA	Vacant land	Construct health care facility
	Vancouver, WA	Vacant land	Construct housing
	Fort Howard, MD	Vacant land and buildings	Construct housing
	Chicago, IL (West Side)	Vacant land	Construct office space and parking facility
	Chicago, IL	Vacant land	Construct energy center
	Mountain Home, TN	Vacant land	Construct co-generation plant
	North Chicago, IL	Vacant land	Construct energy center
NASA	Moffett Field, CA	Animal research facility	Animal husbandry and research
	Moffett Field, CA	Warehouse	Electric vehicle research
	Moffett Field, CA	Vacant land	Construct multi-story office buildings and research and development space
	Moffett Field, CA	Hangar	Storage of satellite equipment
State	Istanbul, Turkey	Historic embassy compound	Restore and convert buildings, construct hotel
	Paris, France	Historically significant building	Restore building and lease office space
	Singapore	Embassy property	Build condominiums
USDA	Beltsville, MD	Greenhouse	Plant-based research

Source: GAO analysis of agency data.

Appendix III: Comments from the Department of Veterans Affairs

Note: GAO comments supplementing those in the report's text appear at the end of this appendix.

DEPARTMENT OF VETERANS AFFAIRS
Washington DC 20420

November 29, 2012

Mr. David Wise
Director, Physical Infrastructure
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Wise:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office's (GAO) draft report, ***"Federal Real Property: Improved Cost Reporting Would Help Decision Makers Weigh the Benefits of Enhanced Use Leasing"*** (GAO-13-14). VA supports the overall recommendation that OMB improve its guidance regarding costs associated with enhanced use leases (EUL).

Although VA supports efforts to improve guidance on costs associated with EULs, we believe that more cost reporting requirements and standardization should not be structured in such a way as to stymie the use of EUL authority. Increased standardization of EUL costs should not come at the expense of providing much needed services to Veterans.

Particularly given the current budgetary constraints, VA's EUL authority continues to serve as a significant tool for VA to provide services to Veterans, and to help achieve Secretary Shinseki's goal to end Veteran homelessness by 2015. It also enables VA to reduce its real property footprint, and contributes to the President's Federal real property initiatives, by reducing VA's inventory of underutilized and vacant assets. In addition, by providing Veteran housing and reducing VA's real property footprint, EULs enable VA to transfer operation and maintenance costs of underutilized real estate to EUL developers. This in turn frees up resources that VA can redirect towards serving Veterans.

VA needs to use all available tools at its disposal, including EUL and public/private partnerships, to manage our footprint and provide services to our Veterans.

VA appreciates the opportunity to comment on your draft report and is providing a technical comment.

Sincerely,

John R. Gingrich
John R. Gingrich
Chief of Staff

Enclosure

Enclosure

Department of Veterans Affairs (VA) Comments to
Government Accountability Office (GAO) Draft Report
"Federal Real Property: Improved Cost Reporting Would Help Decision Makers Weigh the Benefits of Enhanced Use Leasing"
(GAO-13-14)

Technical Comments:

See comment. 1.

Highlights Page, "What GAO Found", second paragraph, last two sentences: "Second, VA's has faced challenges regarding.........upfront in the federal budget."

VA recommended change:

"Second, VA's use of energy service agreements (ESA), which in conjunction with EULs, have replaced traditional utility contracts, have raised some scoring concerns from CBO. VA identifies utility costs in its annual budget submission. More pronounced Illumination of these agreements and associated costs in the budget; in additional to what is already provided to Congress, may better inform all parties."

Now on p. 11.
See comment 2.

Page 10, first bullet: Recommend inserting the following after the last sentence:

"VA is recalculating and updating EUL calculation methodology used to report expenses and benefits. The revised EUL lease consideration calculations, as directed by Public Law 112-154, will be reported in the FY 2014 Budget that will be released in February 2013."

Now on p. 14.
See comment 3.

Page 13, first bullet, last sentence: "However, VA officials......EUL program."

VA recommended change:

"However, VA officials said that they were unable to attribute EUL consultant costs to individual EULs, and consequently chose not to attribute them to individual EUL projects. Instead the costs are included as part of the overall management of the program. VA believes this treatment is appropriate because not all EUL consultant services and costs relate to one specific, contemplated EUL project, and not all EUL projects reach fruition (execution) due to issues/problems identified during the feasibility/due diligence/financing phases. Thus, VA believes that the overall "program management" costs need to be reported in VA's consideration reporting."

Now on p. 15.
See comment 4.

Page 13, last paragraph, last sentence: "VA officials said...........administrative cost category."

VA recommended change:

"VA officials said that the agency does not attribute costs associated with termination to its total EUL program costs because it attributes these costs to the cost of the overall program."

1

Now on p. 15.
See comment 5.

Enclosure

Department of Veterans Affairs (VA) Comments to
Government Accountability Office (GAO) Draft Report
"VETERANS' PENSION BENEFITS: Improvements Needed to Ensure Only Qualified Veterans and Survivors Receive Benefits"
(GAO-12-540)

Technical Comments:

Page 14, "Leaseback Costs", first paragraph: Recommend inserting the following after the last sentence:

"The acquisition of the second bay was independent of the initial requirement to store clothing for Homeless Veteran programs (the need was not identified at the time of lease execution), and conceptually could have been sited at some other medical facility in the VA system."

2

The following are GAO's comments on the U.S. Department of Veterans Affairs (VA) letter dated November 29, 2012.

GAO Comments

1. VA suggested changing this paragraph related to its energy programs. We edited the paragraph to align with the related text in the body of the report to which we added context on the different types of EULs that can include long-term government commitments, including those types described in VA's comment.
2. We made the changes suggested by VA.
3. VA indicated that it already reports its consultant costs associated with its EULs as part of its overall management costs. We continue to believe that VA should report all EUL costs as part of its EUL program specifically, including consultant costs.
4. VA indicated that it attributed termination costs to its overall program—but not its EUL program. We continue to believe that VA should report all EUL costs as part of its EUL program, including termination costs.
5. VA indicated that its leaseback of the second bay at Somerville was not identified at the time of lease execution, but this contention is not supported by the lease agreements.

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

David J. Wise at (202) 512-2834 or at wised@gao.gov

Staff Acknowledgments

In addition to the contact named above, Keith Cunningham, Assistant Director; Amy Abramowitz; Melissa Bodeau; Carol Henn; Hannah Laufe; James Leonard; Sara Ann Moessbauer; Lisa G. Shibata; and Crystal Wesco made key contributions to his report.

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