



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

~~4.14.102~~

74-0399

PROCUREMENT AND SYSTEMS  
ACQUISITION DIVISION

B-180063

APR 5 1974

The Honorable Arthur F. Sampson  
Administrator, General Services  
Administration

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Dear Mr. Sampson:

We have examined certain companies' practices in selling to the Federal Government. Typically these practices involve offers of premiums, such as small electrical appliances, as an inducement to employees to purchase the companies' products. The Wisconsin Department of Justice's investigations of premiums given by chemical companies to municipal employees have resulted in 22 convictions on 100 felony counts of bribery and extortion as of February 8, 1974. Additional investigations being conducted in several other States have established that the practice is widespread within local governments.

In reviewing the purchasing activities at 11 Federal installations and contracts for selected chemical products placed on the Federal Supply Schedules, we found 28 instances in which premiums were offered to Federal purchasing agents through brochures or catalogs. (See example enclosed.) In our test we did not find that the Federal employees accepted the premiums. Of course it is difficult to determine whether procurement personnel have accepted premiums.

Under the circumstances it would seem appropriate for your agency to advise Federal purchasing offices of the selling practices used by some suppliers and caution them as to the penalties involved in accepting such gifts. Also, you may wish to consider obtaining information on transactions with chemical suppliers at selected purchasing offices to assess whether further action is warranted.

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B-180063

Please let us know what actions you consider necessary on this matter.

Sincerely yours,

A handwritten signature in black ink, appearing to read "R. W. Gutmann". The signature is written in a cursive style with a horizontal line underlining the name.

R. W. Gutmann  
Director

Enclosure

BUILDING  
MAINTENANCE

**MIAIRIK** MANUFACTURING  
CORPORATION

AUTOMOTIVE  
CLEANERS

MUNICIPAL SUPPLIES

Dial (919) 294-1601

P. O. Box 10124

AEROSOLS

*Industrial Chemicals*  
GREENSBORO, NORTH CAROLINA 27404

## OKAY - YOU WIN We'll do it some more

We started this last year and it has been a huge success. In case you have forgotten, we are the company giving away Panasonic Television's and Bulova Accutron Watches. (See brochures)

We do this instead of having a salesman call on you and therefore can pass this savings on to you in the form of a gift.

The Panasonic Corporation and the Bulova Watch Company want you to have their products in your home or, if you desire, donate them to your local hospital, church, school, or childrens home.

It's very simple, with every drum you order, you get one gift of your choice. There's no limit, if you order three drums you can choose three gifts absolutely free.

As you probably know by now, our products are outstanding and competitively priced. The gifts are fantastic and are also guaranteed by the manufacturer. They will be shipped to the address you specify within thirty days from date of order - if not, your chemicals are free.

Just fill out the enclosed order form on the back of our self addressed envelope. If you have any questions, you may call, and ask for Mr. Jerry Barrett at the above number.

ENCLOSURE

BUILDING  
MAINTENANCE  
  
MUNICIPAL SUPPLIES

**MAIRIK MANUFACTURING CORPORATION**

*Industrial Chemicals*

Dial (919) 294-1601 P. O. Box 10124

GREENSBORO, NORTH CAROLINA 27404

Please send merchandise checked to this address.

AUTOMOTIVE  
CLEANERS

AEROSOLS

## PRODUCT LIST

<u>PRODUCT</u>	<u>PRICE</u>	<u>UNIT</u>
<b>SA - 33</b> Non-selective weed killer. The complete soil sterilant. Contains 40% sodium arsenite. Dilute one part SA - 33 to nine parts water. E. P. A. Reg. No. 1421 - 74.	\$3.95 gal.	65 gal. drum
<b>WK - 88</b> A new innovation in non-selective weed killers. NON-TOXIC. Apply 43.5 gallons of WK - 88 per acre of land. E. P. A. Reg. No. 1421 - 460.	\$5.50 gal.	65 gal. drum
<b>2, 4 - D</b> Kills weeds yet does not affect the growth of most grasses when properly used. Affords good control of water hyacinths. Dilute 40 - 1.	\$4.50 gal.	65 gal. drum
<b>2, 4 - D CONCENTRATE</b> Same as 2, 4 - D but in concentrated form. Dilute 80 - 1.	\$8.00 gal.	65 gal. drum
<b>AQUATIC WEED KILLER</b> A contact, non-selective vegetation killer for the control of broadleaf weeds, grasses and aquatic weeds.	\$7.70 gal.	65 gal. drum
<b>GRANULAR WEED KILLER</b> An outstanding soil sterilant - free flowing powder.	\$39.00 cwt	(min. 500 lbs.)

WEED KILLERS

<b>BRASS DIP</b> This product cleans and brightens all metals.	\$4.50 gal.	65 gal. drum
<b>MARK SHINE</b> Truck and car wash - Cleans and polishes. Contains just enough wax to leave a protective shine.	\$2.95 gal.	65 gal. drum
<b>MOTOR "O"</b> Odorless Heavy Duty Motor Cleaner - Dilute with kerosene or mineral spirits according to condition of motor. Wash off with water after 10 or 15 minutes. Excellent degreaser.	\$3.20 gal.	65 gal. drum
<b>STEAM CLEANER</b> A Heavy Duty steam cleaner. Dilute 1 qt. to 10 gallons water.	\$2.95 gal.	65 gal. drum
<b>STEAM CLEANER - LIGHT WEIGHT</b> Will not harm paint, but very effective on grease and grime.	\$2.80 gal.	65 gal. drum

AUTOMOTIVE



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

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APR 5 1974

FEDERAL PERSONNEL AND  
COMPENSATION DIVISION

B-177952



The Honorable Howard H. Callaway  
The Secretary of the Army

Dear Mr. Secretary:

We recently completed a study of the Army's Enlisted Evaluation System at the Enlisted Evaluation Center, Fort Benjamin Harrison, Indiana. We also inquired into the use of the system at two field installations in Kentucky, Fort Campbell and Fort Knox.

The Enlisted Evaluation System is part of the Army's Enlisted Personnel Management System. Army Regulation 600-200 says that its purpose is to provide an objective measurement of the military and technical competence of enlisted personnel to perform duties in their assigned military occupational specialties (MOSs). Evaluation scores are used with other information as a basis for personnel actions and for other management actions, such as developing individual and unit training plans pertaining to areas covered by MOS evaluation tests.

The Evaluation process consists of (1) an MOS evaluation test and a performance test, when applicable, to measure an individual's ability to solve typical problems encountered in his MOS assignments and to apply information considered essential for performing in job situations, and (2) one or more Enlisted Efficiency Reports which represents a supervisor's appraisal of certain professional characteristics, duty performance, and advancement potential. The evaluation score is obtained by combining test scores and scores assigned to the Enlisted Efficiency Reports.

Center officials estimated that in fiscal year 1970 the system cost about \$7.5 million, including about \$1.9 million for operating the Center and \$5.6 million for pay of (1) personnel who prepared and administered the tests (\$3.0 million) and (2) personnel tested (\$2.6 million).

Prior to our study the Army Audit Agency had examined the Center's operations as part of its Army-wide audit of certain aspects of the Volunteer Army. It concluded that administrative refinements in the system were needed and that the Deputy Chief of Staff for

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Personnel should require commanders, personnel officers, and test control officers to take appropriate action to insure that all eligible personnel are tested in their MOSs.

We observed some conditions we are bringing to your attention, primarily absenteeism of enlisted personnel at the test, compromise of test security, and limited use of test results to evaluate training. We also noted that the evaluation system does not have the impact on enlisted personnel promotion decisions which Army Regulation 600-200 and Pamphlet 611-8 imply. Even though the Army has recognized these conditions as problems and is taking some steps to correct them, we believe that your support is needed if the objectives of the system are to be achieved.

These matters are discussed in more detail below.

#### TEST ABSENTEEISM

The Army requires an annual evaluation of all eligible personnel in primary MOSs, and every second year in secondary MOSs. To be eligible for evaluation the individual must fulfill the following criteria: (1) have completed 16 months of active duty, irrespective of pay grade; (2) be on an enlistment which, when completed, will aggregate 3 or more years of total active duty; and (3) have held his primary MOS at least 90 days immediately prior to testing.

The Army Audit Agency reported that in fiscal year 1972 about 50,000 eligible soldiers (14 percent) missed their scheduled MOS tests, most without valid excuses. Test officers at Fort Campbell told us that in August 1973 nearly 98 percent of the eligible soldiers were tested, but that usually between 60 and 70 percent do not show up on the day scheduled for testing. At Fort Knox a report showed that about 15 percent of the eligible soldiers were not tested in the May 1973 test period.

Test Control Officers at these installations told us they believed that unit commanders do not fully understand or emphasize the importance of the testing program and that this gives rise to absenteeism.

To correct the absentee problem the Center is reemphasizing to unit commanders the importance of the testing program. Also, the Army is revising its regulations to make more explicit the provisions requiring soldiers to be tested and to emphasize the need for appropriate action when soldiers fail to attend scheduled MOS tests without valid excuses.

#### TEST COMPROMISE

The number of MOS test compromises, i.e., acquisition of copies of tests by unauthorized persons, seems to be increasing. During the

1960s the average number of compromise cases reported was about 12 a year. During the first six months of calendar year 1973, 35 cases of suspected compromise were reported. Center officials told us that they believed this had occurred because prescribed security and control procedures had not been followed. Adverse effects of test compromise include the (1) cost of revising the tests, (2) possible failure of the system to rank soldiers objectively, and (3) risk that soldiers will lose confidence in the equity of the system.

The Center has sent test control officers letters focusing on this problem as well as extracts of a special report on the subject prepared by a Center psychologist. The Center has also developed computer programs to identify scores reflecting abnormal improvement for investigation by installation commanders, and it is experimenting with non-reproducible inks for printing MOS tests. Starting in fiscal year 1974, the Army Inspector General's Office has made inspection of security procedures at test control offices part of its regular inspection program.

#### USE OF TEST RESULTS BY TRAINING OFFICERS

The Center sends a quarterly report to operation and readiness officers summarizing MOS test results. This report compiles scores in each major area tested and may indicate a need to adjust training programs or emphasis. The report also compiles scores of groups of soldiers within units when 10 or more soldiers were tested in the same MOS code. The training officers we interviewed agreed that the report should be useful to them, but some were not receiving the report or were not using it to analyze their training programs.

The Center is attempting to improve the value of its summary of MOS test results. The Center has revised the report format to provide more specific information on areas of weaknesses and is sending the report to units where five or more soldiers were tested in the same MOS code. The Center also has prepared a new instruction sheet to enable training officers to use the test results more effectively.

#### EFFECT OF THE SYSTEM ON PROMOTIONS

Although one stated purpose of the system is to provide an objective measurement of the competence of personnel to perform duties in their assigned MOSs, the system does not appear to have much impact on decisions to promote eligible enlisted personnel.

Shown below are the nine elements listed on the promotion point worksheet, a form prepared for soldiers being considered for promotion through pay grade E-6.

	<u>Maximum Points</u>
Time in service	100
Time in grade	100
Evaluation score	150
Civilian education	100
Military education	125
Physical requirements	25
Commander's evaluation	100
Awards and decorations	50
Promotion board points	<u>250</u>
	<u>1,000</u>

The evaluation score (60 percent representing evaluation test scores and 40 percent representing Enlisted Efficiency Report ratings) is the most objective measurement of performance, yet it accounts for a maximum of only 150 points (15 percent) of a possible 1,000 points on the promotion point worksheet. The other elements are more subjective measurements or are associated with time.

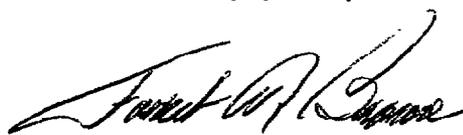
If the evaluation system is to achieve the stated purpose of providing an objective measurement of the competence of enlisted personnel and if soldiers are to take the system seriously, it seems reasonable to expect that more weight should be given to this measurement in the promotion decision process than now is the case.

The Enlisted Evaluation System appears to provide the Army with an objective evaluation means which could be used more effectively. Actions already taken should result in improvements in the system's operation, but we believe the system will not achieve its purpose without the active support of field installation and unit commanders. This support is not likely to be forthcoming as long as the system is perceived as primarily the responsibility of the Center rather than the responsibility of each operating command and subordinate unit.

You may wish to study in more detail the matters discussed above to strengthen the role of this system as part of the Army's overall personnel management system.

We would appreciate receiving your comments and being advised of any further action taken or planned. We appreciate the cooperation and courtesy of Army officials during this study. If you have any questions or desire further information, we would be pleased to meet with you or your staff.

Sincerely yours,



Forrest R. Browne  
Director