

GAO Highlights

Highlights of [GAO-19-33](#), a report to the Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

According to the U.S. Treasury, the government owns about \$1.3 trillion in “personal property” such as computers, furniture, and vehicles. Federal law authorizes agencies to exchange or sell personal property and retain the allowances or proceeds for replacing similar needed property. These are called “exchange/sale” transactions. GSA is responsible for issuing exchange/sale regulations and guiding agencies on the use of the authority.

GAO was asked to review agencies’ use of the exchange/sale authority. This report (1) describes what is known about personal property exchange/sale transactions from fiscal year 2013 through fiscal year 2017 and (2) examines selected agencies’ experiences using the exchange/sale authority and monitoring such activities. GAO analyzed multi-year data compiled by GSA OGP and found the data to be sufficiently reliable. GAO selected three agencies—GSA, the Army, and VA—based on the type, quantity, and value of personal property exchanged and sold; reviewed agencies’ personal property policies; examined agencies’ monitoring of exchange/sale activities; and interviewed their officials about personal property management.

What GAO Recommends

GAO is recommending that GSA OGP address agency confusion about the exchange/sale authority and that GSA clarify its responsibilities and the scope of its authority. GAO is also recommending VA revise its policy to address monitoring and communicate the revision to staff. Both agencies agreed with the recommendations.

View [GAO-19-33](#). For more information, contact Lori Rectanus at (202) 512-2834 or rectanusl@gao.gov.

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FEDERAL PERSONAL PROPERTY

GSA and VA Have Opportunities to Improve the Exchange/Sale Process

What GAO Found

According to data compiled by the General Services Administration’s Office of Government-wide Policy (GSA OGP), 27 agencies executed exchange/sale transactions, governed by statute and GSA regulations, to exchange (trade-in) or sell personal property from fiscal year 2013 through fiscal year 2017. The 27 agencies reported transactions totaling about \$3.1 billion. Vehicle sales accounted for \$2.6 billion (about 84 percent) of that total.

Examples of High-Value “Personal Property” Items



Source: GAO. | GAO-19-33

GAO found that GSA officials who procure vehicles for federal agencies and Army officials who purchase helicopters appeared to understand the exchange/sale process and used it frequently. However, Department of Veterans Affairs (VA) officials expressed confusion about key aspects of the authority. For example, officials were unclear about how to sell property; this lack of clarity led to missed opportunities to use sale proceeds for replacing property. GSA OGP officials who guide agencies on the use of the authority acknowledged that the exchange/sale regulations can be confusing but GSA’s plan to amend them is at least 2 years away. Because GSA does not plan to address this confusion in the near term through other means such as bulletins or outreach, agencies’ misunderstanding of the authority could lead to additional missed opportunities to be effective stewards of government funds.

Regarding monitoring of exchange and sale activities, GAO found that the Army monitored activities consistent with its policy. However, GSA and VA performed limited monitoring because:

- GSA had not clarified its responsibilities or defined the scope of its authority for monitoring internal GSA exchanges and sales, and
- VA did not have a detailed policy for monitoring and had not communicated information about monitoring to pertinent employees.

Until GSA clarifies its responsibilities and the scope of its authority and VA revises its policy with pertinent details and communicates this information to staff members, neither agency will be positioned to sufficiently monitor exchange/sale activities.